

Mayor Edna B. DeVries
Deputy Mayor Richard W. Best
Council Member Steve Carrington
Council Member Sabrena Combs
Council Member David Fuller
Council Member Brad Hanson
Council Member Pete LaFrance

City Attorney Michael Gatti
City Clerk Norma I. Alley, MMC
City Manager Nathan Wallace

City of Palmer, Alaska
Regular City Council Meeting
March 27, 2018, at 7 PM
City Council Chambers
231 W. Evergreen Avenue, Palmer
www.cityofpalmer.org

AGENDA

A. CALL TO ORDER

B. ROLL CALL

C. PLEDGE OF ALLEGIANCE

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. **Action Memorandum No. 18-039:** Authorizing the City Manager to Negotiate and Execute the Renewal of the Brand License Agreement with Matanuska Telephone Association for the MTA Events Center Page 3
 - b. **Action Memorandum No. 18-040:** Authorizing the City Manager to Negotiate and Execute a Contract in the Amount of \$72,208.80 for the 2018 Crack Sealing, Street Striping, and Infrared Pavement Repairs Bid to Alaska Sure Seal, Incorporated Page 17
 - c. **Action Memorandum No. 18-041:** Authorizing the Mayor to Execute an Employment Agreement with City Clerk Norma Alley Page 21
2. Approval of Minutes of Previous Meetings
 - a. February 13, 2018, Regular Meeting Page 23

E. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Presentation of a Proclamation Honoring National Service Recognition Day..... Page 27

F. REPORTS

1. City Manager's Report Page 29
2. City Clerk's Report
3. Mayor's Report Page 45
4. City Attorney's Report

G. AUDIENCE PARTICIPATION

H. PUBLIC HEARING

1. **Resolution No. 18-011:** Authorizing the Issuance and Sale of a Utility Revenue Refunding Bond by the City in the Principal Amount of Not to Exceed \$4,816,000.00 for Purposes of Refinancing Costs of Wastewater Utility Improvements; Establishing the Terms of the Utility Revenue Refunding Bond; Authorizing the Sale of the Utility Revenue Refunding Bond to the United States Department of Agriculture; and Related Matters Page 47

I. ACTION MEMORANDA

1. **Action Memorandum No. 18-042:** Authorizing the City Manager to Negotiate and Execute a Three-Year Agreement with the Matanuska Susitna Borough School District (MSBSD) to Provide a School Resource Officer to MSBSD Schools Within the Palmer City Limits, the Amount Being Funded 75 Percent by MSBSD and 25 Percent by the City of Palmer Page 83

2. **Action Memorandum No. 18-043:** Authorizing the City Manager to Amend the Professional Services Agreement with HDL Engineering Consultants, in an Amount Not to Exceed \$57,507.00, for Additional Required Design Phase Services for Sherrod Area Water and Street Improvements Phase 5, Which Include Street Improvements, Lighting, and a Pathway on Auklet Avenue Between the Glenn Highway and Valley Way Page 95

J. NEW BUSINESS

1. **Resolution No. 18-012:** Adopting the 2018 Update to the City of Palmer Standard Specifications for Construction in the City Page 107

K. RECORD OF ITEMS PLACED ON THE TABLE

L. AUDIENCE PARTICIPATION

M. COUNCIL MEMBER COMMENTS

N. ADJOURNMENT

Tentative 2018 Palmer City Council Meetings

Meeting Date	Meeting Type	Time	Notes
April 10	Regular	7 pm	
April 17	Joint	7 pm	PZC
April 24	Regular	7 pm	
May 8	Regular	7 pm	
May 22	Regular	7 pm	
June 12	Regular	7 pm	
June 26	Special	6 pm	Audit Presentation
June 26	Regular	7 pm	

**City of Palmer
Action Memorandum No. 18-039**

Subject: Authorizing the City Manager to Negotiate and Execute the Renewal of the Brand License Agreement with Matanuska Telephone Association for the MTA Events Center

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Chris Nall, Director of Public Works

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
<u> √ </u>	Finance	<u>Michelle Tefft</u>	<u>3/6/18</u>
_____	Fire	_____	_____
_____	Police	_____	_____
<u> √ </u>	Public Works	<u>W. Nall</u>	<u>3/6/18</u>

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u>[Signature]</u>	_____
City Attorney	<u>[Signature]</u>	_____
City Clerk	<u>[Signature]</u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ 45,000.00 (up to 75,000.00)

This legislation (√):

- Creates revenue in the amount of: \$ 45,000.00 (up to 75,000.00)
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-00-00-3005 (2018) \$15,000.00
- Not budgeted

Director of Finance Signature: Michelle Tefft

Attachment(s):

- Updated Brand License Agreement between MTA and the City for the MTA Events Center

Summary Statement/Background:

The previous licensing agreement with MTA, for the MTA Events Center, expired on December 31, 2017. Public Works has been in discussion with MTA about renewing the Brand Licensing Agreement since August, 2017. The new, proposed agreement with MTA would remain the same as the previous agreement, with the following changes.

1. The base agreement is for a period of 3 years, with 3 x 1-year extensions.
2. MTA agrees to pay the City \$15,000.00 annually for the branding rights to the Events Center.
3. MTA may use the Facility up to four (4) times annually, free of cost. Each event will be no more than 2 days, unless combined with an additional usage time and agreed to by COP.
4. Center Ice – MTA Logo (updated by MTA at earliest convenience of COP).
5. Any future signs or sign upgrades, referencing the Facility shall be new, lighted and at the sole expense of MTA.

Approving Action Memorandum No. 18-039, will allow the City Manager to finalize the Brand Licensing Agreement with MTA and keep the Events Center branded with MTA through December 31, 2020.

The amount of \$15,000.00 through 2024 will not exceed the 10% cap of exclusive use as part of the grant assurances.

Administration's Recommendation:

To approve Action Memorandum No. 18-039 authorizing the City Manager to negotiate and renew the Brand License Agreement with Matanuska Telephone Association (MTA) for the MTA Events Center.

BRAND LICENSE AGREEMENT

THIS BRAND LICENSE AGREEMENT (“Agreement”) is made as of the _____ day of January 2018 by and between Matanuska Telephone Association, Inc., with its principal place of business at 1740 S. Chugach Street, Palmer, Alaska 99645 (hereinafter referred to as “MTA”), and City of Palmer, with its principal place of business at 231 W. Evergreen, Palmer, Alaska 99645 (hereinafter referred to as “COP”).

The Parties agree to these basic tenants:

MTA is the owner of the MTA name and logo and certain other marks which incorporate such logos, as show on Exhibit “B” hereto.

COP owns and operates the Palmer Ice Rink located at 1317 Kerry Weiland Court, Palmer, Alaska 99645 (“Facilities”).

The Parties desire to enter into an arrangement whereby the Facilities shall be identified under a brand determined as provided in Section 1.1(a) in the definition of “Brand”.

COP recognizes the vital importance of protecting MTA’s exclusive and valuable rights in and to the MTA name and logo and the goodwill it symbolizes.

ARTICLE 1

DEFINITIONS

I.I. Definitions. For purpose of this Agreement, the following terms shall be defined as follows:

- (a) “Brand” means such trademark and/or branding which incorporates the Mark (as hereafter defined) on the COP Facility as mutually agreed upon by the Parties in Exhibit B. For the purpose of this Agreement the brand is Matanuska Telephone Association and/or MTA.
- (b) “Facility” or “Facilities” means the Palmer Ice Rink building to include, inside and outside of the building and parking lot.
- (c) “License Mark” or “Mark” means – MTA Events Center, and logo as set forth in Exhibit B which is incorporated by reference.
- (d) “Party” means MTA or COP. MTA and COP are collectively referred to herein as the “Parties”.
- (e) “Initial Term” means the period commencing on the Effective Date and expiring on the third anniversary thereof.
- (f) “Renewal Term” means any extension of the term after the initial term pursuant to Section 2.2 of this Agreement.
- (g) “Anniversary” of this Agreement means at the end of three (3) years.

