



# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Meeting Agenda

### City Council

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Tuesday, March 6, 2018

6:00 PM

Council Chambers

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#### Work Session (Senior Center) and Regular Meeting

#### WORK SESSION AGENDA - 6:00 pm

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

1. [Work Session: Valdez Senior Center](#)

#### REGULAR AGENDA - 7:00 PM

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PUBLIC APPEARANCES

1. [Dorothy M. Moore - Regional Citizens' Advisory Council Report](#)

V. PUBLIC BUSINESS FROM THE FLOOR

VI. NEW BUSINESS

1. [Approval of 2018 Legislative Priorities](#)

**Attachments:** [2018 State Legislative Priorities.doc](#)

2. [Approval to Purchase a Caterpillar 966M Loader from NC Machinery with Accessories in the Amount of \\$321,348.37](#)

**Attachments:** [NC Machinery 966M Quote](#)

3. [Approval of Contract Change Order #2 with John Lynch & Associates, LLC for Information Technology Services in the Amount of \\$86,000](#)

**Attachments:** [John Lynch Change Order #2.doc](#)  
[John Lynch Contract.pdf](#)

VII. ORDINANCES

1. [#18-02 - Amending Title 1 Chapter 1.08 of the Valdez Municipal Code Titled General Penalty- Continuing Violations. Second Reading. Adoption.](#)

**Attachments:**      [18-02 Amending Title 1.doc](#)

## VIII. RESOLUTIONS

1. [#18-07 - Amending the 2018 City Budget by Transferring \\$50,000 from General Fund Balance to Reserve Funds and Appropriating \\$50,000 to the SHARP III Tuition Reimbursement Program. RECONSIDERATION](#)

**Sponsors:**      City Council

**Attachments:**      [2018 Budget Resolution SHARP III.docx](#)

[Pages from Providence Community Partnership Gift Letter SHARP III.pdf](#)

2. [#18-08 - Adopting the City's 457\(b\) Deferred Compensation Plan Restatement Document with Mass Mutual](#)

**Sponsors:**      City Council

**Attachments:**      [Resolution adopting 457 deferred comp plan document.docx](#)

[Exhibit A - 457 Plan Document.pdf](#)

3. [#18-09 - Amending the 2018 City Budget by Transferring \\$41,000 From Technology Reserve to General Fund/Information Services Department for Contracted Interim Department Director Services](#)

**Attachments:**      [#18-09 Budget Resolution IT Interim Director.doc](#)

## IX. REPORTS

1. [Treasury Report - December, 2017](#)

**Sponsors:**      City Council

**Attachments:**      [Treasury Report - December, 2017.pdf](#)

2. [Community Development - Annual Report](#)

**Attachments:**      [2017 Community DevelopmentAnnual Report](#)

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

1. City Manager Report
2. City Clerk Report
3. City Attorney Report
4. City Mayor Report

1. [Mayor's Report - March 6, 2018](#)

Attachments: [Mayors Report March 6 2018.pdf](#)

XI. COUNCIL BUSINESS FROM THE FLOOR

XII. ADJOURNMENT



## Legislation Text

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**File #:** 18-0102, **Version:** 1

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**ITEM TITLE:**

Work Session: Valdez Senior Center

**SUBMITTED BY:** Sheri Pierce, MMC, City Clerk

**FISCAL NOTES:**

Expenditure Required: [Click here to enter text.](#)

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: [Click here to enter text.](#)

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

This work session is a continuation of the discussion items from the meeting of February 20<sup>th</sup>.  
Discussion will be as follows:

1. Facility Projects
  - a. Projects in Process
  - b. Facility Concerns
2. Budget for Facility Maintenance and Upgrades
  - a. VSC Maintenance Budget
  - b. Apartment Upgrades



## Legislation Text

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**File #:** 18-0103, **Version:** 1

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**ITEM TITLE:**

Dorothy M. Moore - Regional Citizens' Advisory Council Report

**SUBMITTED BY:** Sheri L. Pierce, MMC, City Clerk

**FISCAL NOTES:**

Expenditure Required: [Click here to enter text.](#)

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: [Click here to enter text.](#)

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

Dorothy M. Moore, President, Regional Citizens' Advisory Board will take this opportunity to update the council on current RCAC projects and activities.



## Legislation Text

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**File #:** 18-0104, **Version:** 1

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**ITEM TITLE:**

Approval of 2018 Legislative Priorities

**SUBMITTED BY:** Sheri Pierce, MMC, City Clerk

**FISCAL NOTES:**

Expenditure Required: [Click here to enter text.](#)

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: [Click here to enter text.](#)

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

The attached 2018 legislative priorities include statements of support for resolutions adopted at the meeting of the Alaska Municipal League in November along with statements of priorities specific to the City of Valdez based on input from the city council and city administration.

Members of the City Council and administrative staff will be distributing the 2018 legislative priorities document and meeting with the Governor, Legislators and pertinent Commissioners during their trip to Juneau the week of March 11<sup>th</sup>.



## City of Valdez, Alaska 2018 State Legislative Priorities

### KEY:

- ❖ = AML Adopted Resolutions
- ✓ = City of Valdez Priorities

### State Legislation/Regulation/Programmatic Priorities:

- ❖ Legislative Adoption of Sustainable Budget Plan: The Alaska Municipal League and the Alaska Conference of Mayors support a Legislative adoption of a sustainable budget plan that does not rely primarily on cuts, but on new sources of revenues. Mayors from around Alaska united to encourage the Legislature to achieve a sustainable and balanced budget during the fourth special session. Once again, the Legislature could not agree on a sustainable path forward. The inability to agree on a comprehensive statewide solution has put our local economies and, therefore, the State's economy at risk. Deep cuts that adversely impact public safety, transportation, education and other key services have begun to erode the reasons that so many Alaskans live in this great state, and may also limit the private sector's ability to recruit and retain the workers that have made our economy strong. Many smaller Alaskan communities, already in financial distress, are feeling the budget cuts very acutely. We urge you to take this opportunity to solve the deficit that is crippling our economy by drawing from the Permanent Fund earnings and generating revenue with some combination of one or more broad-based taxes that balance the diverse economic conditions throughout our vast state. This is a unique time in Alaska's history and passing a sustainable and balanced budget is critically important for the continued growth and prosperity of Alaska.
- ❖ Revenue Sharing (Community Assistance): While Community Assistance was scaled back to \$30 million during last years' session, that amount remains a small part of the State's yearly budget. While appreciative of the \$30 million, we encourage the State to increase this amount as many State services have been transferred to local municipalities. We must not be in a position of watching the State make cuts in order to avoid taxation, causing us no choice but to raise costs to local taxpayers.
- ❖ PERS/TRS/TERMINATION STUDY FIX: As the State continues to find ways to decrease their expenditures, one of the means discussed is often the past liability of the PERS/TERS systems. Municipalities continue to pay 22% of

salary on the past and current service costs. Municipalities, however, cannot afford to pay any more of this State controlled plan. We encourage the legislature to work toward a solution to the termination study costs which leave municipalities unable to manage their workforce, especially in this time of severe cuts to municipalities.

- ✓ Statewide Energy Policy: As progress continues on a large diameter LNG pipeline, the State must also concurrently develop a comprehensive strategy to maximize the distribution of that energy outside the pipeline corridor, and to dedicate appropriate revenues from the sale of that gas to support other energy projects serving all areas of Alaska.
- ✓ Alaska Marine Highway System: The City of Valdez supports the findings of the AMHS Governance Study overseen by Southeast Conference. The recommended governance model includes 1) creation of a public corporation to manage AMHS; 2) maintain State ownership of AMHS assets; and 3) interim enhancement as Line Agency of State Government. The City of Valdez is committed to finding a statewide solution for AMHS and has contributed \$10,000 to this effort.

The City of Valdez supports Governor Walker's supplemental funding request embodied in House Bill 286, which provides the necessary funding to ensure AMHS operations for the balance of SFY2018. We urge the House Finance Committee to ensure that the Alaska Marine Highway System has the necessary resources to fully operate throughout the current fiscal year and into the future.

- ✓ Alaska Tourism Marketing: The City of Valdez encourages a strong investment by the State of Alaska in a Statewide Tourism Marketing Program. Valdez supports the efforts that the Alaska Travel Industry and the Alaska Tourism Marketing Board are taking to create a new sustainable marketing funding formula in the form of a Tourism Investment District.
- ❖ State Harbor Grants: The state has established a Harbor Facility Grant program (AS 29.60.800) to provide 50% of construction costs for local harbor maintenance and upgrade projects. Local governments must fund all design costs and half the construction cost. In an environment of shrinking capital dollars, this program should be fully funded by the state as it evaluates projects against standard criteria for prioritization and significantly leverages available state funding. If funding the grant program is not possible, the City encourages the State to bond for port and harbor projects as a means to further strengthen these economic engines around Alaska.
- ✓ Community Jails: Maintain funding at the 2018 level. Continue working with the Department of Corrections to conduct electronic monitoring for both post-conviction and pre-trial releases. Strive towards a local model of supervision and identify additional areas in which the community jail can better be utilized



to maximize efficiency, diversify services provided, and partner with the State of Alaska to produce the most cost effective solution.

- ❖ Real Property Sales Disclosure: The Alaska Association of Assessing Officers (AAAO) overall goal is to promote the fair and equitable distribution of the property tax burden which funds local governments.
- ❖ Provisions for Enhanced Local Control in the Issuance of Alcohol Beverage Licenses and Permits within First Class and Home Rule Municipalities: Amendments to Title 4 of the Alaska State Statutes which would provide for maximum local self-government to include establishing a mechanism for first class and home rule municipalities to participate in determining the appropriate number and types of alcoholic beverage licenses and permits in their communities.
- ❖ Support of Proposed Changes to Alaska Statutes Chapter 30.30 and 05.25 Improving the Management and Prevention of Derelict Vessels: The proposed changes will improve communication and coordination between Alaska's harbors and state and federal agencies, directly leading to decreased costs associated with managing derelict vessels.
  - ✓ Maintaining Local Alaska Wildlife Trooper Position: Maintaining the Valdez post for an Alaska Wildlife Trooper (AWT) is vitally important to the regional fishing community of Valdez and Prince William Sound. Valdez is home to 41 permit holders and homeport to 91 vessels participating in various commercial fisheries. The local AWT provides:
    - Regulation enforcement and protection of wild and hatchery fishery resources in Valdez and Prince William Sound. Port Valdez and Valdez Arm are home to one of the largest purse seine salmon fisheries in Alaska. Up to 200 commercial vessels fish each summer in close proximity to the Solomon Gulch Hatchery, the Alyeska Marine Terminal and regulatory closed waters. The on-water presence of the Valdez AWT is essential to ensure an orderly fishery and maintain established boundaries for resource protection and marine traffic.
    - Regional enforcement of hunting regulations in Prince William Sound and the Copper Basin
    - Local Valdez fishery registration, administrative and education needs.

As it the position relates to interagency work with the Valdez Police Department (VPD) having the AWT stationed in Valdez is not a luxury – it is a necessity. The local AWT is responsible for enforcement of area fishing and hunting regulations. Without this on-water presence there would be no enforcement as the VPD lacks both the vessel and personnel to staff it.

The local AWT acts as a liaison and resource for the VPD to contact larger State resources when necessary. Without this position the closest law enforcement officer, other than VPD, is a State Trooper (AST) stationed in Glennallen – 120

miles away. Often this distance is further as AST jurisdiction out of Glennallen reaches as far away as Paxson, Palmer and Tok.

VPD Dispatch is contracted to dispatch calls to the local AWT. This means he is able to hear radio traffic and activity of the VPD. Correspondingly, VPD is tied into the AWT radio traffic as well. This provides a measure of local knowledge and security when he must individually contact people. The AWT is also routinely used as a force multiplier during more significant events. He is locally trained to help respond to Active Shooter and Domestic Violence situations.

- ✓ Alaska Department of Fish & Game Budget: The Legislature must recognize the need for a balanced approach to budget reductions that create minimal impacts on the core functions of fisheries resource management. Valdez and Prince William Sound fishermen rely on these functions to provide for maximum fishing opportunity and sustainable resource management. Key elements include:
  - Maintaining adequate staffing levels in Prince William Sound to provide for effective and dedicated fisheries management;
  - Full funding for in-season data collection through aerial surveys, stream assessments and other methods. This establishes accurate in-season reporting to provide the tools necessary to maximize fishing time and area for Valdez and PWS fishermen;
  - Ensure budget reductions do not reduce or eliminate economic opportunity for industry and resource users; and
  - Continued support for ongoing research projects.
- ✓ Alaska Seafood Marketing Institute: The functions and programs of the Alaska Seafood Marketing Institute (ASMI) are vital to the promotion of Alaska's seafood resources and the development of new markets for local seafood producers. Any future budget reductions must fully consider the impacts to ASMI's ability to effectively promote the benefits and sustainability of Alaska's seafood products.
- ✓ Expand Incentives for Community Development: State laws regarding taxation need to be revised to allow local jurisdictions the ability to develop their own tax-based incentive tools for community development and redevelopment. Across the country, states and local jurisdictions utilize tax-based incentives to achieve the goals of community and neighborhood plans. One example is the Multi-Unit Housing Tax Incentive laws in Washington state that give local jurisdictions the ability to encourage multiple-unit housing development and redevelopment in targeted areas, and at no cost to state government. As implemented in Tacoma, WA, this incentive program stimulates housing development in their downtown and other targeted neighborhoods by providing property tax exemptions on qualifying multi-family housing construction, conversion, or rehabilitation improvements. The City of Valdez joins with the Municipality of Anchorage respectfully requesting state

legislation that authorizes tax-based incentives for local jurisdictions similar to the example set in Washington and that of HB 374, which received a broad coalition of support from both public and private stakeholders and was introduced and passed by the Alaska House of Representatives during the 2016 State Legislative Session.

### Other Ongoing Important Issues:

South Central Alaska Port Maximization – The Port of Anchorage is a critical port; however the staggering capital and maintenance costs of this port are excessive and non-sustainable. It also puts all our eggs in one basket in the event of a disaster and fails to spread jobs and economic impact to other areas of the state. The infrastructure exists in other South Central Alaska ports (like Seward and Valdez - especially for Interior Alaska) to diversify this traffic. A more strategic allocation of resources is needed to develop and sustain port networks. The State is encouraged to evaluate cost benefit ratios for investing in other South Central ports before allocating such huge sums of money to only Cook Inlet.

East Alaska (Richardson Highway) Transportation Corridor – The State is encouraged to recognize the strategic importance of improving and maintaining the infrastructure of the East Alaska Transportation Corridor (Richardson Highway). In the event of any emergency that resulted in the incapacity of the Parks Highway Corridor, alternate means for connecting the state must remain available. Developing and maintaining this capacity will require a long-term commitment to allocate resources appropriately. To this end, the City of Valdez supports the AML position calling for the dedication of funds for the Alaska Transportation Infrastructure Fund and within such a fund, an increased importance placed on the strategic investment of resources to include necessary maintenance and upgrades to the Richardson Highway.

### Education Priorities:

The City of Valdez fully supports the following priorities outlined by Valdez City Schools.

- TRS/PERS;
- Extend Reserves beyond 10%;
- Intensive Services Funding portability;
- Predictable funding (keeping the School District whole); and
- Early Childhood Funding



## Legislation Text

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**File #:** 18-0105, **Version:** 1

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**ITEM TITLE:**

Approval to Purchase a Caterpillar 966M Loader from NC Machinery in the Amount of \$321,348.37.

**SUBMITTED BY:** Robert Comstock, Public Works Director

**FISCAL NOTES:**

Expenditure Required: \$321,348.37

Unencumbered Balance: \$350,000.00

Funding Source: 350-0400-58000

**RECOMMENDATION:**

Approval to Purchase a Caterpillar 966M Loader from NC Machinery in the Amount of \$308,209.75, with chains, radio and freight in the amount of \$13,138.62 for a total purchase price of \$321,348.37.

**SUMMARY STATEMENT:**

This loader is in the 2018 City of Valdez, Major Equipment Budget under the Streets department and will be purchased using the current State of Alaska Procurement Contract. With the City being able to purchase this loader off of the State Contract we will see a very significant savings (almost \$100,000) versus normal government pricing on this machine. The State Contract for Cat 966M wheel loaders will expire in the fall of 2018.

This new loader will be replacing a 2008 966H loader with 3,820 hours that will be sold as surplus, resulting in no increase to the fleet. This loader is being replaced in accordance with the 10 year Major Equipment replacement schedule and the new loader will be given a 7 year rotation and evaluated at that time for condition and value.

<b><u>Equipment and Vendor</u></b>	<b><u>Amount</u></b>
Cat 966M- NC Machinery	308,209.75
Pewag Chains- Glacier Chains	11,968.62
Radio-Articom	670.00
Freight	500.00
<b>Total Cost with accessories</b>	<b>\$321,348.37</b>

**NC MACHINERY**



February 21, 2018

CITY OF VALDEZ  
BPO 67915  
ATTN ROB COMSTOCK  
VALDEZ, Alaska 99686-0307

Attention: ROB COMSTOCK

**RE: Quote 195356-01**

We would like to thank you for your interest in our company and our products, and are pleased to quote the following for your consideration.

One (1) New Caterpillar Model: 966M Wheel Loader with all standard equipment in addition to the additional specifications listed below:

**STOCK NUMBER:** NEW - TBD

**SERIAL NUMBER:** NEW - TBD

**YEAR:** 2018

**SMU:** NEW

**STANDARD EQUIPMENT**

**POWERTRAIN** - Brakes, full hydraulic enclosed wet-disc with Integrated Braking System - Brake wear indicators - Engine, CAT 9.3 - CAT Clean Emissions Module (CEM) w/ Diesel Particulate Filter (DPF), remote Diesel Exhaust Fluid (DEF) tank & pump - Fan, radiator, electronically controlled, hydraulically driven, temperature sensing, on demand - Economy Mode (for fuel reduction) - Fuel priming pump (electric) - Fuel/Water separator - Precleaner, engine air intake - Parking Brake, disk & caliper - Switch, transmission neutralizer lockout - Torque converter, locking clutch with free wheel stator - Transmission, automatic planetary power shift (4F/4R) -

**ELECTRICAL** - Alarm, back-up - Alternator, 145-amp brushed - Batteries (2), maintenance free 1400CCA - Ignition key; start/stop switch - Lighting system: - 2 forward roading lights (low/high beam with turn signals) - 2 rear facing working lights in hood - 2 LED position/stop/turn lights - 4 working lights on the cab - Main disconnect switch - Receptacle start (cables not included) - Starter, electric, heavy duty - Starting and charging system (24-volt) -

**OPERATOR ENVIRONMENT** - Air conditioner, heater, and defroster (auto temp & fan) - Beverage holders (2) with storage compartment for cell phone/MP3 player - Bucket/Work tool function lockout - Cab, pressurized and sound suppressed, (ROPS/FOPS), radio ready (entertainment) includes antenna, speakers & converter (12-volt 10-amp) - Coat hook (2) - EH Controls, lift and tilt function - EH Parking Brake - Ergonomic cab access ladders & handrails - Horn, electric - Light, two dome (cab) - Mirrors, rearview external with integrated spot mirrors - Post mounted membrane 16 switch keypad - 2 receptacles, 12-Volt - Seat, Cat Comfort (cloth) air suspension - Seat belt, retractable - Steering, speed sensing with force feedback - Sun visor, front - Wet-Arm wipers/washers front & rear, intermittent front wiper - Window, sliding (left and right sides) - Viscous mounts - COMPUTERIZED MONITORING SYSTEM - With following gauges: - Speedometer/Tachometer - Digital gear range indicator - DEF (Diesel exhaust fluid) level - Temperature: engine coolant, hydraulic oil, transmission oil - Fuel level - With following Warning Indicators: - Regeneration - Temperature: axle oil, engine intake manifold - Pressure: engine oil, fuel Pressure - Hi/Low, primary steering oil, service brake oil - Battery voltage Hi/Low - Engine air filter restriction - Hydraulic oil filter restriction - Hydraulic oil Low - Parking brake - DEF low level - Transmission filter bypass - MULTI-FUNCTION MONITOR: - 7 in color LCD touch-screen display - Rear-view camera image display (reverse travel activated) - Machine settings & health parameters - CAT CONNECT (on-board, utilizing multi-function monitor) - Core App software to monitor & display: - Total fuel consumption - Average fuel burn rate - Engine fuel consumption - Total idle time - Total operating hours - Travel distance (odometer) - Basic App software to monitor & display: - Total idle fuel - Total operating hours, neutral - Total operating hours with hydraulic filter in bypass -

**OTHER STANDARD EQUIPMENT** - Auto idle shutdown - Couplings, Caterpillar O-ring face seal - Ecology drains for engine, transmission, and hydraulics - Ether aid ready - Filters: fuel, engine air, engine oil, hydraulic oil, transmission - Fuel cooler - Grease zerks - Hitch, drawbar with pin - Hood, non-metallic power tilting - Hoses, Caterpillar XT - Hydraulic oil cooler (swing out) - Hydraulic System, load sensing - Kick out, lift & tilt, automatic (adjustable in cab) - Linkage, Z-Bar, cast cross tube/tilt lever - Oil sampling valves - Platform, window washing - Radiator grill, airborne debris - Remote diagnostic pressure taps - Service Center (electrical & hydraulic) - Sight gauges: engine coolant, hydraulic oil, and transmission oil level - Toolbox - Vandalism protection cap locks

**MACHINE SPECIFICATIONS**

966M WHEEL LOADER	361-1910
REGIONAL PACKAGE, AM-N	509-9602
STANDARD PACKAGE	506-4542
STANDARD LIFT LINKAGE	506-2533
COUNTERWEIGHT, 1000KG	367-2330
AXLES, AUTO DIFF FRONT AND REAR, ECOLOGY DRAINS, EXTREME TEMP SEALS	434-3952
2 VALVE HYDRAULICS, RIDE CONTROL	500-2558
STANDARD HYDRAULIC OIL	396-4672
COLD STARTING, (120V)	506-4546
PREMIUM LED LIGHTS	506-2541
CAB TRIM, HEATED (LHD)	505-1515
SINGLE AXIS LEVERS, 2V, LHD	495-0865
SEAT BELT, 3" W/INDICATOR	450-1592
STANDARD STEERING	372-6549
PRODUCT LINK, SATELLITE PLE631	434-0693
COOLING CORES, 9 FPI	364-9907
STANDARD FAN	506-2531
-58F ANTIFREEZE	423-2666
TIRES, 26.5R25 BRIDGESTONE VJT * L3	475-6250
STANDARD WINDOWS	493-9621
STANDARD PRECLEANER	505-1520
STANDARD AIR INLET RAIN CAP	324-8092
FENDERS, BASIC +	464-6677
NON-METALLIC HOOD	391-5800
STANDARD SOUND SUPPRESSION	422-1636
QUICK COUPLER READY	372-7403
CB RADIO READY	372-1603
RADIO, AM/FM/USB/MP3 BLUETOOTH	372-1600
POWERTRAIN GUARD	367-9030
FUSION QUICK COUPLER	310-9390
FLAT BACK HOOK	315-6309
CAT 5 YEAR / 5000 HOUR POWERTRAIN WARRANTY - TECH TRAVEL TIME AND MILEAGE NOT INCLUDED	
NEW MACHINE PREP / COLD WEATHER PREP PER SEF CA1999	
SPARE TIRE - MOUNTED	
SPARE RIM	
WHELEN AKDOT LIGHT PACKAGE	
1 PAPER SET PARTS AND SERVICE MANUALS	
FREIGHT FOB VALDEZ	
WINTER COVERS	

**NC Machinery**

<u>Lot</u> <u>3</u>	<u>Description</u>	<u>Spec/Make/Models</u>		<u>Total</u>
1	5.0 CY Wheel Loader	Caterpillar 966M	\$ 276,535	\$ 276,535
1	Training	Operator	\$ -	\$ -
<b>Purchase Order Total</b>				<b>\$ 276,534.75</b>
1	CAT Fusion Coupler	310-9390	\$235	\$235.00
1	Axles, Auto diff Front/rear, Ecology drain, ETS	434-3952	\$10,660	\$10,660.00
1	Premium LED Light Pack	506-2541	\$3,530	\$3,530.00
1	5 Year / 5000 hour powertrain warranty		\$5,750	\$5,750.00
1	Freight FOB Valdez		\$11,500	\$11,500.00
1	1 Set Fusion Blank Hooks	315-6309	\$0	\$0.00
<b>Total</b>				<b>\$ 308,209.75</b>

**WARRANTY**

Standard Warranty:

1 YEAR NEW MACHINE WARRANTY - TECHNICIAN TRAVEL TIME  
AND MILEAGE NOT INCLUDED

Extended Warranty:

5 YEAR / 5000 HOUR CAT POWERTRAIN WARRANTY - TECHNICIAN  
TRAVEL TIME AND MILEAGE NOT INCLUDED**F.O.B/TERMS:** VALDEZ, AK**ADDITIONAL CONSIDERATIONS:** THIS PRICING IS BASED OFF OF ALASKA DOT CONTRACT AWARD CA1999. THIS IS A  
PIGGYBACK ORDER OFF THAT CONTRACT.

Accepted by \_\_\_\_\_ on \_\_\_\_\_

\_\_\_\_\_  
SignatureWe wish to thank you for the opportunity of quoting your equipment needs. This quotation is valid for 30 days, after which time we  
reserve the right to re-quote. If there are any questions, please do not hesitate to contact me.

Sincerely,

Steven Fisher  
Machine Sales Representative  
Cell: 907-748-7540  
SFisher@NCMachinery.com





## Legislation Text

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**File #:** 18-0106, **Version:** 1

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**ITEM TITLE:**

Approval of Contract Change Order #2 with John Lynch & Associates, LLC for Information Technology Support Services in an Amount Not to Exceed \$86,000.

**SUBMITTED BY:** Sheri Pierce, MMC, City Clerk

**FISCAL NOTES:**

Expenditure Required: \$86,000

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: 001-5050-43400

**RECOMMENDATION:**

Approve change order #2 with John Lynch & Associates, LLC.