ARTICLE 2

GRANT OF LICENSE

2.1 Grant. Subject to the terms and provisions set forth in this Agreement, MTA hereby grants to COP, and COP hereby accepts, a nonexclusive, non-transferable, non-assignable license royalty free, to use the Mark during the Term solely in connection with the marketing of the Facilities, but only as incorporated into, or used in conjunction with, the Brand.

2.2 Term. The initial Term of this Agreement shall be for a period of three (3) years commencing from the later of January 1, 2018 "Effective Date". The parties may mutually agree to extend this written agreement beyond the initial term for up to 3 additional years.

2.3 Limitations of Use. COP has no right to nor shall it use the Mark as shown in Exhibit B, except for the marketing the Facilities or otherwise approved by MTA.

2.4 Limitation on Licensing. During the Term, MTA reserves and shall have the right to grant to any other person or entity the right to use the mark in conjunction with the Facility.

2.5 Use of Other Marks. During the Term of this Agreement, neither COP nor any subsidiary or affiliate of COP will use any mark or name except the Mark on the Facilities or in connection with advertising or promotional materials for the Facilities, except as approved in writing by MTA.

ARTICLE 3

QUALITY CONTROL

3.1 Quality Control; Inspections; Approvals. In order to protect the goodwill and reputation associated with the Mark, COP covenants, agrees, represents and warrants as follows, at a minimum that:

(a) All related advertising, labels, publicity materials, and promotional materials used by COP in connection with the Facilities; the Brand shall conform to the standards agreed upon in Exhibit B. COP shall require all users and renters of the Facility to incorporate the brand as provided to them by COP in all promotional materials, including, but not limited to flyers, brochures, electronic advertising, print advertising, and press releases. Advertising examples will be provided to MTA upon request.

(b) Notwithstanding any other provision in this Agreement, MTA shall have no liability to COP or third parties with respect to the management of the Facilities by COP, its agents, contractors or sub-contractors or its customers.

(c) All rental use of the Facility shall exclude sexually suggestive or explicit products or activities.

(d) Upon request, COP shall allow MTA to inspect Facilities.

(e) COP shall submit to MTA, without charges, for inspection and approval by MTA, a sample of each advertisement, publicity or promotional material that uses the Mark or the Brand. COP shall not use any advertisement, package, label, tag, publicity or promotional material for the Facilities using the Brand, the Mark or the MTA name, which has not been approved by MTA in writing.

(f) COP shall not have personality or celebrity endorse or promote the Facility unless and until it obtains a signed release with a clause stating that the celebrity shall not promote any other telecommunications company or a company that is in competition with MTA.

(g) COP's policy of the use and maintenance of the Facility shall be of the highest standard and shall in no manner reflect adversely upon the good name of the MTA or upon the goodwill and reputation associated with the Mark.

(h) The Parties shall use their reasonable best efforts to promptly handle any requests for approvals required under this Agreement (for example, approvals under Section 5.2; but excluding, without limitation, amendments to this Agreement). Unless the Parties agree otherwise, response to requests for approval must be given within ten (10) business days from the date of request. Lack of such response within ten (10) business days from the date of the second notice of such request (which second request shall not be given to ten (10) business days from the date of the first request) shall constitute approval of the request.

ARTICLE 4

OWNERSHIP OF THE MARK

4.1 Ownership of the Mark. COP acknowledges and agrees that:

(a) COP shall acquire no ownership rights in or to the Mark by virtue of this Agreement or otherwise and all use by COP of the Mark shall be deemed to inure to the benefit of MTA.

(b) COP shall not, during the Term or at any time thereafter, directly or indirectly, contest or aid in contesting MTA's ownership of the Mark or the validity of the Mark.

(c) COP shall not, during the Term or at any time thereafter, do anything inconsistent with or which impairs MTA's ownership of or the validity of the Mark.

4.2 Cooperation in Enforcing Ownership Rights. At MTA's request, COP will cooperate fully, at MTA's expense, in confirming, perfecting, preserving and enforcing MTA's rights in the Mark.

4.3 Unauthorized Use. COP agrees to notify MTA of any unauthorized use, or other infringement by other persons relating to the Brand or the Mark promptly after it comes to COP's express knowledge. MTA agrees to notify COP of any unauthorized use, unfair competition or other infringement by other persons relating to the Brand promptly after it comes to MTA's attention. The Parties shall have the right to determine what action, if any, will be taken to remedy any infringement(s) of or related to their respective name or logos or other intellectual property rights, either standing alone or as incorporated in the Brand. The Parties shall not take any action with respect to such infringements of the other Party's name or logos or other intellectual property, standing alone, without the prior written consent of the Party. Notwithstanding the foregoing, the Parties agree to cooperate in good faith in determining what action to take regarding any infringement of the Brand.

ARTICLE 5

ADDITIONAL OBLIGATION OF COP

5.1 Marketing. COP agrees to use its reasonable best efforts, consistent with its past practices and past financial expenditures, for marketing, advertising, promoting and publicity for the Brand.

5.2 When and if available, MTA shall have exclusive right to stream events live over the internet for events at the Facility and to broadcast such event on MTA's DTV Video on Demand. All broadcast games would be on a delayed basis.

5.3 Approval of Formats. COP shall use the Mark only in the composition, lettering, logos, print styles, forms and formats which have received the prior written approval of MTA.

5.4 Insurance Coverage. During the Term, COP shall obtain and maintain from a reputable insurance carrier liability insurance with limits not less than \$1,000,000 (U.S. dollars) (per person, per injury) in order to protect and insure MTA and COP against any claims or liabilities with which either or both of them may be charged because of personal injuries or injuries suffered by any person or entity, resulting from the use of the Facilities, whether during the Term or thereafter. MTA shall be named in the policy of such insurance as an additional insured and such policy shall provide that the insurance cannot be cancelled without the insurer giving MTA written notice thereof at least thirty (30) days prior to the effective date of the cancellation and that the insurance covers the contractual liability of COP to MTA under the provisions of paragraph 5.5 below. COP shall maintain such insurance in full force and effect throughout the Initial Term and for a Discovery Period of two (2) years after the termination date of the Agreement. Within ten (10) days after the term of this Agreement begins and on the first day of each year thereafter, COP shall deliver to MTA a certificate of insurance showing evidence of coverage. The insurance described in this Section shall be primary and shall not be subject to contribution by any other insurance, which may be available to MTA.

5.5 Indemnity. COP agrees to indemnify MTA and its affiliates, directors, officers, employees and agents and hold them harmless from and against any and all claims, demands, actions, liabilities, damages, losses, costs and expenses (including reasonable attorney's fees) (collectively, "Damages") arising out of or resulting from or in connection with COP's (1) performance or non-performance of its obligations under this Agreement; or (2) negligent or willful acts or omissions (or such actions or omissions of COP's agents, employees, contractors, or consultants). This Section shall survive the expiration, termination, breach or alleged breach of this Agreement.

ARTICLE 6

MTA's OBLIGATIONS

6.1 MTA shall pay COP fifteen thousand (\$15,000) annually for naming rights to the Facility and for the exclusivity to MTA as the only telecommunications company advertising in the Facility, as outlined in Exhibit A.

6.2 Indemnity. MTA agrees to indemnify COP and its directors, officers, employees and agents and hold them harmless from and against any and all Damages arising out of or resulting from or in connection with MTA's (1) performance or non-performance of its obligations under this Agreement; or (2) negligent or willful acts or omissions of MTA (or such acts or omissions of MTA's agents, employees,

contractors, or consultants). This Section shall survive the expiration, termination, breach or alleged breach of this Agreement.