**SUMMARY STATEMENT:**

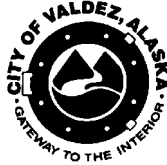
The city contracted with John Lynch and Associates in May of 2017 to conduct a third-party review of the City's Information Technology infrastructure and disaster recovery plans. The initial contract was for \$39,000 which is within the city manager's signing authority. The engagement concluded with approximately \$9,000 billed for services.

Following the IT Director resignation on November 1, 2017, the city re-engaged Mr. Lynch for interim department management under the existing contract.

The council approved change order #1 in the amount of \$60,000 which extended Mr. Lynch's services until the IT Director position was filled. The contract extension under change order #1 has now been exhausted.

Additional funds are requested in the amount of \$86,000 for the purpose of extending IT consulting services during the transition of IT management services to the recently hired IT Director.

The aggregate amount of the original contract and the change order requires council approval.



**CHANGE ORDER**  
**CITY OF VALDEZ**

**TO:** John Lynch & Associates, LLC

**DATE ISSUED:** 12/19/17  
**CHANGE ORDER NO.** 2  
**COST CODE NO.** 001-5050-43400  
**PROJECT NO.**  
**CONTRACT NO. 1312**

**PROJECT:**  
Data Center Assessment/System Support

**Distribution to:**  
Owner x  
Engineer \_\_\_\_\_  
Contractor X  
Other \_\_\_\_\_

**You are directed to make the changes in this CONTRACT as follows:**  
Perform additional work which exceeds original amount of contract.

**Justification:** Continuation of services.

Not valid until signed by the City Manager. Signature of Contractor indicates his agreement herewith, including any adjustment in **CONTRACT** sum or **CONTRACT** time.

The original <b>CONTRACT</b> sum was .....	\$ <u>\$39,000</u>
Change by previously authorized Change Order .....	\$ <u>\$60,000</u>
The <b>CONTRACT</b> sum prior to this Change Order was .....	\$ <u>\$99,000</u>
The <b>CONTRACT</b> sum will be <i>increased</i> by this Change Order .....	\$ <u>\$86,000</u>
New <b>CONTRACT</b> sum including this Change Order will be .....	\$ <u>\$185,000</u>

**CONTRACT** time will be increased by N/A days from council approval. The date of Substantial Completion as of the date of this Change Order therefore is N/A.

**CONTRACTOR**

By: \_\_\_\_\_

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

**AUTHORIZED BY:**  
**CITY OF VALDEZ**

By: \_\_\_\_\_

Ruth E. Knight, Mayor

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

**CORPORATE SEAL**

Attest: \_\_\_\_\_

Corporate Secretary

**ATTEST:**

By: \_\_\_\_\_

Sheri L. Pierce, MMC, City Clerk

**RECOMMENDED**

By: \_\_\_\_\_

Elke Doom, City Manager

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

## **MASTER CONSULTING AGREEMENT**

CLIENT Legal Name ("Client") and Address:	JOHN LYNCH & ASSOCIATES, LLC ("Consultant")
City of Valdez 212 Chenega Avenue Valdez, AK 99686	John Lynch & Associates, LLC 6884 West Briles Rd Peoria, Arizona 85383
Client Signature Contact:	JOHN LYNCH & ASSOCIATES, LLC – Contact Info
Name: Elke Doom Title:  City Manager Telephone:  313.310.0492  Email: <a href="mailto:elkedoom@hotmail.com">elkedoom@hotmail.com</a>	Name: John H. Lynch  Title: Chief Executive Officer  Phone: 623.512.8591  Email: <a href="mailto:john.lynch@johnlynchandassociates.com">john.lynch@johnlynchandassociates.com</a>

### **Master Consulting Agreement General Terms and Conditions**

**THIS MASTER CONSULTING AGREEMENT** (the "Agreement") is made as of the 19th day of December, 2017 ("Effective Date"), by and between City of Valdez ("Client"), with principal offices located in Valdez, Alaska, and John Lynch & Associates, LLC ("Consultant"), a consulting company located in Peoria, Arizona.

**WHEREAS**, Consultant is in the business of providing certain business consulting services;

**WHEREAS**, Client desires to engage Consultant, and Consultant desires to be engaged by Client, to render such services upon the terms and subject to the conditions set forth in this Agreement;

**NOW, THEREFORE**, in consideration of the premises set forth below and the mutual covenants hereinafter entered into, the parties agree as follows:

#### **1. Services.**

1.1 Description of Services. Consultant will perform the business consulting services specified in Statements of Work to this Agreement (the "Services"). Each Statement of Work is hereby incorporated into this Agreement by this reference. The Statement of Work will be executed by the parties concurrently with the execution of this Agreement and is attached hereto as Statement of Work No. 1. Any additional Statements of Work shall be initially generated by Consultant and shall become effective when signed by both parties.

1.2 Change Procedure. Unless otherwise stated in an applicable Statement of Work, changes to the parties' respective obligations under a Statement of Work shall be made as set forth in this Section 1.2. Client may request changes to a Statement of Work by providing Consultant with a

written request for changes (a "Change Request") that specifies the desired change with at least the same degree of specificity as that contained in the original Statement of Work. Following Consultant's receipt of a Change Request, Consultant shall submit to Client a written response which should outline the tasks to be performed by each party, schedule and cost changes, and any other items applicable to the Change Request (a "Change Response"). Consultant will charge Client on a time and, if applicable, material basis, at Consultant's then-current time and, if applicable, material rates, for the time spent by Consultant in analyzing Client's Change Request and preparing a Change Response. If, within ten (10) days after Consultant's delivery of such Change Response to Client, Client provides Consultant with written notice of acceptance of the Change Response, the Change Response will amend and become a part of, the applicable Statement of Work. In the event of a conflict among the terms and conditions of the Change Response and the applicable Statement of Work, the terms and conditions of the Change Response shall govern and control. If Client fails to provide Consultant with written notice of acceptance of the Change Response within said ten (10) day period, the Change Response will be deemed rejected by Client and the original Statement of Work shall remain in full force and effect.

1.3 Cooperation. Client acknowledges that the successful and timely rendering of the Services will require the good faith cooperation of Client. Client shall fully cooperate with Consultant, including without limitation, by: (a) providing Consultant with all information as may be reasonably required by Consultant; and (b) making available to Consultant at least one employee, consultant or director of Client, reasonably acceptable to Consultant, who shall have substantial relevant knowledge and experience to act as a subject matter expert in connection with the rendering of the Services. All estimated dates specified in a Statement of Work shall be extended by delays caused by Client, including without limitation, Client's submission of Change Requests which impact Consultant's normal schedule.

1.4 Consultant Personnel. In the event Client believes that any of Consultant's employees, agents, consultants or subcontractors is failing to perform the Services in a satisfactory manner, Client shall notify Consultant as to the reasons for such failure. Upon receipt of such notice or as soon as reasonably practical thereafter, Consultant and Client shall mutually determine the best course of action to take to resolve such failure, which action may include replacing such personnel.

## 2. Payment.

2.1 Compensation. In consideration for the Services, Client shall pay to Consultant fees based on the rates described in the applicable Statement(s) of Work, along with any material expenses incurred. Consultant shall invoice Client weekly for Services. All such invoiced amounts become due and payable to Consultant upon Client's receipt of such invoice. Amounts that are not paid within thirty (30) days following Client's receipt of such invoice will incur a late fee of one and one-half percent (1.5%) per month or the maximum allowed by law, whichever is less. Client shall pay any amounts incurred by Consultant in the collection of past-due amounts owed, including, but not limited to, reasonable attorneys' fees and costs.

2.2 Expenses. Client shall pay Consultant's expenses, as determined by Consultant in its reasonable business judgment, for performing the Services under this Agreement, including but not limited to travel, lodging expenses, mileage, and costs of materials and supplies. Consultant

shall invoice Client weekly for Expenses. All such invoiced amounts become due and payable to Consultant upon Client's receipt of such invoice. Amounts that are not paid within thirty (30) days following Client's receipt of such invoice will incur a late fee of one and one-half percent (1.5%) per month or the maximum allowed by law, whichever is less. Client shall pay any amounts incurred by Consultant in the collection of past-due amounts owed, including, but not limited to, reasonable attorneys' fees and costs.

2.3 Retainer. Client will pay an advance payment upon execution of this agreement, the amount of which is listed in the applicable Statement(s) of Work. This retainer will be applied against Consultant fees, expenses, and any other charges. The retainer is received with the understanding that Consultant is expressly authorized to withdraw sums necessary to pay for Services and expenses as they are performed or incurred. Client will be notified in writing of the amounts applied. If the charges for Services and expenses exceed the balance on deposit, the statement will show the excess due and payable. Consultant may require additional retainers to cover additional Services and expenses. When the Services are completed or the Agreement terminated, Client will receive a final invoice. Any remaining balance after payment to Consultant's final invoice will be returned to client. No interest will accrue or be owed on a Retainer on deposit.

2.3 Client shall be responsible to pay all taxes, however designated, that are levied or imposed by reason of the transactions contemplated by this Agreement, including without limitation all sales, use, transfer, privilege, excise and other taxes and duties, whether international, national, state or local, excluding, however, taxes based on Consultant's net income.

### 3. Ownership; Grant of Licenses.

3.1 Except as otherwise provided herein or in any applicable Statement of Work, the parties agree that all documents, designs, inventions, products, pricing, costs, future plans, business information, process information, technical information, Client lists, computer programs, computer systems, data, computer documentation, ideas, processes, techniques, know-how, knowledge and other proprietary and/or tangible materials authored or prepared by Consultant (and its employees, agents, consultants or subcontractors) for Client as the Deliverables are the sole and exclusive property of Client or its third party licensees.

3.2 Client acknowledges that Consultant provides business consulting services to other clients, and agrees, subject to Consultant's confidentiality obligations hereunder, that nothing in this Agreement shall be deemed or construed to prevent Consultant from carrying on such business during the Term of this Agreement. In particular, Client agrees that as part of Consultant's provision of the Services hereunder, Consultant may utilize proprietary works of authorship that have not been created specifically for Client, including without limitation, software, methodologies, tools, specifications, drawings, sketches, models, samples, records and documentation, as well as copyrights, trademarks, service marks, ideas, concepts, know-how, techniques, knowledge or data, which have been originated, developed or purchased by Consultant or by third parties under contract to Consultant (all of the foregoing, collectively, "Consultant's Information"), and Consultant's Information and Consultant's administrative communications, records, files and working papers relating to the Services are and shall remain the sole and exclusive property of Consultant.

3.3 Except as otherwise provided herein or in any applicable Statement of Work, upon payment in full of all fees and other amounts due under this Agreement and provided that Client is not in material breach of this Agreement, Consultant grants to Client a perpetual, worldwide, non-exclusive, non-transferable license to use Deliverables solely for the purpose expressly set forth in any applicable Statement of Work, and Consultant's Information incorporated into the Deliverables solely in connection with Client's use of the Deliverables. Except as otherwise provided herein or in any applicable Statement of Work, Client shall not have the right to license, sublicense or otherwise transfer to others the right to use the Deliverables or Consultant's Information without Consultant's prior written consent.

3.4 Any and all data, information, reports, analysis, artwork, logos, graphics, video, text, and other materials, including without limitation, financial data supplied by Client to Consultant in connection with this Agreement, if any, shall remain the sole and exclusive property of Client (the "Client Content").

3.5 Consultant shall have the right to use Client's name and trademark in its advertising, Client lists and marketing materials, subject to Client's approval.

#### 4. Confidentiality.

4.1 A party disclosing Confidential Information shall herein be referred to as the "Disclosing Party," and a party receiving Confidential Information hereunder shall herein be referred to as the "Receiving Party."

4.2 "Confidential Information" shall mean, without limitation, (i) any idea, proposal, plan, information, procedure, technique, formula, technology or method of operation, any written or oral information of a proprietary nature, and any intellectual property owned or licensed by a Disclosing Party or relating to a Disclosing Party's or any of its principals' or affiliates' business, projects, operations, finances, activities or affairs, whether of a technical nature or not (including trade secrets, know-how, processes, and other technical or business information), and any proposed change thereto; (ii) any other information disclosed by a Disclosing Party and designated by a Disclosing Party as confidential; and (iii) the Deliverables (until paid for by Client as provided hereunder), Consultant's Information and Client Content. By way of illustration, but not limitation, Confidential Information includes, without limitation, information regarding (i) all of the computer software and technologies, systems, structures, architectures, processes, formulae, compositions, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods, and information and databases developed, acquired, owned, produced or practiced at any time by a Disclosing Party or any affiliate thereof, software programs and documentation licensed by third parties to a Disclosing Party, and any other similar information or material; (ii) Client lists, telemarketing lists, vendor lists, employee personnel information and policies and procedures; (iii) a Disclosing Party's products and services; (iv) business or financial information directly or indirectly related to a Disclosing Party's companies and investments; and (v) other processes and procedures employed by a Disclosing Party.

4.3 Notwithstanding Section 4.2, Confidential Information shall not include information: (i) in the public domain (other than as a result of a breach of this Agreement); (ii) in a Receiving Party's possession prior to its receipt from Disclosing Party pursuant to this Agreement; (iii) independently developed by a Receiving Party or known through a party other than Disclosing Party, which party has no duty of confidentiality to Disclosing Party, as demonstrated by written record; or (iv) disclosed pursuant to applicable law or regulation or by operation of law, provided that the Receiving Party may disclose only such information as is legally required, and provided further that the Receiving Party shall provide reasonable notice to the Disclosing Party of such requirement and a reasonable opportunity to object to such disclosure.