ARTICLE 7

BREACH, DEFAULT AND TERMINATION

7.1 Termination of Cause. Either Party may terminate this Agreement at any time if the other defaults in the performance of any of its obligations under this Agreement and fails to cure such default as set forth in this Agreement. In such event, the party declaring the default shall provide the other Party ("Recipient") with written notice thereof setting forth the nature of the default, and;

(a) Recipient shall have thirty (30) days from the date of the notice to cure a default (other than a default described in Section 7.1(b)), provided; however, that if the nature of the alleged fault is such that it cannot reasonably be cured within thirty (30) days, the Recipient may cure such default by commencing in good faith to cure such default promptly after its receipt of such written notice and prosecuting the cure of such default to completion with diligence and continuity within a reasonable time thereafter; or

(b) In the event COP shall at any time breach or be in default of any of the provisions set forth in Section 3.1(a) – (h) of this Agreement, COP shall have thirty (30) business days from receipt of MTA's notice to COP of such Quality Default to cure it; provided however, MTA may terminate this Agreement immediately without providing COP an opportunity to cure, upon the third Quality Default in any three (3) year period.

7.2 Termination in Event of Bankruptcy, etc. This Agreement shall terminate automatically upon notice to a Party, in the event that with respect to such Party; (a) there is an expropriation, confiscation or nationalization by any government of a substantial portion of its assets or property; (b) it becomes insolvent; (c) it seeks relief as a debtor under any applicable bankruptcy law or other law relating to the liquidation or reorganization of debtors or to the modification or alteration of the rights of creditors or consents to or acquiesces in such relief; (d) it makes an assignment for the benefit of, or enters into a composition with, its creditors; (e) it appoints or consents to the appointment or receiver or other custodian for all or a substantial part of its assets or property; (f) a petition seeking to have it declared or adjudicated bankrupt or insolvent under any applicable bankruptcy or similar law is not dismissed within sixty (60) days after filings; (g) an order or judgment is entered by a court of competent jurisdiction for relief against it in any case commenced under any bankruptcy or similar law or finding it to be bankrupt or insolvent or ordering or approving its liquidation, reorganization or any modification of the rights of its creditors or appointing a receiver, guardian or other custodian for all or a substantial part of its assets or property; or (h) it admits its inability to pay its debts when due.

7.3 No Waiver of Right to Terminate. Either Party's failure to exercise or delay in exercising its right of termination hereunder for any one or more causes shall not be deemed to prejudice its right of termination for such cause(s) or for any other subsequent cause. Termination or expiration of this Agreement for any reason whatsoever shall not relieve the Parties from their respective obligations accruing hereunder upon or prior to such termination or expiration.

7.4 Certain Obligations upon Termination or Expiration. Upon any expiration or termination of this Agreement;

COP shall, at its expense, within thirty (30) days following the date of such expiration or termination (“Transition Period”) remove from, and by the end of the Transition Period shall have ceased to use or display in any manner the Brand or the Mark inside the Facilities, in connection with the Facilities or any label, equipment, advertising or promotional medium of any kind whatsoever, or any other document, device or medium; unless the Parties expressly agree otherwise. MTA shall be responsible to remove any signage outside the Facilities.

7.5 Arbitration. The Parties agree to resolve any dispute hereunder through good faith negotiations. Accordingly, the Parties agree that any dispute or claim (collectively, “Disputes”) arising out of or in connection with this Agreement shall be settled by binding arbitration in Palmer, Alaska (or such other location as the Parties may agree) under the rules then prevailing of the American Arbitration Association by one arbitrator appointed in accordance with those rules. The arbitrator shall be chosen from a panel of arbitrators with knowledge relevant to the subject matter of the Dispute. The arbitrator shall apply Alaska law to the merits of any Dispute without reference to such state’s conflicts of law rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The prevailing Party shall be entitled to recover, in addition to any other relief awarded or granted, its incurred costs and expenses including, but not limited to, reasonable attorneys’ fees.

ARTICLE 8

MISCELLANEOUS PROVISIONS

8.1 No Agency. Nothing in this Agreement shall create a partnership, joint venture or establish the relationship of principal and agent or any other relationship of a similar nature between the Parties. In all transactions regarding the Facilities or the Brand, COP shall assume sole responsibility for any commitments, obligations and representations made by it in connection with the manufacture, marketing, use or advertising thereof.

8.2 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, negotiations and discussions, whether oral or written, of the Parties, pertaining to such subject matter. No amendment, supplement, modification or waiver of this Agreement shall be binding, unless it is set forth in a written document signed by the Parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided in a written document signed by the Parties hereto.

8.3 Binding Nature of Agreement. Subject to Article 2 above, this Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

8.4 Governing Law. This Agreement shall be constructed in accordance with laws of the State of Alaska and the City of Palmer without regard to conflict of laws principles.

8.5 Headings. The headings and captions contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect the interpretation of this Agreement. Unless the context otherwise specifically requires, words importing the singular include the plural and vice versa. The term “hereunder”, “hereto”, “herein” and

similar terms relate to this entire Agreement and not to any particular paragraph or provision of this Agreement.

8.6 Voluntary Nature of Agreement. This Agreement has been entered into after negotiation and review of its terms and conditions by the Parties under no compulsion to execute and deliver a disadvantageous agreement. The Agreement incorporate provisions, comments and suggestions proposed by both Parties. No ambiguity or omission in this Agreement shall be construed or resolved against either Parties on the ground that this Agreement or any of its provisions was drafted or proposed by the Party.

8.7 Notices. All notices or other communication which are required, or which may be given under the provisions of this Agreement shall be in writing and shall be hand-delivered or mailed certified or registered mail, postage prepaid, as follows:

To MTA at:

Matanuska Telephone Association
1740 S. Chugach Street
Palmer, Alaska 99645
Attention: Contract Administrator
Facsimile #: (907) 761-2540

To COP at:

City of Palmer
231 W. Evergreen Ave.
Palmer, Alaska 99645
Attention: Director, Public Works
Facsimile #: (907) 745-0930

Either Party may change its address for notice by written notice to that effect given to the other Party in accordance with this Section. All notices shall be effective upon actual receipt (or refusal) at the address specified.

8.8 Remedies. Except where otherwise specifically referenced in this Agreement as an exclusive remedy, the Parties hereto shall have all remedies available at law or in equity, which remedies shall be cumulative and nonexclusive, and in addition shall be entitled to such restraining orders, injunctions, specific performance, protective orders or similar remedies as may be appropriate.

8.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Faxed signatures will be accepted, provided the originally signed documents are delivered on the following business day.

8.10 Compliance with Law. MTA shall be familiar with and at all times comply with and observe all applicable federal, state and local laws, ordinance, rules, regulations, and executive orders, all applicable safety orders, all orders or decrees of administrative agencies, courts, or other legally constituted authorities having jurisdiction or authority over.

ARTICLE 9

REPRESENTATION, WARRANTIES AND COVENANTS OF LICENSOR

9.1 Title to the Licensed Marks, MTA represents and warrants that:

(a) MTA has good title to the Licensed Marks and has the right to grant the licenses provided for hereunder in accordance with the terms and conditions hereof, free of any liabilities, charges, liens, pledgers, mortgages, restrictions, adverse claims, security interests, rights of others, and encumbrance any kind (collectively, "Encumbrances"), other than Encumbrances which will not restrict or interfere in any material respect with the exercise by COP of the rights granted to COP hereunder.

(b) There is no claim, action, proceeding or other litigation pending or, to the knowledge of Licensor, threatened with respect to MTA's ownership of the Licensed Marks or which, if adversely determined, would restrict or otherwise interfere in any material respect with the exercise by COP of the rights purported to be granted to Licensee hereunder.

Except as expressly provided elsewhere in this document, MTA makes no representation or warranty of any kind or nature whether express or implied with respect to the Licensed Marks (including freedom from the third-party infringement of the Licensed Marks).

9.2 Other Licensees. In the event MTA grants to any third party any licenses or rights with respect to the Licensed Marks, MTA shall not, in connection with the grant of any such license or rights, take any actions, or suffer any omission that would adversely affect the existence or validity of the Licensed Marks or conflict with rights granted to COP hereunder.

9.3 Abandonment. Licensor covenants and agrees that, during the term of this Agreement, it will not abandon the Licensed Marks.

ARTICLE 10

REPRESENTATION AND WARRANTIES OF BOTH PARTIES.

10.1 Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

(a) Due Incorporation or Formation; Authorization of Agreement. Such party is a corporation duly organized, a limited liability company duly organized or a partnership duly formed, validly existing and, if applicable, in good standing under the laws of jurisdiction of its incorporation or formation and has the corporate, company or partnership power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such party is duly licensed or qualified to do business and, if applicable, is in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such party has corporate, company or partnership power and authority to execute and deliver this Agreement and to perform its obligations hereunder and this execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate, company or partnership action. Assuming the due execution and delivery by the other party hereto, this Agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject as to enforceability to limits imposed by

bankruptcy, insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.

(b) The City issued general obligation bonds in 2004 (refinanced in 2012) to pay costs of construction of the Facility. Such bonds were issued on a tax-exempt basis under, and pursuant to, the Internal Revenue Code of 1986, as amended. The City has covenanted with bondholders that it will not take any action which would cause interest on such bonds to be subject to federal income tax. The terms of this Agreement are subject to the federal income tax restrictions imposed on the City.

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound thereby, have executed this Agreement by their duly authorized representatives to be effective as of the day and year first above written.

MATANUSKA TELEPHONE ASSOCIATION, INC.

CITY OF PALMER

By:
Printed Name: Wanda Tankersley
Title: COO
Date:

By:
Printed Name: Nathan E. Wallace
Title: City Manager
Date:

Exhibit A
To
Brand License Agreement
Presentation of Brand

MTA Signage on Exterior Building.

MTA (Lighted) Signage entering the parking lot.

Center Ice – MTA Logo (updated by MTA at earliest convenience of COP).

Zamboni or other ice resurfacing machine – MTA Logo

Scoreboards (x2) – MTA Logo

Eight (4) general admission tickets to each event for each year of the Term.

MTA may use the Facility up to four (4) times annually, free of cost. Each event will be no more than 2 days, unless combined with an additional usage time and agreed to by COP. MTA will coordinate with COP for scheduling.

Exhibit B
To
Brand License Agreement

MTA Logo

Name of Facility shall be "MTA Events Center". MTA Events Center signage shall be displayed in the interior and exterior of the Facility.

Any future signs or sign upgrades, referencing the Facility shall be new, lighted and at the sole expense of MTA.

**City of Palmer
Action Memorandum No. 18-040**

Subject: Authorizing the City Manager to Negotiate and Execute a Contract in the Amount of \$72,208.80 for the 2018 Crack Sealing, Street Striping, and Infrared Pavement Repairs Bid to Alaska Sure Seal, Incorporated

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance	<u><i>Michelle Tefft</i></u>	3/8/18
_____	Fire	_____	_____
_____	Police	_____	_____
X	Public Works	<u><i>W. Wall</i></u>	3/8/18

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u><i>[Signature]</i></u>	_____
City Attorney	<u><i>[Signature]</i></u>	_____
City Clerk	<u><i>Norma L. Alley</i></u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ **72,208.80**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ 72,208.80
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): 01-17-40-6068 (\$25,000), 01-17-40-6065 (\$30,958.80)
03-01-10-6045 (\$13,750), 01-17-70-6045 (\$2,500)
- Not budgeted

Director of Finance Signature: *Michelle Tefft*

Attachment(s):

- Bid Tabulations

Summary Statement/Background:

The City Council approved a budget of \$25,000.00 for crack sealing, \$60,000.00 for road paint, and \$13,750.00 for crack sealing at Palmer Municipal Airport in the 2018 budget. Crack sealing and street striping are annual maintenance items that are put together in a bid in the spring, so work can be completed by the end of summer. A new item in the bid this year was infrared pavement repairs. With this addition, the contractor will be able to do some larger pavement repairs on City streets.

This bid attracted three bidders and closed on March 8, 2018. The lowest responsive, responsible bidder was Alaska Sure Seal, Incorporated. It is recommended that the total bid be awarded in the amount of \$72,208.80.

Administration's Recommendation:

To approve Action Memorandum No. 18-040 allowing the City Manager to negotiate and execute a contract with Alaska Sure Seal, Inc., in the amount of \$72,208.80 for the 2018 crack sealing, street striping, and infrared pavement repairs.

**2018 Crack Sealing, Street Striping, and Infrared Pothole Patching
Bid Tabulations - March 8, 2018**

ITEM	EST. QTY	DESCRIPTION	Sockeye Asphalt Maint.		Alaska Sure Seal		Alaska Quality Sealcoat	
			UNIT BID PRICE	TOTAL BID PRICE	UNIT BID PRICE	TOTAL BID PRICE	UNIT BID PRICE	TOTAL BID PRICE
1	11,800	Apply Owner supplied rubberized asphalt crack sealant on streets, airports or pathways within City of Palmer incorporated city limits (per pound applied sum)	\$ 1.98	\$ 23,364.00	\$ 1.99	\$ 23,482.00	\$ 7.50	\$ 88,500.00
2	10,000	Painted traffic markings 4" white (per linear foot)	\$ 0.39	\$ 3,900.00	\$ 0.39	\$ 3,900.00	\$ 0.50	\$ 5,000.00
3	78,000	Painted traffic markings 4" yellow (per linear foot)	\$ 0.39	\$ 30,420.00	\$ 0.39	\$ 30,420.00	\$ 0.50	\$ 39,000.00
4	1	Painted traffic markings 48" white turn arrow & straight arrow (each)	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 150.00	\$ 150.00
5	11	Painted traffic markings 24" white stop bars (per linear foot)	\$ 2.70	\$ 29.70	\$ 2.80	\$ 30.80	\$ 150.00	\$ 1,650.00
6	120	Painted traffic markings 24" white banded crosswalk (per linear foot)	\$ 2.70	\$ 324.00	\$ 2.80	\$ 336.00	\$ 5.00	\$ 600.00
7	500	Painted traffic markings 8" white (per linear foot)	\$ 0.78	\$ 390.00	\$ 0.78	\$ 390.00	\$ 1.00	\$ 500.00
8	7	Infrared Road Patching (per 10-hour day)	\$ 9,500.00	\$ 66,500.00	\$ 2,650.00	\$ 18,550.00	\$ 6,500.00	\$ 45,500.00
TOTAL BID AMOUNT				\$ 125,027.70		\$ 77,208.80		\$ 180,900.00

**City of Palmer
Action Memorandum No. 18-041**

Subject: Authorizing the Mayor to Execute an Employment Agreement with City Clerk Norma Alley

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator: Mayor DeVries

Attachment(s):
 ➤ None

Summary Statement/Background:

After two years of employment with the city of Palmer, it is the wish of the City Council and Norma Alley to renew Norma Alley's employment agreement for another two years. The City Council is authorizing the Mayor, on behalf of the City, to execute and do all other necessary acts to enter into an employment agreement with Norma Alley.

A. CALL TO ORDER

A regular meeting of the Palmer City Council was held on February 13, 2018, at 7:00 p.m. in the council chambers, Palmer, Alaska.

Mayor DeVries called the meeting to order at 7:00 p.m.