4.4 Obligations. Receiving Party agrees to hold all Confidential Information in strict confidence and shall not, without the express prior written permission of Disclosing Party: (i) disclose any Confidential Information to third parties or (ii) use the Confidential Information for any purpose other than to perform its obligations under this Agreement or for the purpose expressly set forth in the applicable Statement of Work. Without limiting the generality of the foregoing, Receiving Party shall be permitted to disclose Confidential Information only to its officers, employees and consultants who have an absolute need to know such Confidential Information and who are informed of and agree to be bound by the confidentiality obligations set forth herein; provided that Receiving Party will be liable for breach by any such person or entity. Receiving Party shall not make any copies of the Confidential Information except as necessary for the performance of its obligations under this Agreement and for its officers, employees, consultants, attorneys and accountants with a need to know. Any copies which are made shall be identified as belonging to Disclosing Party and marked "confidential," "proprietary" or with a similar legend. Receiving Party shall use commercially reasonable efforts to assist Disclosing Party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, Receiving Party shall promptly advise Disclosing Party in the event that it learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Section 4, and shall cooperate in seeking injunctive relief against any such person.

4.5 Title. Except as otherwise provided herein, title or the right to possess Confidential Information as between the parties shall remain in Disclosing Party. Receiving Party shall not gain any interest or rights in or to the Confidential Information by virtue of its being disclosed to Receiving Party.

4.6 Return of Confidential Information. Unless the Receiving Party has a license to use the Confidential Information pursuant to Section 3, upon any termination of this Agreement, or at any time upon Disclosing Party's request, Receiving Party shall promptly, at Disclosing Party's option, either return or destroy all (or, if Disclosing Party so requests, any part) of the Confidential Information previously disclosed, and all copies thereof, and Receiving Party shall certify in writing as to its compliance with the foregoing.

4.7 Confidentiality of Agreement. Client and Consultant will not disclose the terms and conditions of this Agreement to anyone other than their respective attorneys, accountants and other professional advisors, except as required by applicable law or regulation or by operation of law, provided that each party may disclose only such information as is legally required, and



provided further that each party shall provide the other with reasonable notice of such requirement and a reasonable opportunity to object to such disclosure.

4.8 Injunctive Relief. The parties agree that, in the event of any breach of any provision hereof, the non-breaching party will not have an adequate remedy in money or damages. The parties therefore agree that, in such event, the non-breaching party shall be entitled to obtain injunctive relief against such breach in any court of competent jurisdiction, without the necessity of posting a bond even if otherwise normally required. Such injunctive relief will, in no way, limit the non-breaching party's right to obtain other remedies available under applicable law.

## 5. Indemnification.

5.1 The Consultant agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Client, its officers, directors and employees (collectively, Client) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs to the extent caused by the Consultants negligent performance of professional services under this Agreement or in any applicable Statement of Work and that of its sub-consultants or anyone for whom the Consultant is legally liable.

The Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Consultant, its officers, directors, employees and sub-consultants (collectively, Consultant) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the Client's negligent acts in connection with the professional services provided under this Agreement or in any applicable Statement of Work and the acts of its contractors, subcontractors or consultants or anyone for whom the Client is legally liable.

Neither the Client nor the Consultant shall be obligated to indemnify the other party in any manner whatsoever for the other party's negligence.

## 6. Term and Termination.

6.1 Term. The term of this Agreement (the "Term") shall commence upon the Effective Date and shall continue in full effect until terminated by the parties. This Agreement shall be terminable at will by either party upon thirty (30) days written notice to the other, provided however, that the terms and conditions of this Agreement will continue to govern any outstanding Statements of Work despite such termination. The specific term and termination rights for Statements of Work shall be set forth in each Statement of Work. The Agreement and any or all outstanding Statements of Work may be terminated immediately by either party for cause upon an event of default by the other party. "Default" is defined as (i) any material failure by a party to comply with or to perform any material nonpayment provision or condition of this Agreement and the continuance of such failure for a period of thirty (30) days after notice thereof to such party or the failure to comply with or to perform any material nonpayment provision under any other agreement or understanding between the parties; or (iii) A party becomes insolvent, is unable to pay its debts when such debts become due, or is the subject of a petition in bankruptcy, whether voluntary or involuntary, or of any other proceeding under bankruptcy, insolvency or similar laws; or makes an assignment for the benefit of creditors; or is named in, or its property is subject to a suit for appointment of a receiver; or is dissolved or liquidated.



6.2 Rights Upon Termination. In the event that this Agreement or any Statement(s) of Work are terminated by either party pursuant to this Section 6, Client shall have no right to use or exploit in any manner, the Deliverables or the Consultant's Information related to such Statement(s) of Work unless Client has paid the full fees related thereto. In the event of any termination of this Agreement, Consultant and Client shall promptly comply with Section 4.6 regarding return or destruction of Confidential Information.

#### 7. Independent Contractor.

Consultant (including any and all employees, agents, consultants or subcontractors of Consultant), in performance of this Agreement, is acting as an independent contractor and not as an employee or agent of Client. Consultant shall have exclusive control of the manner and means of performing its obligations under this Agreement. Each party shall be solely responsible for its employees and payment of their salaries (including withholding of appropriate payroll taxes), workers' compensation, disability, health insurance and other benefits. Nothing in this Agreement shall be construed as making either party the agent of the other party, as granting to the other party the right to enter into any contract on behalf of the other party, or as establishing a partnership, franchise or joint venture between the parties. Under no circumstances shall the employees of one party be deemed to be employees of the other party for any purpose.

#### 8. Security Rules.

Each party agrees to comply with the other party's reasonable security rules and measures when on the other party's premises and to instruct all of its personnel who enter upon the other party's premises to comply with such security rules and measures. Each party agrees, at its own cost and expense, to provide the other party with sufficient work space and supplies solely for the purpose of each party's performance of its obligations under this Agreement.

#### 9. Force Majeure.

Neither party shall be deemed in default or otherwise liable for any delay in or failure of its performance under this Agreement or any Statement of Work (other than payment obligations) by reason of any Act of God, fire, natural disaster, accident, riot, act of government, strike or labor dispute, shortage of materials or supplies, failure of transportation or communication or of suppliers of goods or services, or any other cause beyond the reasonable control of such party. Performance times shall be considered extended for a period of time equivalent to the time lost because of such delay.

#### 10. Arbitration.

Except for attempts by Consultant to collect amounts owed under this Agreement or a Statement of Work, which may be pursued, among other ways, through the federal and state judicial systems, any dispute between the parties arising out of or relating to this Agreement or a Statement of Work, or the breach thereof, shall be referred to arbitration by either party hereto and finally settled by arbitration in accordance with the rules of the American Arbitration Association as the exclusive method of dispute resolution. The arbitration panel shall consist of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first

two arbitrators so selected. The arbitration shall take place in Phoenix, Arizona. The arbitration award shall be final, binding upon the parties, not subject to any appeal, and shall deal with the question of costs of arbitration and all matters related thereto. Judgment upon the award rendered may be entered by any court having jurisdiction, or application may be made to such court for judicial recognition of the award or an order of enforcement thereof, as the case may be.

11. Intentionally Left Blank.

12. Notices.

All notices, consents and approvals, including notices of address changes, required or permitted to be given by either party under this Agreement shall be in writing and shall be deemed given when delivered in person or sent by registered or certified mail or by reputable overnight commercial delivery to the address set forth on page 1.

13. Severability.

It is the desire and intent of Consultant and Client that the terms and conditions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated to be overly broad, invalid or unenforceable as written, it is the desire and intent of Consultant and Client that the court will revise such provision as it deems necessary to make it consistent with the law and public policy of the jurisdiction and governing law and enforce the provision as so revised. In particular, if any one or more provisions contained in this Agreement shall for any reason be adjudicated to be excessively broad as to duration, geographical scope, activity or subject matter, it is the desire and intent of Consultant and Client that the court shall modify such provisions to reduce their breadth to whatever extent and in whatever manner it deems necessary to render them reasonable and enforceable to the maximum extent compatible with applicable law. In the event that any one or more of the provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected.

14. Survival.

In the event of any termination of this Agreement, the parties agree that Sections 2, 3, 4, 5, 6, 7, 10, 12, 16, and 17 shall survive such termination. In addition, certain terms in the Statement of Work shall also survive the termination of the Agreement if so specified therein. In addition, the parties agree that certain other terms and conditions may, by their nature, survive any termination of this Agreement.

15. Waiver.

No waiver or forbearance by either party hereto of any rights hereunder in any particular instance shall act to preclude such party from exercising those rights in any other instance.

16. Assignment.

The parties shall not assign their rights, duties or obligations under this Agreement, in whole or in part, without the prior written consent of the other party.

17. Headings.

The section and other headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

**IN WITNESS WHEREOF**, the parties to this Agreement have caused it to be duly executed by their respective duly authorized representatives as of the Effective Date.

Client

JOHN LYNCH & ASSOCIATES, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

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

Name: John H. Lynch

Title: \_\_\_\_\_

Title: Chief Executive Officer

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

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

CLIENT Legal Name ("Client") and Address:	JOHN LYNCH & ASSOCIATES, LLC ("Consultant")
City of Valdez 212 Chenega Avenue Valdez, AK 99686	John Lynch & Associates, LLC 6884 West Briles Rd Peoria, Arizona 85383
Client Signature Contact:	JOHN LYNCH & ASSOCIATES, LLC – Contact Info
Name: Elke Doom Title:  City Manager Telephone:  313.310.0492  Email: <a href="mailto:elkedoom@hotmail.com">elkedoom@hotmail.com</a>	Name: John H. Lynch  Title: Chief Executive Officer  Phone: 623.512.8591  Email: <a href="mailto:john.lynch@johnlynchandassociates.com">john.lynch@johnlynchandassociates.com</a>

### Statement of Work No. 1

This Statement of Work No. 1 ("Statement of Work") is in accordance with and is hereby made a part of the Master Consulting Agreement between Client and John Lynch & Associates, LLC ("Consultant") with an Effective Date of December 5, 2017, (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. In the event of a conflict among the terms and conditions of this Statement of Work and the terms and conditions of the Agreement, the terms and conditions of this Statement of Work shall govern and control such conflict. The following services will be provided by Consultant.

#### 1. Description of Services

Provide Senior-level consultants:

- (a) Director of Information Technology: provide executive IT leadership, manage security and infrastructure, strategic planning, resource management, staff leadership and mentoring, project management and budgeting services to Client.
- (b) Senior Network Engineer: provide interim network support services to Client. Assist with strategic planning, implementation and support for all network and telecommunication needs.

#### 2. Fees

In exchange for the services listed in Section 1, the parties agree to the following compensation schedule:

Consulting Fees:

- (a) Consulting rate of One Hundred Seventy-Five Dollars (\$175) per hour.
- (b) Travel rate of Seventy-Five Dollars (\$75) per hour.

Monthly Block Purchase:

N/A

Expenses:

In addition to the consulting fees described above, Client shall reimburse Contractors for all travel, lodging, food and other reasonable out of pocket expenses incurred by Contractors during the course of providing services under this Agreement.

- Mileage will be reimbursed at the Internal Revenue Service (IRS) government rate in effect during time of travel.

The Effective Date of this Statement of Work is December 5, 2017.

**IN WITNESS WHEREOF**, the parties to this Statement of Work have caused it to be duly executed by their respective duly authorized representatives as of the Effective Date.

Client

JOHN LYNCH & ASSOCIATES, LLC

By: \_\_\_\_\_

By: \_\_\_\_\_

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

Name: John H. Lynch

Title: \_\_\_\_\_

Title: Chief Executive Officer

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

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



## Legislation Text

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**File #:** ORD 18-0002, **Version:** 1

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**ITEM TITLE:**

#18-02 - Amending Title 1 Chapter 1.08 of the Valdez Municipal Code Titled General Penalty - Continuing Violations. Second Reading. Adoption.

**SUBMITTED BY:** Sheri Pierce, MMC, City Clerk

**FISCAL NOTES:**

Expenditure Required: N/A  
Unencumbered Balance: N/A  
Funding Source: N/A

**RECOMMENDATION:**

Approve Ordinance # 18-02, amending Title 1 Chapter 1.08 of the Valdez Municipal Code titled General Penalty-Continuing Violations. Second Reading. Adoption.

**SUMMARY STATEMENT:**

On February 6, 2018, the City Council adopted Ordinance #18-01 which amended Title 6 of the Valdez Municipal Code including implementation of a fine schedule. This fine schedule must be incorporated into the Minor Offense Fine Schedule established in Chapter 1.08 - General Penalty. This ordinance incorporates the "minor offense" fines adopted in Title 6.