B. ROLL CALL

Comprising a quorum of the Council, the following were present:

Edna DeVries, Mayor
Steve Carrington
David Fuller
Peter LaFrance

Richard Best, Deputy Mayor
Sabrena Combs
Brad Hanson

Staff in attendance were the following:

Nathan Wallace, City Manager
Michael Gatti, City Attorney

Norma I. Alley, MMC, City Clerk
Angie Anderson, Deputy City Clerk

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

D. APPROVAL OF AGENDA

1. Approval of Consent Agenda
 - a. Introduction of **Ordinance No. 18-002-Z-1**: Amending the Zoning Map to Revise the Designation of a Portion of the Warren "Bud" Woods Palmer Municipal Airport – Area Between Lines: North Line-N89°58'56"W; South Line-N89°58'53"W; West Line-N00°11'27"W; East Line-N00°01'15"E, to be Rezoned from A-I Airport Industrial to A-M Airport Mixed Use, Located within Section 4, Township 17 North, Range 2 East, Seward Meridian, Alaska
 - b. **Action Memorandum No. 18-014**: Authorizing the City Manager to Execute a Contract with Sternberg Lighting c/o Arctic Sales, Inc. for 34 LED Decorative Street Light Luminaries for a Total Cost of \$47,226.00
 - c. **Action Memorandum No. 18-015**: Authorizing the City Manager to Purchase Three New Light Duty Pickup Trucks, from Kendall Ford, in the Amount of \$114,877.00 under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230, by Attaching to the State of Alaska Contract Pricing Contract Number 1900-14-1
 - d. **Action Memorandum No. 18-016**: Authorizing the City Manager to Purchase a Vermeer Brush Chipper in the Amount of \$26,729.00 Under the Governmental and Proprietary Procurements Section of Palmer Municipal Code 3.21.230, by Attaching to the NJPA National Joint Powers Alliance Contract Pricing Contract Number 062117-VRM
 - e. **Action Memorandum No. 18-017**: Authorizing the City Manager to Negotiate and Execute an Agreement with the Pioneer Amateur Hockey Association for Concession Services at the MTA Events Center
 - f. **Action Memorandum No. 18-018**: Authorizing the City Manager to Execute an Addendum to the Construction Management and Related Additional Engineering Design Contract with HDL

Engineering Consultants in the Amount of \$59,544.00 for Unanticipated Costs Associated with the Construction Management of the Rehabilitation of RW 16/34 and Related Improvements Project Issued in 2017

- g. **Action Memorandum No. 18-019:** Authorizing the City Manager to Negotiate and Execute Change Order No.1 with Roger Hickel Contracting, Inc., to Install a New Automatic Transfer Switch (ATS) as Part of the Waste Water Treatment Plant Facility Plan Update, in the Amount of \$33,317.00
- 2. Approval of Minutes of Previous Meetings
 - a. February 7, 2017, Joint Council and Board of Economic Development Meeting
 - b. April 4, 2017, Joint Council and Planning & Zoning Commission Meeting

Main Motion: To Approve Consent Agenda and Minutes

Moved by:	Fuller
Seconded by:	Carrington
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

Primary Amendment #1: To Move Item M to item E

Moved by:	Hanson
Seconded by:	
Action:	Motion Failed for Lack of Second
In favor:	
Opposed:	

E. REPORTS

- 1. City Manager's Report

City Manager Nathan Wallace Highlighted his written report and added attended a grant workshop, which was very valuable and will aid in acquiring grant money for the city.

- 2. City Clerk's Report

None.

- 3. Mayor's Report

Mayor DeVries highlighted her written report and requested consideration to look into a crosswalk or roundabout near S. Valley Way.

- 4. City Attorney's Report

None.

F. AUDIENCE PARTICIPATION

Mrs. Lorie Koppenberg, Purple Moose and Vagabonds Blues Owner, asked the council support the Who Let The Girls Out community grant.

G. PUBLIC HEARING

1. **Resolution No. 17-001-B:** Amending the 2017 City of Palmer Budget for the Fiscal Year Ending December 31, 2017

Main Motion: To Approve Resolution No. 17-001-B

Moved by:	Best
Seconded by:	Fuller
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

2. **Action Memorandum No. 18-020:** Directing the City Clerk to Notify the State of Alaska of the City Council's Statement of Non-Objection to Liquor License #119, for Palmer City Alehouse, Located at 320 E. Dahlia Avenue

Mayor DeVries opened the public hearing on Action Memorandum No. 18-020. Seeing no one come forward to speak, and hearing no objection from the Council, the public hearing was closed.

Main Motion: To Approve Action Memorandum No. 18-020

Moved by:	Best
Seconded by:	Fuller
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

H. ACTION MEMORANDA

1. **Action Memorandum No. 18-021:** Approving a Council Community Grant in the Amount of \$1,500.00 to Downtown Merchants Association Through the Greater Palmer Chamber of Commerce to Support the April 20-21, 2018, Community Event "Who Let the Girls Out"

Main Motion: To Approve Action Memorandum No. 18-021

Moved by:	Best
Seconded by:	Combs
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

Primary Amendment #1: To Reduce Amount Given to \$1000.00

Moved by:	Fuller
Seconded by:	
Action:	Motion Failed for Lack of Second
In favor:	
Opposed:	

2. **Action Memorandum No. 18-022:** Authorizing the City Manager to Purchase Palmer Training Tower and Burn Room Upgrade Services, from WRG Fire Training Simulation Systems, Inc., in the Amount of \$79,142.40 Under Palmer Municipal Code 3.21.230(A)(3) as a Sole Source Procurement

City Manager Wallace reported the original proposals did not meet the needed minimum requirements and was over budget. Due to those reasons, sole source procurement was used.

Main Motion: To Approve Action Memorandum No. 18-022

Moved by:	Best
Seconded by:	Fuller
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

I. NEW BUSINESS

1. **Resolution No. 18-009:** Identifying the City of Palmer’s Capital Project Priorities for State, Federal and Other Interested Parties Funding.

Main Motion: To Approve Resolution No. 18-009

Moved by:	Carrington
Seconded by:	Hanson
Action:	Motion Carried
In favor:	Best, Carrington, Combs, DeVries, Fuller, Hanson, LaFrance
Opposed:	None

J. RECORD OF ITEMS PLACED ON THE TABLE

City Clerk Norma Alley reported there were no Items Placed on the Table:

K. AUDIENCE PARTICIPATION

None.

L. COUNCIL MEMBER COMMENTS

Council Member Combs stated she was honored that her and Council Member LaFrance went on a tour of the airport and expressed thanks to Airport Manager Frank Kelly.

M. COMMUNICATIONS AND APPEARANCE REQUESTS

1. Presentation of the Golden Heart Lifetime Achievement Award, Councilor Best expressed gratitude for recipient Linda Comb’s hard work and dedication to the city of palmer and stated there was not a more deserving individual.

Mayor DeVries read and presented the Golden Heart Lifetime Achievement Award to former Council Member Linda Combs.

N. ADJOURNMENT

With no further business before the Council, the meeting adjourned at 8:09 p.m.

Approved this ____ day of _____, 2018.

Norma I. Alley, MMC, City Clerk

Edna B. DeVries, Mayor



PROCLAMATION

PROCLAIMING NATIONAL SERVICE RECOGNITION DAY

WHEREAS, service to others is a hallmark of the American character, and central to how we meet our challenges; and

WHEREAS, the nation's cities are increasingly turning to national service and volunteerism as a cost-effective strategy to meet their needs; and

WHEREAS, AmeriCorps and Senior Corps participants address the most pressing challenges facing our communities, from educating students for the jobs of the 21st century and supporting veterans and military families to providing health services and helping communities recover from natural disasters; and

WHEREAS, national service expands economic opportunity by creating more sustainable, resilient communities and providing education, career skills, and leadership abilities for those who serve; and

WHEREAS, AmeriCorps and Senior Corps participants serve in more than 50,000 locations across the country, bolstering the civic, neighborhood, and faith-based organizations that are so vital to our economic and social well-being; and

WHEREAS, the AmeriCorps Volunteers Service to America (VISTA) in Palmer are building capacity with the goal of educating and exciting children and youth about gardening, local farming, procurement and healthy eating, one of many projects helping to make Palmer a better Alaskan community; and

NOW, THEREFORE, IT IS PROCLAIMED by the Mayor and City Council of the City of Palmer, Alaska, do hereby proclaim April 3, 2018, as National Service Recognition Day, and encourage residents to recognize the positive impact of national service in our county; to thank those who serve; and to find ways to give back to their communities.

IN WITNESS WHEREOF, I have hereunto set my hand and cause the seal of the City of Palmer to be affixed on this 27th day of March, 2018.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk



Staff Update and analysis (February 2018):

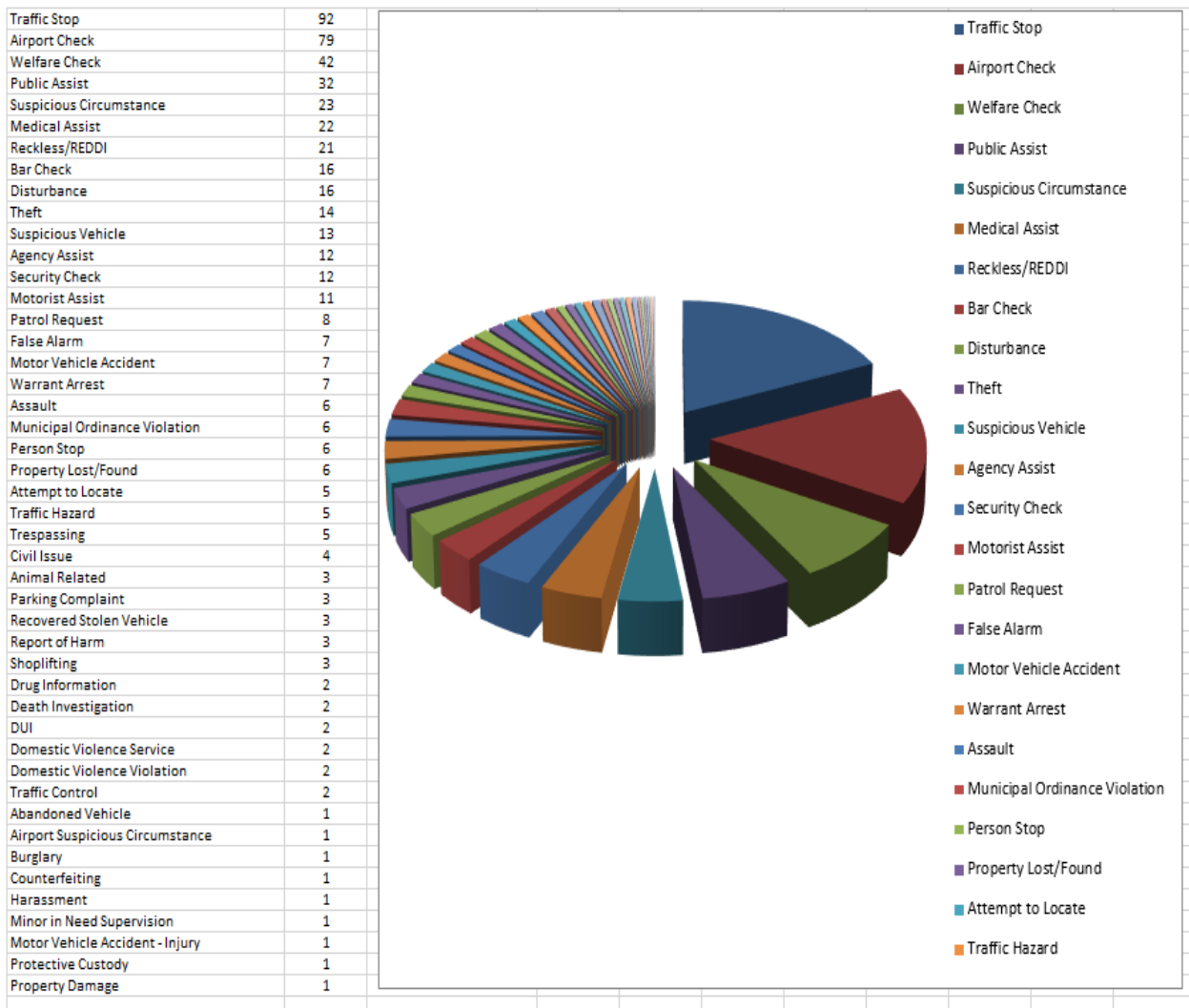
Police Department:

Total calls: 513 down from 594 in January

Call breakdown - 29%(January– 30%) traffic/vehicle related, 30%(January - 29%) checks (welfare/property), 18%(January - 18%) citizen assistance, 22%(January - 24%) other.

Patrol Calls
 February, 2018

CAD REPOF



Fire Department: Calls: 38(63 -January) in February 2018, down 40% from last month, down by 27% from last year. Fire: 5(10 -January), Rescue: 14(20 - January), Hazard: 3(4 - January), Good intents: 9(13 - January), False alarm: 2(13 – January), Special Incident: 0(0 - January), Service call: 4(3 - January), Overpressure/explosion/overheat: 1(0 – January).



Community Development:

Library:

Patrons:	January	February
<i>Total Registered Patrons</i>	<i>13,574</i>	<i>13,644</i>

Total Mat-Su Borough Resident Patrons	10,471	10,522
Total City of Palmer Resident Patrons	3,103	3,122
New Library Users	63	70

Usage:	January	February
Patron Visits/Count	8,729	7,631
Reference Questions	2,000	1,687
Library Computer Sessions	1,056	1,764
WIFI Sessions	1,237	1,167
Magazine circulation	580	185
Take Home Paperbacks	225	188

Programs:

Children's Programs	32 Events	1,220 Participants	37 Events	1,104 Participants
Class Visits	1 Event	22 Participants	4 Events	114 Participants
Young Adult Programs	4 Events	189 Participants	4 Events	25 Participants
Adult Programs	11 Events	203 Participants	9 Events	125 Participants
Total Library Programs	48 Events	1,634 Participants	54 Events	1,368 Participants
Community Events	50 Events	154 Participants	54 Events	188 Participants
Total Events	98 Events	1,788 Participants	108 Events	1,556 Participants

Building and Compliance:

Compliance Letters dispatched: 3(1 -January) (nuisance), 0(1 - January) (clean up follow up), and 14(0 - January) (permit follow ups), other: 4(4 - January)



Building Department Report
FEBRUARY 2018

Permit Type	Count	Total Valuation	Permit Fees Collected	Plan Review Fees Collected
Building Permit	2	\$378,400.00	\$3,203.50	\$2,082.00
Sign Permit	0	\$0.00	\$0.00	
Fence Permit	0	\$0.00	\$0.00	
Totals	2	\$378,400.00	\$3,203.50	\$2,082.00

TYPE OF PERMITS:

Applicant	Valuation	Type of Work	Permit Fee	Plan Review Fee
Lionheart Const. LLC	\$41,000.00	COM Alteration	\$615.50	\$400.00
Alaska Court System	\$337,400.00	COM Alteration	\$2,588.00	\$1,682.00

YEAR TO DATE COMPARISON:

Year	Building Permits	Sign Permits	Fence Permits	Year to Date Valuation	Year to Date Permit Fees	Year to Date Plan Review Fees
2009	4	2	0	\$149,024.00	\$1,818.75	
2010	11	0	0	\$251,895.00	\$2,986.25	
2011	13	3	0	\$466,465.00	\$5,539.25	
2012	12	4	1	\$1,879,929.00	\$15,983.50	
2013	4	2	0	\$418,920.00	\$3,547.50	
2014	8	2	0	\$4,403,410.00	\$22,331.50	
2015	12	3	0	\$1,297,159.00	\$11,363.50	
2016	4	5	0	\$171,868.00	\$3,233.50	
2017	10	1	0	\$2,144,447.00	\$15,813.00	\$8,614.50
2018	6	1	0	\$1,187,738.00	\$9,969.75	\$5,643.50

Palmer Police Department
Police Service Area Staffing and Cost Study



January 2018.