CITY OF VALDEZ, ALASKA

ORDINANCE NO. 18-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF VALDEZ,  
ALASKA AMENDING TITLE 1 CHAPTER 1.08 OF THE VALDEZ  
MUNICIPAL CODE TITLED GENERAL PENALTY – CONTINUING  
VIOLATIONS

WHEREAS, Ordinance #18-01 recently amended Title 6 of the municipal code including implementation of a fine schedule which must be incorporated into Section 1.08.030 – Minor Offense Fine Schedule.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the following amendments are made to Chapter 1.08 of the Valdez Municipal Code:

Section 1. Chapter 1.08 of the Valdez Municipal Code is hereby amended to read as follows:

**CHAPTER 1.08**

**GENERAL PENALTY**

**Sections:**

**1.08.010 General penalty—Continuing violations.**

A. Unless another penalty is expressly provided by law every person convicted of violating any provision of this code shall be punished by a fine of not more than five hundred dollars.

B. Except where otherwise provided, every day any violation of this code or any other ordinance of the city or such rule, regulation or order shall continue shall constitute a separate offense. (Prior code § 1-7)

**1.08.020 Surcharge**

In addition to any penalty prescribed by law, a defendant convicted of violating a municipal ordinance shall pay the surcharge required under AS 12.55.039 and 29.25.074. All such surcharges collected shall be remitted to the State of Alaska as required by AS 29.25.074.



### 1.08.030 Minor Offense Fine Schedule

In accordance with AS 29.25.070(a), citations for the following offenses may be disposed of as provided in AS 12.25.195-.230, without a court appearance, upon payment of the fine amounts listed below to the court within 30 days of the date of the citation, plus the state surcharge required by AS 12.55.039 and AS 29.25.074. The Rules of Minor Offense Procedure in the Alaska Rules of Court apply to all offenses listed below. Citations charging these offenses must meet the requirements of Minor Offense Rules. If a person charged with one of these offenses appears in court and is found guilty, the penalty imposed for the offense may not exceed the fine amount for that offense listed below. If an offense is not listed on this fine schedule or another fine schedule, the defendant must appear in court to answer to the charges. These fines may not be judicially reduced.

MUNICIPAL CODE SECTION	OFFENSE DESCRIPTION	COURT APPEARANCE	PENALTY/FINE
6.08.010	Cleanup and disposal of animal litter or excrement required – First Offense	Optional	\$25.00
6.08.010	Cleanup and disposal of animal litter or excrement required – Second Offense	Optional	\$50.00
6.08.010	Cleanup and disposal of animal litter or excrement required – Third Offense	Optional	\$100.00
6.08.010	Cleanup and disposal of animal litter or excrement required – Fourth and subsequent	Optional	\$300.00
6.08.020	Animal running at large prohibited – First Offense	Optional	\$25.00
6.08.020	Animal running at large prohibited – Second Offense	Optional	\$50.00
6.08.020	Animal running at large prohibited – Third Offense	Optional	\$100.00
6.08.020	Animal running at large prohibited – Fourth and subsequent	Optional	\$300.00
6.08.040(a)(1)	Negligent feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – First Offense	Optional	\$25.00
6.08.040(a)(1)	Negligent feeding of wild animals, birds of prey, or deleterious exotic wildlife	Optional	\$50.00

	prohibited – Second Offense		
6.08.040(a)(1)	Negligent feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – Third Offense	Optional	\$100.00
6.08.040(a)(1)	Negligent feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – Fourth and subsequent	Optional	\$300.00
6.08.040.(a)(2)	Intentional feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – First offense	Optional	\$50.00
6.08.040.(a)(2)	Intentional feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – Second offense	Optional	\$100.00
6.08.040.(a)(2)	Intentional feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – Third offense	Optional	\$200.00
6.08.040.(a)(2)	Intentional feeding of wild animals, birds of prey, or deleterious exotic wildlife prohibited – Fourth and subsequent offense	Optional	\$400.00
6.08.050	Keeping of wild animals within the city prohibited – First offense	Optional	\$50.00
6.08.050	Keeping of wild animals within the city prohibited – Second offense	Optional	\$100.00
6.08.050	Keeping of wild animals within the city prohibited – Third offense	Optional	\$200.00
6.08.050	Keeping of wild animals within the city prohibited – Fourth and subsequent offense	Optional	\$400.00
6.08.090	Continuous noise by animal prohibited – First offense	Optional	\$25.00
6.08.090	Continuous noise by animal prohibited – Second offense	Optional	\$50.00

6.08.090	Continuous noise by animal prohibited – Third offense	Optional	\$100.00
6.08.090	Continuous noise by animal prohibited – Fourth and subsequent offense	Optional	\$300.00
6.08.100	Failure to confine female dog or cat in heat – First offense	Optional	\$25.00
6.08.100	Failure to confine female dog or cat in heat – Second offense	Optional	\$50.00
6.08.100	Failure to confine female dog or cat in heat –Third offense	Optional	\$100.00
6.08.100	Failure to confine female dog or cat in heat – Fourth and subsequent offense	Optional	\$300.00
6.08.110	Tethering/chaining/crating of animals restricted – First offense	Optional	\$50.00
6.12.010	Dog license required – First offense	Optional	\$25.00
6.12.010	Dog license required – Second offense	Optional	\$50.00
6.12.010	Dog license required – Third offense	Optional	\$100.00
6.12.010	Dog license required – Fourth and subsequent offense	Optional	\$300.00
6.12.020	Display of license tag on dog required	Optional	\$25.00
6.12.030	Vaccination of dogs required – First offense	Optional	\$25.00
6.12.030	Vaccination of dogs required – Second offense	Optional	\$50.00
6.12.030	Vaccination of dogs required – Third offense	Optional	\$100.00
6.12.030	Vaccination of dogs required – Fourth and subsequent offense	Optional	\$300.00
6.12.040	Kennel licenses required – First offense	Optional	\$50.00
6.12.040	Kennel licenses required – Second offense	Optional	\$100.00
6.12.040	Kennel licenses required – Third offense	Optional	\$200.00
6.12.040	Kennel licenses required – Fourth and subsequent offense	Optional	\$400.00

6.13.010	Excessive number of cats prohibited – First offense	Optional	\$25.00
6.13.010	Excessive number of cats prohibited – Second offense	Optional	\$50.00
6.13.010	Excessive number of cats prohibited – Third offense	Optional	\$100.00
6.13.010	Excessive number of cats prohibited – Fourth and subsequent offense	Optional	\$300.00
6.13.020	Cattery license required – First offense	Optional	\$50.00
6.13.020	Cattery license required – Second offense	Optional	\$100.00
6.13.020	Cattery license required – Third offense	Optional	\$200.00
6.13.020	Cattery license required – Fourth and subsequent offense	Optional	\$400.00
9.12.010	Disorderly Conduct – First Offense	Optional	\$50.00
9.12.010	Disorderly Conduct – Second Offense	Optional	\$100.00
9.12.010	Disorderly Conduct – Third Offense	Optional	\$200.00
9.12.010	Disorderly Conduct – Fourth and Subsequent	Optional	\$400.00
9.12.030	Loitering on school grounds – First Offense	Optional	\$50.00
9.12.030	Loitering on school grounds – Second Offense	Optional	\$100.00
9.12.030	Loitering on school grounds – Third Offense	Optional	\$200.00
9.12.030	Loitering on school grounds – Fourth and Subsequent	Optional	\$400.00
9.12.070 (A and B)	Use of fireworks outside of permitted times prohibited	Optional	\$100.00
9.12.070 (C and D)	Negligent use of fireworks or use while under influence prohibited	Optional	\$300.00
9.20.010 (H-I)	Harvesting of trees without permit prohibited-First Offense	Optional	\$50.00
9.20.010 (H-I)	Harvesting of trees without permit prohibited – Second and Subsequent	Optional	\$100.00

9.24.070	Sale of tobacco to children under nineteen years of age prohibited- First Offense	Optional	\$300.00
9.24.070	Sale of tobacco to children under nineteen years of age prohibited- Second Offense	Optional	\$400.00
9.24.070	Sale of tobacco to children under nineteen years of age prohibited- Third and Subsequent	Optional	\$500.00
9.32.010	Discharge of firearms – First Offense	Optional	\$100.00
9.32.010	Discharge of firearms – Second Offense	Optional	\$200.00
9.32.010	Discharge of firearms – Third Offense	Optional	\$300.00
9.32.010	Discharge of firearms – Fourth and Subsequent Offense	Optional	\$500.00

Section 2: This ordinance shall take effect immediately following final approval and adoption by the Valdez City Council.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA this \_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF VALDEZ, ALASKA

\_\_\_\_\_  
Ruth E. Knight, Mayor

ATTEST:

\_\_\_\_\_  
Sheri L. Pierce, MMC, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jon Wakeland, City Attorney  
Brena, Bell, & Clarkson, P.C

First Reading:  
Second Reading:  
Adoption:  
Ayes:  
Noes:  
Absent:  
Abstain:



## Legislation Text

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**File #:** RES 18-0007, **Version:** 1

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**ITEM TITLE:**

#18-07 - Amending the 2018 City Budget by Transferring \$50,000 from General Fund Balance to Reserve Funds and Appropriating \$50,000 to the SHARP III Tuition Reimbursement Program. Reconsideration.

**SUBMITTED BY:** Brian Carlson, Finance Director

**FISCAL NOTES:**

Expenditure Required: \$50,000  
Unencumbered Balance: \$56MM  
Funding Source: General Fund / fund balance

**RECOMMENDATION:**

Approve Resolution # 18-07, amending the 2018 City Budget by transferring \$50,000 from General Fund Balance to Reserve Funds, and appropriating same to the SHARP III tuition reimbursement program.

**SUMMARY STATEMENT:**

- The City accepted \$50K from Providence in early 2017 which was earmarked for the State-administered SHARP III physician tuition reimbursement program.
- At the time of the award, it was anticipated that the program would be operational by the end of 2017.
- The program is not yet operational, and the \$50K appropriation has expired, which caused the funds to flow to general fund balance.
- The resolution proposes re-capturing the \$50K from fund balance and establishing a reserve until such time as the program is operational. The City will then remit to State of AK and close the dedicated reserve account.

Attachments:      Award Letter from Providence  
                         Resolution

CITY OF VALDEZ, ALASKA

RESOLUTION NO. 18-07

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING THE 2018 CITY BUDGET BY TRANSFERRING \$50,000 FROM GENERAL FUND BALANCE TO RESERVE FUNDS AND APPROPRIATING TO THE SHARP III TUITION REIMBURSEMENT PROGRAM

WHEREAS, the City accepted \$50,000 from Providence Health and Services in 2017 for the State of Alaska's SHARP III physician tuition reimbursement incentive program; and

WHEREAS, the SHARP III program is not yet operational and therefore cannot receive funds from the City; and

WHEREAS, with the close of the 2017 budget year, the original appropriation has expired and the earmarked funds are now embedded in the City's General Fund Balance; and

WHEREAS, Reserve Fund appropriations do not expire with the close of the budget year; and

WHEREAS, the City wishes to remit funds to the State once they are able to receive funds for the intended program; and

WHEREAS, the expenditure of Sharp III funds from the Reserve account shall require approval by the city council. (Amendment by Fleming, second by Reese, approved 5 yea, 2 absent (Moulton/Smith)).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2018 Budget is revised as follows:

Section 1. General Fund transfer to Reserve Fund, 001-0050-49140, is increased by \$50,000

Section 2. Reserve Fund transfer from General Fund, 350-0050-39100, is increased by \$50,000

Section 3. Reserve Fund / SHARP III, 350-0200-55000, is increased by \$50,000.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 20th day of February, 2018.

Resolution #18-07  
Page 2

CITY OF VALDEZ, ALASKA

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Ruth E. Knight, Mayor

ATTEST:

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Sheri L. Pierce, MMC, City Clerk



Providence Valdez Medical Center  
911 Meals Avenue  
PO Box 550  
Valdez, Alaska 99686  
t: (907) 835 2249  
f: (907) 834 1890  
www.providence.org/alaska



March 27, 2017

Elke Doom  
City Manager, City of Valdez  
P.O. Box 307  
Valdez, Alaska 99686

Dear Ms. Doom,

On behalf of the Providence Valdez Health Advisory Council, Providence Valdez Medical Center and Providence Health and Services – Alaska, we are proud to partner with programs that directly impact the health and wellness of Valdez. Recruiting and retaining qualified healthcare providers is a challenge for all rural communities. The State of Alaska is set to begin a new education debt assistance program for qualified providers that will make recruitment and retention of physicians a little easier. SHARP III as it is currently billed will leverage public/private partnerships to fill the void in communities that presently are unable to offer education debt assistance. Enclosed, please find a check in the amount of \$50,000.00. When the SHARP III program becomes operational (sometime during second quarter/third quarter of 2017), we hope that this gift would be applied on behalf of the community, to the benefit of physicians serving in Valdez.

The Providence strategic vision of **“creating healthier communities, together,”** begins with having trained and qualified caregivers. Our competitiveness as a community in the area of recruiting and retaining physicians depends on being able to offer what many communities throughout Alaska are already able to offer. We are grateful for the vital partnership and support from the City of Valdez and are grateful to be able to provide this investment in the future of our community.

Very truly yours,

A handwritten signature in blue ink, appearing to read "J O'Neil", is written over a horizontal line.