INTRODUCTION

This study is being prepared in response to recent discussions at the Matanuska Susitna Borough (MSB) during which the feasibility of a MSB Sheriff's Department were repeatedly mentioned. Both MSB residents and legislators have voiced concerns about inadequate police services in the Borough outside the incorporated areas. Specifically, low numbers of Alaska State Trooper (AST) patrol and investigative units have compromised that agency's ability to respond to calls for service in a timeframe considered acceptable by some MSB elected officials. The purpose of this report is to summarize one option to rectify this in the form of a new police service area (PSA) or areas staffed by Palmer Police personnel. It is to be stressed that at no time is the author seeking to imply poor service or work ethic on the part of AST.

EXECUTIVE SUMMARY

Police staffing analysis is best approached in a multifaceted manner. Simple methods, such as the number of sworn officer per 1,000 population, are certainly of value and will be employed here. Geographic data, community needs, case load, and crime trends will also be addressed. Finally, a budgetary estimate for the proposed PSA will be included at the end of the report.

The proposed PSA extends from the current City boundary north on the Glen Highway to Palmer Fishhook and continues on Palmer Fishhook to Trunk Road. It then turns generally south on Trunk until it intersects with the Parks Highway. It follows the Parks south to the Parks/Glenn interchange, then runs northeast to the current City boundary at the southern end of the Alaska State Fair Grounds. It also includes the area commonly known as the Springer System to provide continuity of service and prevent jurisdictional confusion. (Please see attached map in Annex A.) In summary, the proposed PSA requires a staffing level of eight additional patrol officers, two patrol sergeants, one detective, and three additional police dispatchers. This would be the largest area incorporated, but could also be approached in smaller defined service areas depending on the resources available and the demand of particular communities for police service.

DEFINING THE PSA

The boundaries of the PSA were determined using three criteria:

1. Existing road networks to create clearly defined borders.
2. Traditional areas of influence for the City of Palmer vs those of the MSB or Wasilla.
3. The ability of Palmer resources to staff the proposed area in anything less than five years.

DETERMINING STAFFING

Staffing the PSA, along with determining a budget, are the two primary concerns of this study. Five factors have been considered to arrive at a conclusion for needed personnel: Officers per 1,000 population; Geographic area; Community needs; Case load; Crime trends.

OFFICERS PER 1,000 POPULATION

Calculating police staffing by the number of sworn personnel per 1,000 people in a given service area is the most basic means of conducting such a study. It is best used in conjunction with other factors, and should be viewed with a healthy dose of skepticism if held out as the only means of arriving at staffing numbers. Broadly speaking, however, it has value if viewed in context with other local jurisdictions of similar size and work load. In this instance, the proposed PSA abuts the City of Palmer.

According to July 1, 2016 census estimates, the City of Palmer had 7,000 people living within its borders. Current staffing for the Palmer Police Department is generally considered adequate. 14 sworn personnel serving a population of 7,000 yields a ratio of 2 officers per 1,000 City residents. (Note: This number includes The Police Chief, Commander, and an officer attached to the DEA Tactical Diversion Squad.) Determining the population of the PSA is somewhat more challenging since the area has never existed as a distinct, defined location for population study. However, with assistance from the MSB, population of the proposed PSA has been determined to be approximately 6,500 people. The addition of 11 sworn personnel for the PSA would lower the present ratio only slightly to 1.9 per 1,000, by having 25 sworn personnel serve a population of approximately 13,500 people.

GEOGRAPHIC CONSIDERATIONS

The City of Palmer is between five and six square miles in total areal with about 41 miles of roads. The relatively compact size allows PPD officers to respond quickly to calls for service no matter where they happen to be in town. Average response time is less than five minutes, often much faster in the event of an emergency. This is a rapid response for police services and is a standard we would aspire to in any area we offered services in.

The proposed PSA, on the other hand, is about 21 square miles. It encompasses many undeveloped sections and parcels, so even though it is four times the area of the City it has a lower population by about 500 residents. Road coverage for the PSA is approximately 103 miles, roughly two and a half times what is currently within the Palmer city limits. More significant is that those 103 miles include large sections of the Glenn Highway, Parks Highway, Trunk Road, Palmer Fishhook Road, and the Palmer Wasilla. These are major traffic arteries with a corresponding number of vehicle crashes, including fatalities. The area also has about two dozen lakes of various size, as well as recreational destinations such as Crevasse Moraine trailhead. This raises the potential for water or off-road rescue operations, activities PPD is not currently equipped to perform.

The PSA includes several major sources of high call volume. Notable among these are Mat Su Regional Hospital, Colony Middle and High Schools, Valley Pathways, and the Mat Su campus of the University of Alaska. Note that a School Resource Officer is not currently included in the study. However, given the twofold increase in secondary schools covering the PSA would entail, a SRO is certainly worthy of consideration. PJMS, PHS, CMS, and CHS are not served by a SRO at this time.

COMMUNITY NEEDS

The main impetus for this study is increasing dissatisfaction on the part of Valley residents and MSB elected officials with rising crime rates, and the perceived inability of AST to field enough troopers to combat it. Since a major cause for concern is staffing levels in the area covered by AST, it follows logically that any PSA would need to increase what is currently in place. At present, there are typically seven to nine AST patrol units from "B" Detachment covering the area in question. It is an area of approximately 52,000 square miles, which is slightly larger than the entire state of Arkansas. Included in this area are a population of approximately 100,000 and 2,845 road miles. This has resulted in slow response times, on some occasions measured in hours or days rather than minutes for non-emergency calls.

Staffing the PSA with a minimum of two patrol units per shift at all times would accomplish several things. First and foremost, it would allow for minimum safe staffing levels and the presence of emergency backup close at hand. Second, it would provide a more favorable density of patrol officers in the coverage area. It is anticipated that at proposed levels officers would have a reasonable balance between reactive and proactive activities. Attention could be paid to crime suppression activities and community oriented policing. Officers would have time to complete reports and charging documents, a critical and often overlooked part of their job, in a more timely manner than currently feasible with AST's caseload. In

essence, the proposed staffing levels would allow for response times, patrol frequency, and investigative attention in the PSA similar to those currently present inside Palmer city limits.