Jeremy O'Neil  
Administrator



## Legislation Text

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**File #:** RES 18-0008, **Version:** 1

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**ITEM TITLE:**

#18-08 - Adopting the City's 457(b) Deferred Compensation Plan Restatement Document with Mass Mutual

**SUBMITTED BY:** Brian Carlson, Finance Director

**FISCAL NOTES:**

Expenditure Required: n/a  
Unencumbered Balance: n/a  
Funding Source: n/a

**RECOMMENDATION:**

Approve Resolution #18-08, adopting the City's 457(b) Deferred Compensation Plan Document with Mass Mutual.

**SUMMARY STATEMENT:**

- The City offers a deferred compensation 457(b) plan to all employees. These are segregated accounts funded via employee payroll deductions.
  - The City "matches" 457 contributions in the separate 401(a) plan. The matched contribution is dollar-for-dollar up to 6.2% of gross pay for non-exempt employees, and \$1.50/\$1.00 up to 9.3% of gross pay for exempt employees.
- The City must periodically update this and other plan documents to incorporate legal and regulatory changes, and to ensure that the plan continues to reflect the employer's elective specifications.
- This document contains no material changes to plan specifications.
- Legal team has reviewed and approved the attached document.

Attachments: Resolution #18-08  
Exhibit B, 457 Plan Document

CITY OF VALDEZ, ALASKA

RESOLUTION #18-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, ADOPTING THE CITY'S 457(B) DEFERRED COMPENSATION PLAN DOCUMENT WITH MASS MUTUAL

WHEREAS, the City offers and maintains a deferred compensation plan for qualifying employees; and

WHEREAS, the plan document requires periodic revision to incorporate legal and regulatory requirements and desired elective specifications; and

WHEREAS, these changes and specifications are memorialized in the plan document, which is herein presented for Council adoption.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the City of Valdez 457(b) deferred compensation plan is revised to reflect the plan document attached as Exhibit A to this resolution.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 6th day of March, 2018.

CITY OF VALDEZ, ALASKA

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Ruth E. Knight, Mayor

ATTEST:

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Sheri L. Pierce, MMC, City Clerk

**CITY OF VALDEZ DEFERRED COMPENSATION PLAN**

**Effective Date of This Document April 1, 2018**

Neither MassMutual nor any of its employees can provide legal or tax advice in connection with the execution of this specimen document. Prior to execution of this document, you should consult with your legal or tax advisor on whether this document is appropriate for your plan.

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**457(b) PLAN DOCUMENT**  
**DEFERRED COMPENSATION PLAN**

**PREAMBLE**

Adoption of Plan

The City of Valdez Deferred Compensation Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), adopted by City of Valdez (hereinafter the "Employer") effective April 1, 2018.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, and agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.

## SECTION I DEFINITIONS

### 1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An "**Account Balance**" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The "**Administrator**" means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An "**Annual Deferral**" means the amount of Compensation deferred in any calendar year.

The "**Beneficiary**" of a Participant means the person or persons (or, if none, the Participant's estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan.

The "**Code**" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "**Compensation**" of a Participant means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II).

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:



- (a) Payments that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar compensation.
- (b) Payments for accrued bona fide sick, vacation or other leave, but only if the Participant would have been able to use the leave if employment had continued.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code §3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full time basis; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan. Notwithstanding the foregoing, the term Employee shall include the following specific individuals or persons in the following specified job classes: Full-time Seasonal.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

"**Includible Compensation**" means, with respect to a taxable year, the Participant's compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"**Normal Retirement Age**" means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan)

immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70 ½. If a Participant continues employment after attaining age 70 ½, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the mandatory retirement age, if any, established by the Employer, or any age at which the Participant actually has a Severance from Employment if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70 ½.

In the event a Participant is a qualified police or firefighter (as defined under Code Section 415(b)(2)(H)(ii)(I)) Normal Retirement Age means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan), immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age which may not be earlier than age 40 and may not be later than age 70 ½.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "**Participant**" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

"**Plan Year**" means the calendar year.

"**Severance from Employment**" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a severance from employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The "**State**" means the State that is the Employer or of which the Employer is a political subdivision, and any agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The "**Trust Fund**" means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

EXHIBIT A

The "**Valuation Date**" means each business day.

## SECTION II PARTICIPATION AND CONTRIBUTIONS

### 2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

### 2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary.

- (a) **Special Deferral Election of Sick, Vacation, or Back Pay:** A Participant who has not had a Severance from Employment may authorize a special election to defer accumulated sick pay, accumulated vacation pay, and back pay for any calendar month if an election to defer is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. For this purpose, Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment. In addition, a Participant who is a former Employee may authorize a special election to defer accumulated sick pay, accumulated vacation pay, and back pay that is paid by the later of 2 ½ months following the date of the Participant's Severance from Employment or the end of the calendar year in which the Severance from Employment occurred, provided that the special election to defer is entered into before the amount is currently available.

### 2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no later than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

## **2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation**

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

## **2.5 Information Provided by the Participant**

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

## **2.6 Contributions Made Promptly**

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

## **2.7 Employer Contributions**

Nothing in this Plan prohibits the Employer from making annual deferrals to the Account Balance of a Participant on a non-elective basis, subject to the Participant's contribution limits in Section III.

## **2.8 Leave of Absence**

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

## **2.9 Disability**

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

## **2.10 Protection of Persons Who Serve in a Uniformed Service**

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

## **2.11 Corrective Measures**

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

### **SECTION III LIMITATIONS ON AMOUNTS DEFERRED**

#### **3.1 Basic Annual Limitation**

- (a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:
  - (i) The "applicable dollar amount" (as defined in paragraph (b) below); or
  - (ii) The Participant's Includible Compensation for the calendar year.
- (b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed, and in accordance with Section 3.4(a).
- (c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

#### **3.2 Age 50 Catch-up Annual Deferral Contributions**

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan and in accordance with Section 3.4(a).

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

#### **3.3 Special Section 457 Catch-up Limitation**

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

- (a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year;  
or
- (b) The sum of:

- (i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
- (ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

### 3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).
- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.



- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

### **3.5 Correction of Excess Deferrals**

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral.

## **SECTION IV INVESTMENT RESPONSIBILITIES**

### **4.1 Investment of Deferred Amount**

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan approved domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

### **4.2 Investment Election for Future Contributions**

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

### **4.3 Investment Changes for an Existing Account Balance**

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

### **4.4 Investment Responsibility**

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

### **4.5 Default Investment Fund**

The Employer shall maintain a Default Investment Fund which shall be held and administered under the Trust Fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator will have his contributions invested in the Default Investment Fund until such time he provides investment direction under Sections 4.2 and 4.3. Additionally, a Beneficiary or alternate payee who does not make an investment election will have his Account Balance invested in the Default Investment Fund until such time he provides investment direction under Section 4.3. The interest of each Participant, Beneficiary, or alternate payee under the Plan in the Default Investment Fund shall be an undivided interest.

#### **4.6 Statements**

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.

## SECTION V LOANS

### 5.1 Loans

The Employer may elect to make loans available to Participants who are Employees. If the Employer has elected to make loans available to Participants who are Employees, the Employer shall establish written guidelines governing the granting and administration of loans, which are hereby incorporated into and made part of the Plan provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Section V. To the extent such guidelines are more restrictive than the provisions of the Plan and are not inconsistent with the provisions of Code Section 72(p) and regulations issued thereunder, the guidelines shall be controlling.

Except as modified by the Plan's loan program policy and procedures adopted by the Administrator, the following rules shall apply to loans under the Plan. Any loans that are issued under the Plan shall be administered in a manner consistent with the requirements of Code Section 72(p), Treasury Regulations 1.72(p) and any other applicable guidance issued thereunder.

### 5.2 Maximum Loan Amount

No loan to a Participant hereunder may exceed the lesser of:

- (a) \$50,000, reduced by the excess (if any) of (i) the highest outstanding balance of loans from the Plan during the preceding one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period) over (ii) the outstanding balance of loans from the Plan on the date the loan is approved by the Administrator; or
- (b) one half of the value of the Participant's Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.2, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 5.2 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

### 5.3 Terms of Loan

The terms of the loan shall:

- (a) charge a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money (subject to the requirements of the Servicemembers Civil Relief Act).

- (b) require that the minimum loan term be 12 months;
- (c) require that the loan be repaid within five years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence (as defined in Code Section 121) of the Participant;
- (d) require substantially level amortization of such loan with payments not less frequently than quarterly throughout the repayment period. Notwithstanding the foregoing, if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer (for periods in which the Participant does not perform military service as described in paragraph (d)), provided that all of the following requirements are met:
  - (i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;
  - (ii) Payments resume after the earlier of (1) the date such leave of absence ends or (2) the one-year anniversary of the date such leave began;
  - (iii) The period during which payments are suspended does not exceed one year;
  - (iv) Payments resume in an amount not less than the amount required under the original amortization schedule; and
  - (v) The waiver of the amortization schedule does not extend the period of the loan beyond the maximum period permitted under this Section 5.3.
- (e) If a Participant is absent from employment with any participating employer for a period during which he or she performs services in the uniformed services (as defined in chapter 45 of title 38 of the United States Code), whether or not such services constitute qualified military service, the suspension of payments shall not be taken into account for purposes of applying paragraph (d) of this Section 5.3 provided that all of the following requirements are met:
  - (i) Payments resume upon completion of such military service;
  - (ii) Payments resume in an amount not less than the amount required under the original amortization schedule and continue in such amount until the loan is repaid in full;
  - (iii) Upon resumption, payments are made no less frequently than required under the original amortization schedule and continue under such schedule until the loan is repaid in full; and

- (iv) The loan is repaid in full, including interest accrued during the period of such military service, no later than the maximum period otherwise permitted under this Section V extended by the period of such military service.
- (f) The loan shall be evidenced by a legally enforceable agreement that demonstrates compliance with the provisions of this Section.

#### **5.4 Security for Loan; Default**

- (a) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's Account Balance in the Plan invested in such loan.
- (b) Default. In the event that a Participant fails to make a loan payment under this Section V on the last business day before the end of the calendar quarter following the quarter in which the payment is due, unless payment is not made because the Participant is on a bona fide leave of absence as determined by the Administrator and the amortization schedule is suspended while the Participant is on leave of absence from employment with an Employer, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable (including accrued interest) at the time of the default, and (ii) interest shall continue to accrue on the outstanding loan balance until the loan is foreclosed.

In the case of any default on a loan to a Participant, the Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Administrator may take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account Balance of the Participant.

Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

#### **5.5 Repayment**

A Participant shall be required, as a condition to receiving a loan, to enter into an agreement for the repayment of the loan in accordance with a method set forth in the written guidelines governing the granting of Plan loans that are established by the Employer pursuant to Section 5.1.

A Participant may prepay the entire outstanding balance of his or her loan at any time (but may not make a partial prepayment).

## SECTION VI DISTRIBUTIONS

### 6.1 Distributions from the Plan

- (a) Earliest Distribution Date. Payments from a Participant's Account Balance shall not be made earlier than:
- (i) the Participant's Severance from Employment pursuant to Section 6.2
  - (ii) the Participant's death pursuant to Section 6.3
  - (iii) Plan termination under Section 10.3
  - (iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan
  - (v) a de minimis account balance distribution pursuant to Section 6.10(b), if permitted under the Plan
  - (vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan
  - (vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan
  - (viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan
  - (ix) Qualified Military Reservist withdrawal pursuant to Section 6.10(f), if permitted under the Plan
  - (x) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan
- (b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant's "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.
- (c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

### 6.2 Benefit Distributions Upon Severance from Employment

Upon Severance from Employment (other than due to death), a Participant may elect to commence distribution of benefits at any time after such Severance from Employment by filing a request with

the Administrator before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than his or her "required beginning date".

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant's "required beginning date" will be made in a manner that meets the requirements of Section 6.6.

### **6.3 Distributions on Account of Participant's Death**

Upon receipt of satisfactory proof of the Participant's death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

- (a) Death of Participant Before Distributions Begin. If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant's death (5-year rule) or (ii) in installments over the designated Beneficiary's "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant's spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70 ½.

- (b) Death of Participant On or After Date Distributions Begin. If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant's survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

### **6.4 Distribution of Small Account Balances Without Participant's Consent**

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct



payment without the Participant's or Beneficiary's consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

- (a) The Plan does not provide for distribution of small Account Balances without Participant or Beneficiary consent.

## **6.5 Forms of Distribution**

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the following forms of distribution:

- (a) a lump sum payment of the Participant's total Account Balance.
- (b) partial distribution of the Participant's Account Balance.
- (c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).

## **6.6 Minimum Distribution Requirements**

- (a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

- (b) Time and Manner of Distribution.

- (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".
- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
  - (A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 ½, if later.

- (B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
- (D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
- (E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

- (iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of the calendar year immediately following the calendar year in which the Participant died.
  - (iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).
- (c) Required Minimum Distributions During the Participant's Lifetime.

- (i) Amount of Required Minimum Distribution For Each "Distribution Calendar Year". During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
  - (A) The quotient obtained by dividing the "Participant's account balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or
  - (B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's account balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".
- (ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.
- (d) Required Minimum Distributions After Participant's Death.

For purposes of this Section 6.6(d), the Participant's and Beneficiary's "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

- (i) Death On or After Date Distributions Begin.
  - (A) Participant Survived by Designated Beneficiary.
 

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

    - (1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
    - (2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year"

after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.

- (3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (4) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.

- (2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (3) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

- (i) A Participant's "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 ½ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 ½ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.
- (ii) Participant's "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.
- (iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the

first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

- (iv) A married Participant's "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant's and spouse Beneficiary's life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant's or Beneficiary's "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.
- (v) A "Participant's account balance" means the Account Balance as of the last valuation date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.
- (f) Special Provision Applicable to 2009 Required Minimum Distributions.  
  
A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" may elect not to receive any such distribution that is payable with respect to the 2009 "distribution calendar year".

Notwithstanding the provisions of Section 6.9(b)(iii), the Administrator may permit a Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" to make a direct rollover of such distribution to an "eligible retirement plan" in accordance with the provisions of Section 6.9.

The Administrator may also permit a Participant or former Participant who has received a minimum distribution for the 2009 "distribution calendar year" to roll over such distribution back into the Plan, provided the requirements of Code Section 402(c), as modified by Notice 2009-82, extending the 60-day rollover deadline, and the requirements of Section 7.1 are otherwise satisfied. If the distribution received by the Participant

included amounts in addition to the minimum required under Code Section 401(a)(9), the Administrator may allow the Participant to include a portion or all of the amount that was not a minimum distribution in the Rollover Contribution made to the Plan in accordance with this paragraph.

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

## **6.7 Payments to Minors and Incompetents**

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

## **6.8 Procedure When Distributee Cannot Be Located**

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of a commercial locator service, the internet or other general search method; or (c) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

## **6.9 Direct Rollover**

- (a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.
- (b) For purposes of this Section 6.9, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover

distribution does not include (i) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more (ii) any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the participant's spouse, or the Participant's spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B) .

- (c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) ("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary.

## **6.10 Inservice Distributions**

- (a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.
  - (i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:



- (A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary";
- (B) loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);
- (C) the need to pay for the funeral expenses of a Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or "primary Beneficiary" of the Participant;
- (D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;
- (E) the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; or
- (F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a), certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

- (ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of deferrals under the Plan if the cessation of deferrals would alleviate the financial need.
- (iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to

satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).

- (b) De minimis Account Balance Distributions. A Participant before Severance of Employment may request a distribution of his or her total Account Balance (excluding the rollover contribution separate account), which shall be paid in a lump sum payment as soon as practical following the direction if (i) the total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), (ii) the Participant has not previously received a distribution of their total Account Balance payable to the Participant under this Section 6.10(b), and (iii) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.

The Plan does not permit the Administrator to direct payments under the terms of this Section 6.10(b) without the Participant's consent.

- (c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an inservice distribution of all or any portion of the amount held in the rollover separate account.
- (d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after first day of the calendar year in which the Participant shall attain age 70½.
- (e) Qualified Military Service Deemed Severance Distributions. The Plan does not permit "qualified military service deemed severance withdrawals".
- (f) Qualified Military Reservist Distributions. The Plan does not permit "qualified military reservist withdrawals".

## **6.11 Qualified Distributions for Retired Public Safety Officers**

A Participant who is an "eligible retired public safety officer" may elect to have qualified health insurance premiums deducted from amounts to be distributed to the Participant from the Plan, and to have such amounts paid directly to the insurer or group health plan, subject to the provisions of this Section 6.11. "Qualified health insurance premiums" include premiums for accident and health insurance (including under a self-insured plan) or qualified long-term care insurance contracts for the Participant and the Participant's spouse and dependents. It is intended that, pursuant to Code Section 402(l), the distribution shall be excluded from the Participant's gross income to the extent that the aggregate amount of the distributions does not exceed the amount used to pay the qualified health insurance premiums of the Participant and the Participant's spouse and dependents.

- (a) A Participant shall qualify as an "eligible retired public safety officer" for purposes of this Section 6.11 only if the Participant is an individual who separated from service, either by

reason of disability (as determined by the Administrator) or after attainment of normal retirement age, as a public safety officer with the Employer. Consequently, a public safety officer who retires before the attainment of normal retirement age is not an eligible retired public safety officer unless the public safety officer retires by reason of disability (as determined by the Administrator).

- (b) For purposes of this Section 6.11, the term "public safety officer" means an individual serving the Employer in an official capacity, with or without compensation, as a law enforcement officer, a firefighter, a chaplain, or as a member of a rescue squad or ambulance crew.
- (c) In order to avoid unintended taxation, the aggregate amount that a Participant elects to have directly distributed to an insurer or group health plan pursuant to this Section 6.11 for any calendar year shall be limited to \$3,000. Moreover, for purposes of applying this \$3,000 limitation, distributions with respect to the Participant that are used to pay for qualified health insurance premiums from all qualified retirement plans of the Employer shall be aggregated.

## SECTION VII ROLLOVERS AND PLAN TRANSFERS

### 7.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee or a Participant who has separated from service and has an Account Balance and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).
- (b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan". Such delivery must be made in the manner prescribed by the Administrator.
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).

### 7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or beneficiaries in another eligible governmental plan under Code Section 457(b) to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

### 7.3 Plan-to-Plan Transfers from the Plan

- (a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulatory Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.
- (i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.
  - (ii) A transfer from the Plan to another eligible governmental plan is permitted if:
    - (A) The transfer is to another eligible governmental plan within the same State as the Plan;
    - (B) All the assets held by the Plan are transferred; and
    - (C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
  - (iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:
    - (A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and
    - (B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
- (b) Upon the transfer of assets under this Section 7.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3, and to assure that the transfer is permitted

under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

#### **7.4 Permissive Service Credit Transfers**

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4 shall apply to the transferred amounts and any benefits attributable to the transferred amounts.
- (b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

## **SECTION VIII BENEFICIARY**

### **8.1 Beneficiary Designation**

A Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all beneficiary designations filed prior to that date by the Participant.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

## **SECTION IX ADMINISTRATION AND ACCOUNTING**

### **9.1 Administrator**

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party. Notwithstanding any other provisions to the contrary, the Administrator agrees that it shall be solely responsible to the Employer for any and all services performed by a plan coordinator, subcontractor, assignee, or designee under this agreement.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents, such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

### **9.2 Administrative Costs**

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee or to the Participant for Plan loans. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

### **9.3 Paperless Administration**

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally



applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Participant Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

## **SECTION X AMENDMENTS**

### **10.1 Amendment**

The Employer may at any time either prospectively or retroactively amend the Plan by notifying Participants of such action. The Employer shall not have the right to reduce or affect the value of any Participant's Account Balance or any rights accrued under the Plan prior to amendment.

### **10.2 Conformation**

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Code to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

### **10.3 Plan Termination**

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan's termination. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to termination of the Plan. The Participant's or Beneficiary's written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

## **SECTION XI TRUST FUND**

### **11.1 Trust Fund**

All amounts in a Participant's or Beneficiary's Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.

## **SECTION XII MISCELLANEOUS**

### **12.1 Non-Assignability**

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

### **12.2 Domestic Relation Orders**

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

### **12.3 IRS Levy**

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

### **12.4 Mistaken Contributions**

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned.

## **12.5 Employment**

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

## **12.6 Successors and Assigns**

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

## **12.7 Written Notice**

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

## **12.8 Total Agreement**

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

## **12.9 Gender**

As used herein the masculine shall include the neuter and the feminine where appropriate.

## **12.10 Controlling Law**

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

**EMPLOYER ADOPTION PAGE**

**IN WITNESS WHEREOF**, the Employer has executed this Plan document this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

City of Valdez

SEAL

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Attest:

\_\_\_\_\_  
Title

\_\_\_\_\_  
(Witness)



## Legislation Text

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**File #:** RES 18-0009, **Version:** 1

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**ITEM TITLE:**

#18-09 - Amending the 2018 City Budget by Transferring \$41,000 from Technology Reserve to General Fund/Information Services Department for Contracted Interim Department Director Services

**SUBMITTED BY:** Sheri Pierce, City Clerk and Brian Carlson, Finance Director

**FISCAL NOTES:**

Expenditure Required: \$41,000  
Unencumbered Balance: \$450,000  
Funding Source: 350-5050-55000

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

Summary:

- The City has funded the contract with John Lynch and Associates in two stages in the amount of \$99,000.
- The first stage (\$39,000) represented system and disaster recovery documentation. This assignment was concluded in May of 2017, and was performed in conjunction with the previous department director.
- The second stage (\$60,000) represented Interim Department Director services following the prior director's resignation in October, 2017.
- To facilitate the transition to the newly-hired Director, who begins work in late March, 2018, staff anticipates that the Lynch contract will extend into April.
- Staff is requesting a contract change order totaling \$86,000 under New Business on this agenda.
- If approved, \$45,000 of the change order will be funded by Salary/Benefits savings from the Director vacancy in 2018. This budget transfer requires no council action, as it is intra-departmental.
- Staff proposes funding the remaining \$41,000 from Technology Reserve fund balance. This inter-fund transfer requires Council action via budget resolution.

CITY OF VALDEZ, ALASKA

RESOLUTION #18-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, AMENDING THE 2018 CITY BUDGET BY TRANSFERRING \$41,000 FROM TECHNOLOGY RESERVE TO GENERAL FUND / INFORMATION SERVICES DEPARTMENT FOR CONTRACTED INTERIM DEPARTMENT DIRECTOR SERVICES

WHEREAS, The City has contracted with John Lynch and Associates for Interim Information Services Director services; and

WHEREAS, the duration of the Director position vacancy and related costs will exceed available funds in the current contract; and

WHEREAS, the City maintains funds in excess of scheduled equipment purchases in its Technology Reserve Fund; and

WHEREAS, transfers between funds require Council action via Budget Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, that the 2018 City Budget is revised as follows:

Section 1. Technology Reserve, 350-5050-55000, is reduced by \$41,000.

Section 2. Reserve Funds transfer to General Fund, 350-0050-49100, is increased by \$41,000.

Section 3. General Fund transfer from Reserve Funds, 001-0050-39140, is increased by \$41,000.

Section 4. Information Services / Contractual Services, 001-5050-43400, is increased by \$41,000.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF VALDEZ, ALASKA, this 6th day of March, 2018.

CITY OF VALDEZ, ALASKA

\_\_\_\_\_  
Ruth E. Knight, 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 #:** 18-0107, **Version:** 1

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**ITEM TITLE:**

Treasury Report - December, 2017

**SUBMITTED BY:** Brian Carlson, Finance Director

**FISCAL NOTES:**

Expenditure Required: n/a

Unencumbered Balance: n/a

Funding Source: n/a

**RECOMMENDATION:**

receive and file

**SUMMARY STATEMENT:**


Monthly report of cash balances, per City code



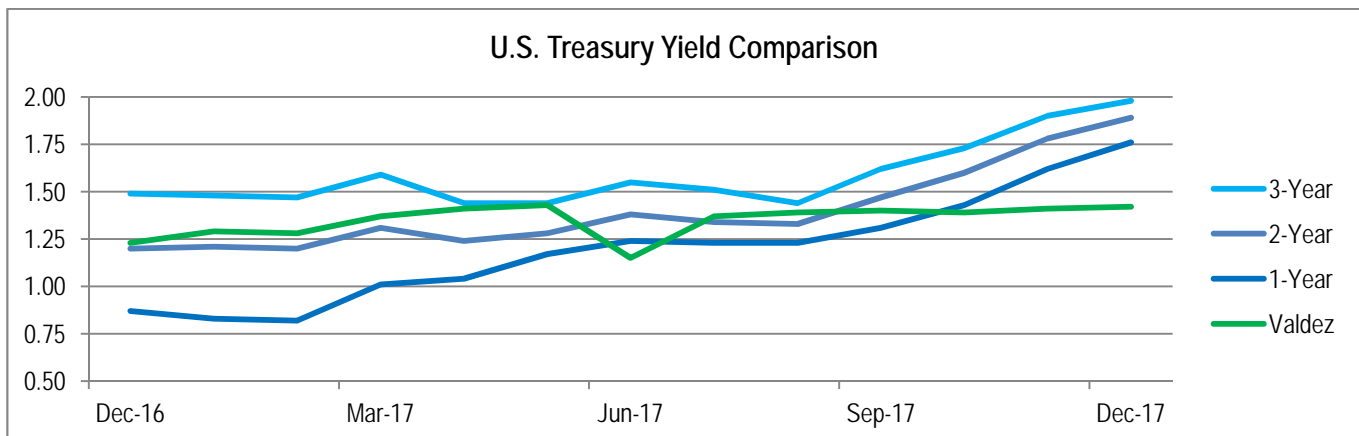
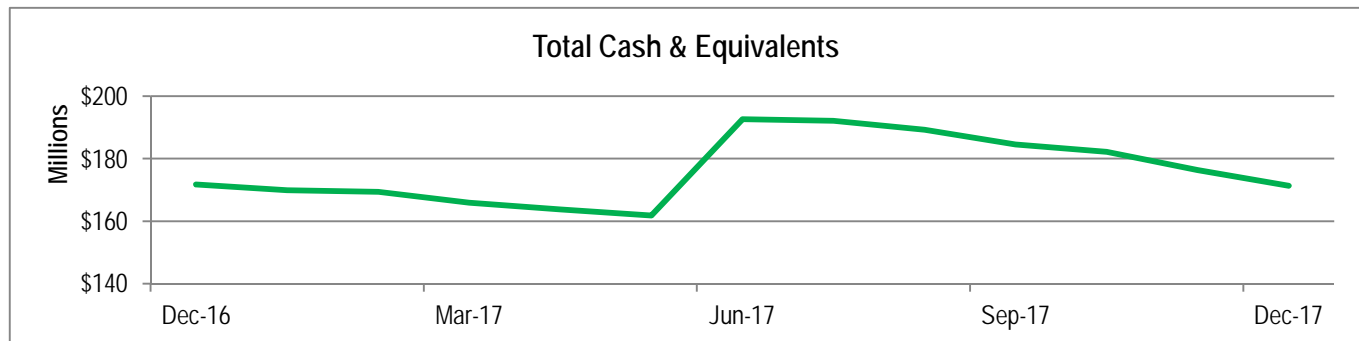
## MONTHLY TREASURY REPORT

Period Ending: December 31, 2017

Prepared By: Brian Carlson, Finance Director



		Begin				End	
		Balance	Debits	Credits	Balance	Yield	Notes
Central Treasury		162,733,806	7,297,418	(12,313,664)	157,717,560	1.47%	
Custody Agency	Wells Fargo	111,861,417	-	(315,381)	111,546,036	1.51%	
Central Treasury	Wells Fargo	27,750,757	59,790	(68,000)	27,742,547	1.63%	
AMLIP	Key Bank	22,066,562	19,323	(4,522,475)	17,563,410	1.00%	
Checking	Wells Fargo	1,067,296	6,040,607	(6,232,344)	875,559	0.00%	
Payroll	Wells Fargo	(12,225)	1,177,697	(1,175,463)	(9,991)	0.00%	
Bond Proceeds		697,967	492	-	698,459	0.00%	
GO Bonds 2015	Bank of NY	697,967	492	-	698,459	0.00%	
Health Self-Insurance Funds		3,586,423	551,265	(549,516)	3,588,172	0.04%	
Reserve	First National	3,058,876	481	-	3,059,358	0.05%	
Operating	First National	527,547	550,784	(549,516)	528,815	0.01%	
Restricted		9,303,637	-	(14,252)	9,289,386	1.23%	
Debt Service	Wells Fargo	9,297,431	-	(14,252)	9,283,179	1.23%	
Police	Wells Fargo	6,206	-	-	6,206	0.00%	
Total		176,321,833	7,849,175	(12,877,432)	171,293,576	1.42%	





# City of Valdez

212 Chenega Ave.  
Valdez, AK 99686

## Legislation Text

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**File #:** 18-0108, **Version:** 1

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**ITEM TITLE:**

Community Development - Annual Report

**SUBMITTED BY:** Paul Nylund - Interim Director - Community Development

**FISCAL NOTES:**

Expenditure Required: N/A

Unencumbered Balance: N/A

Funding Source: N/A

**RECOMMENDATION:**

Receive and File

**SUMMARY STATEMENT:**

2017 Community Development annual report attached for Council review.



# Annual Report

**To:** City Council  
**From:** City of Valdez | Community Development Office  
**Title:** 2017 Annual Report

In 2017 the Community Development Department for the City of Valdez had a unique opportunity to develop an entirely new team from the ground up. The purpose of this report is to introduce City Council to Community Development Staff and provide a summary of the departments accomplishments in 2017.



**Left to Right:** Rochelle Rollenhagen (Sr. Planner). Paul Nylund (Sr. Planner/GIS Technician), Kate Huber (Planning Technician), Sue Moeller (Sr. Administrative Assistant), April Mathews (GIS Manager).



Jay Yunker (Building Inspector).

## Meet the Staff

Sue Moeller joined the Community Development team as the Sr. Administrative Assistant in the Spring of 2017. With 16 years of experience working for the local telephone company, she keeps the department running efficiently and smoothly.

With over ten years of experience as a valued employee for the City of Valdez, Paul Nylund joined the department as the Senior Planner/GIS Technician in July of 2017. With a Bachelors of Science in Natural Resource Management, Paul utilizes his intricate working knowledge of city infrastructure to help the community with development projects.

Senior Planner Rochelle Rollenhagen joined the team in June of 2017. Her educational background includes a Bachelors of Science in Geography and Land Use Planning. She has over 33 years of experience working as a Planner, which includes work in four other Alaskan communities!

Jay Yunker joined the team as the Building Inspector in July of

2017. With over 35 years of experience in the Construction Industry he has both Commercial and Residential Building Inspector Certifications.

Kate Huber joined the team in the Spring of 2017. As our Planning Technician performing all zoning reviews, she is certified as both a Permit Technician and Zoning Inspector.

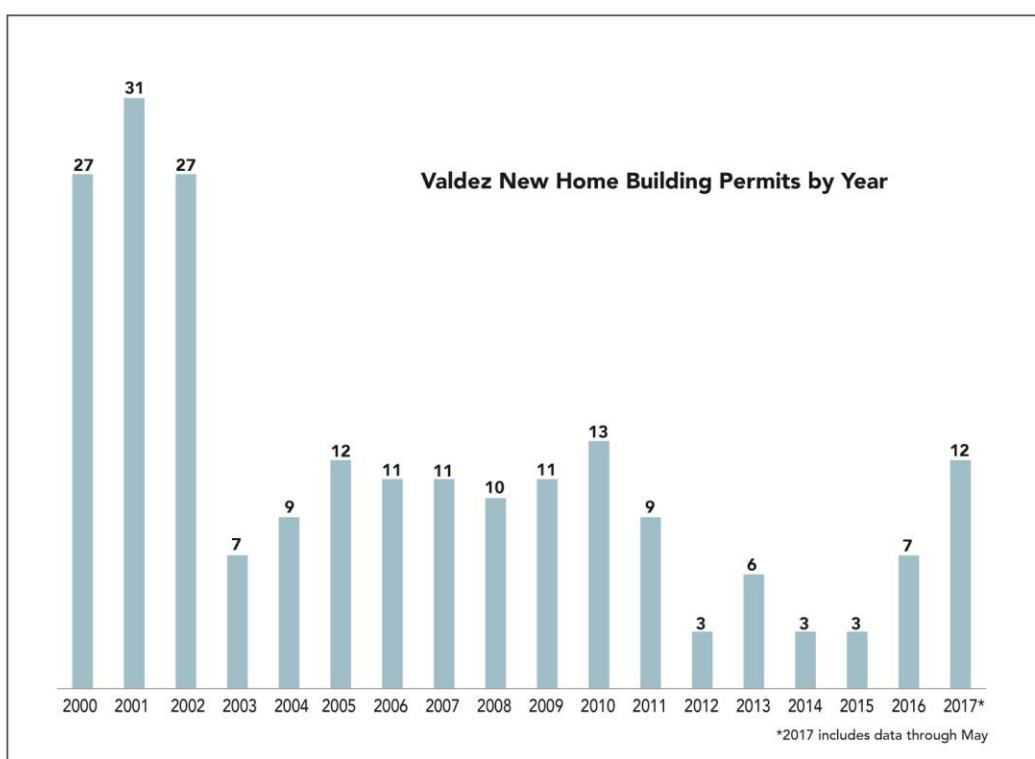
As required by FEMA, all Community Development employees received certifications in 2017 for Incident Command System training at the 100, 200, 700, and 800 levels. Staff also received training on workplace diversity, workplace violence, drug-free workplace, and blood borne pathogens.

## Community Development

This was a banner year for development in Valdez. The department issued 12 new Residential Building permits and processed five new plats through subdivision approval via the Planning and Zoning Commission. In addition the department processed three floodplain development permits, two City easement requests, one approval for the sale of City land, one variance, one exception, one conditional use permit, and one rezone request.

The number of overall residential building permits issued has increased in both number and valuation over the last three years. The valuation of commercial building permits issued, not including City projects, has more than doubled the highest valuation for commercial development in the last five years!

YEAR	# of Residential Building Permits Issued	Total Valuation of Residential Work Permitted	# of Commercial Building Permits Issued	Total Valuation of Commercial Work Permitted
2015	53	\$648,153.00	40	\$3,4697,132.00
2016	83	\$2,125,595.00	31	\$670,745.00
2017	98	\$9,054.384.00	62	\$13,215,498.00



## Variance

(An exception to a standard of a zoning district but not to the use restriction of that zoning district, and then only when unusual physical characteristics of the lot make application of the standard an undue hardship.)

## Exception

(Evidence suggests the building was erected in good faith and every intent of meeting code.)

## Approval of Land Sales

## Floodplain Development Permit

(A permit obtained before construction or development begins within any area of the special flood hazard area.)

## Conditional Use Permit

(Permitting of certain specified uses in zoning districts where such uses are generally considered appropriate, but only after additional safeguards are applied.)

## Rezone

(A Zoning Map Amendment made in conformity with the provisions of code; and in accordance with the Valdez Comprehensive Plan.)

## Easement

(An interest in land owned by another that entitles the easement holder to a specified limited use or enjoyment.)

# Subdivision

(The division of a lot, tract or parcel of land into two or more lots, tracts, parcels or other divisions of land for sale, development or lease.)





## Legislation Text

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**File #:** 18-0109, **Version:** 1

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**ITEM TITLE:**

Mayor's Report - March 6, 2018

**SUBMITTED BY:** Ruth E. Knight, Mayor

**FISCAL NOTES:**

Expenditure Required: [Click here to enter text.](#)

Unencumbered Balance: [Click here to enter text.](#)

Funding Source: [Click here to enter text.](#)

**RECOMMENDATION:**

[Click here to enter text.](#)

**SUMMARY STATEMENT:**

Report Attached.

Since our last Council meeting on February 20:

- I was able to attend the Economic Diversification Commission meeting on the 21<sup>st</sup>. They had great discussion and all agreed that housing was our #1 concern for growing the economy.
- On the 22<sup>nd</sup>, the PVMC Philanthropy sub-committee met and decided what smaller hospital projects would be appropriate to take before the Foundation and which we could try to fund with some sort of drive.
- Our Procurement Policy work session on the 22<sup>nd</sup> was long, but gave the staff direction. Thank you for the good discussion. I want to welcome our new Assistant City Manager, Phil Miller, to Valdez. He hit the ground running- having to jump right into these meetings. We do not ease into things here in Valdez! As you may be aware, we are known for our EXTREMES!
- I attended several of the Arctic Eagle events including welcoming an entire Civic Center Auditorium of camouflaged service members to Valdez. I invited them all to retire here. This exercise brought in about 250+ National Guard troops from Feb 22 – 25. On Saturday morning, I was able to welcome the Distinguished Visitors and met highly ranked officers from Colorado, New York, Illinois, Washington, Texas, and Alaska. I was invited to attend their last CUB (command unified briefing) on Saturday afternoon and heard how the response to the chemical and nuclear disaster was progressing. The Thursday night tanker accident and fuel spill was a topic of conversation. It was quite a coincidence that this happened in city limits for the first time (at least since I have been here- the last 19 years) at the same time we had Chemical Spill experts on site from the military. They allowed me to ask questions during this briefing, so I did. I asked for them to please provide us with written feedback on and suggestions for improvement on how our Ports & Harbors, Police and Fire personnel, along with Providence Medical Center team worked. I heard the community potlatch/market was well attended and very much appreciated. Thanks again to the Civic Center staff and to Doug Desorcie for making this happen.
- We had a combined Beautification Task Force and Port Commission meeting at noon on the 26<sup>th</sup> to look at and discuss the signage in the ECI, Kelsey Dock uplands and New Harbor projects.
- I attended the School Board meeting on February 26. They hired a new Superintendent, Mr. Shawn Arnold, from Nome along with teachers for all three buildings, and had discussion and action on curricular materials and policy.
- Elke and I met briefly on Friday the 23<sup>rd</sup> and Tuesday the 27<sup>th</sup>.
- On the 27<sup>th</sup>, the PWSEDD met and approved letters to be sent to the legislature supporting the bills that ask for increased funding for the Marine Highway. I have asked our Clerk and Manager to look into doing the same and to bring that before Council before we go to Juneau.
- We had our City Manager's 1<sup>st</sup> annual, formal evaluation in executive session on March 1<sup>st</sup>.
- I testified from the LIO, on the state budget, Friday the 2<sup>nd</sup>, after a brief meeting with Elke.
- On Saturday the 3<sup>rd</sup>, the Civil Air Patrol had the grand opening of their display and I was asked to be there for the ribbon cutting. It will be a great educational addition to our airport building.
- The School Board held a budget work session in the VHS Library on March 5<sup>th</sup>.
- I always meet with the City Manager, the Clerk, and now the City Attorney at 11:30, the day of the Council meeting, to go over the agenda and pose questions. Other Council members are always welcome, just so there are no more than three of us present.
- I have requested that we have a pre-lobbying meeting to include our State Lobbyist, all interested council members, and those staff and Council members who will be going to Juneau. This will need to happen this week.
- We have scheduled a Flood Mitigation Task force meeting at noon on the 8<sup>th</sup>.

Respectfully submitted,



Ruthie Knight, Mayor City of Valdez