CASE LOAD

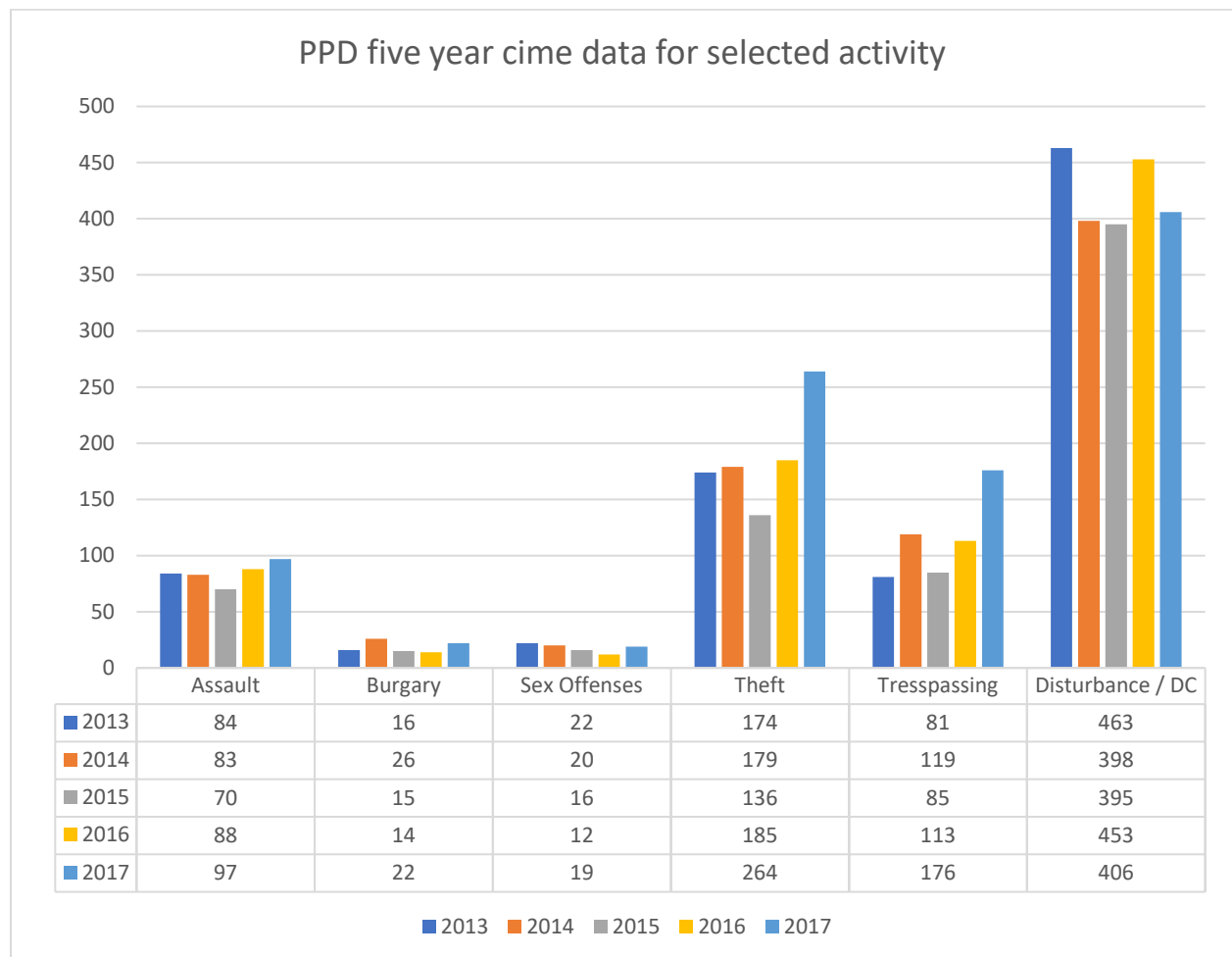
The Palmer Police Department typically responds to between 8,000 - 10,500 calls for service each year based on historical data. Of those, usually 900-1,300 will result in a police report being written, with arrests hovering around 1,000 per year. Depending on departmental strength this is either a workable case load or quite busy. Proactive activity in the form of traffic stops varies between 2,500 to almost 5,000 stops per year depending on numbers of officers and experience levels. PPD also conducts between 400 and 500 airport check a year, as well as a varying number of security checks and extra patrol watches.

Equivalent statistics for the PSA are somewhat more difficult to come by. AST typically views stats for B Detachment as a whole rather than the much smaller proposed area covered in the PSA. Working with local AST resources, we have been able to determine there were approximately 1,200 reportable incidents in the PSA for 2017. A “reportable” incident to AST would roughly coincide with what PPD considers to be a police report, though the two are not exactly interchangeable. Other stats were not readily available at the time this report was drafted. However, given the proximity to Palmer, the residential and commercial makeup, and the socio-economic groups represented in the PSA, we can anticipate a call for service volume broadly similar to what we currently experience inside the Palmer city limits.

CRIME TRENDS

The Mat Su Valley in general is experiencing an increase in criminal activity. Property crime in particular is on the rise and opiate use tends to be very high. There a variety of factors acting on this with economic, legislative, and a simple increase in population being perhaps the most directly related. Palmer has seen a rise in property crimes in the past five years, particularly in thefts and burglaries. This trend has followed on the heels of increasing opiate use / addiction in the same general time period. Conventional wisdom holds that drug activity and property crime are closely linked, and recent data from PPD tends to support that belief. Assaults and criminal trespassing are also at five year high levels in Palmer. The latter is largely the result of a growing homeless population in and around the City. (Please see table on following page.)

Drug crime resulting in arrests is actually down in Palmer, in part due to the legalization of marijuana in 2014. The reduction in classification from felony to misdemeanor for possessing smaller amounts of hard drugs, including cocaine, methamphetamine, and heroin also appears to have emboldened use at precisely the same time when the District Attorney’s office is experiencing a shortage in prosecutors. Drug *activity*, on the other hand, has increased. PPD officers are encountering hard drug paraphernalia like syringes, heroin rigs, packaging, scales, and the like at levels not seen in the last two decades.



Much the same as in the previously discussed Case Load category, it is difficult to statistically document crime trends in the PSA. Data is generally not kept for a small subsection of the area covered by B Detachment. However, by speaking with Troopers and citizens, and inferring similar activity to Palmer based on proximity, it is likely the PSA is experiencing a similar increase in crime. Traffic enforcement and traffic related patrol activities, especially motor vehicle crashes, would likely increase somewhat more

based on the total volume of travelled roadway. Based on this hypothesis, a staffing level similar to that currently deployed by PPD would seem an objectively reasonable place begin. There is no substitute for actually doing the work, however, and any agreement would have to be flexible to allow for personnel increases based on actual Case Load and Crime Trends which establish themselves after assumption of responsibility.

DISPATCH

Any increase in police coverage to the scope being discussed would require an increase in dispatch staffing. At present the Palmer Dispatch Center employs one Dispatch Supervisor and six Dispatchers. This allows at least one or sometimes two emergency dispatchers on shift depending on the time of day. This number would have to be increased by at least three dispatch positions to allow for full time two-person coverage in the Dispatch Center 24/7. Discussions with the Dispatch Supervisor have determined two dispatchers working at any given time would be sufficient staffing to handle all police and fire traffic in the both the Palmer city limits and the PSA. Having the PSA dispatched by another organization is not feasible due to the turmoil it would create in having one department dispatch by two centers.

IMPLEMENTATION

There are some significant challenges to implementing a paper plan for Palmer to serve the new PSA. First among these is that there is simply not enough office space to house an additional 11 personnel. While Dispatch easily has enough room for three additional dispatchers, and radio / phone equipment to allow them to work, the same cannot be said for the police side of the equation. Officers could share desk space on a temporary basis, but the squad room at PPD is inadequate to house an additional eight officers permanently. The two new patrol sergeants could likewise move into the sergeant's office, but it is also too small to support this on a permanent basis. There is nowhere for the new detective to work at all based on current spatial allowances. The fix is either occupying space currently leased by the Alaska State Troopers or occupying a new building. Either of these options is liable to have a significant, and at this time unknown, impact on the overall cost of the PSA.

Implementation is estimated to take at least two years, possibly as many as three. The likelihood of attracting 11 experienced sworn personnel to staff the PSA is remote to the point of being discountable. Historically it takes at least six months to hire a new police officer when advertising and testing are factored in, often more based on applicant qualifications. The Police Academy is then a three month

process with an additional 14 weeks of field training following. Typically, at least one out of every three selected will not complete the training regimen and become a full time officer. It is also worth noting that academy attendance could significantly alter startup costs. Based on reduced APSC funding, it is anticipated that local departments will now have to pay for their cadets to attend a police academy. The cost for this training varies between \$9,000 and \$12,000 per student depending on the location.

BUDGET

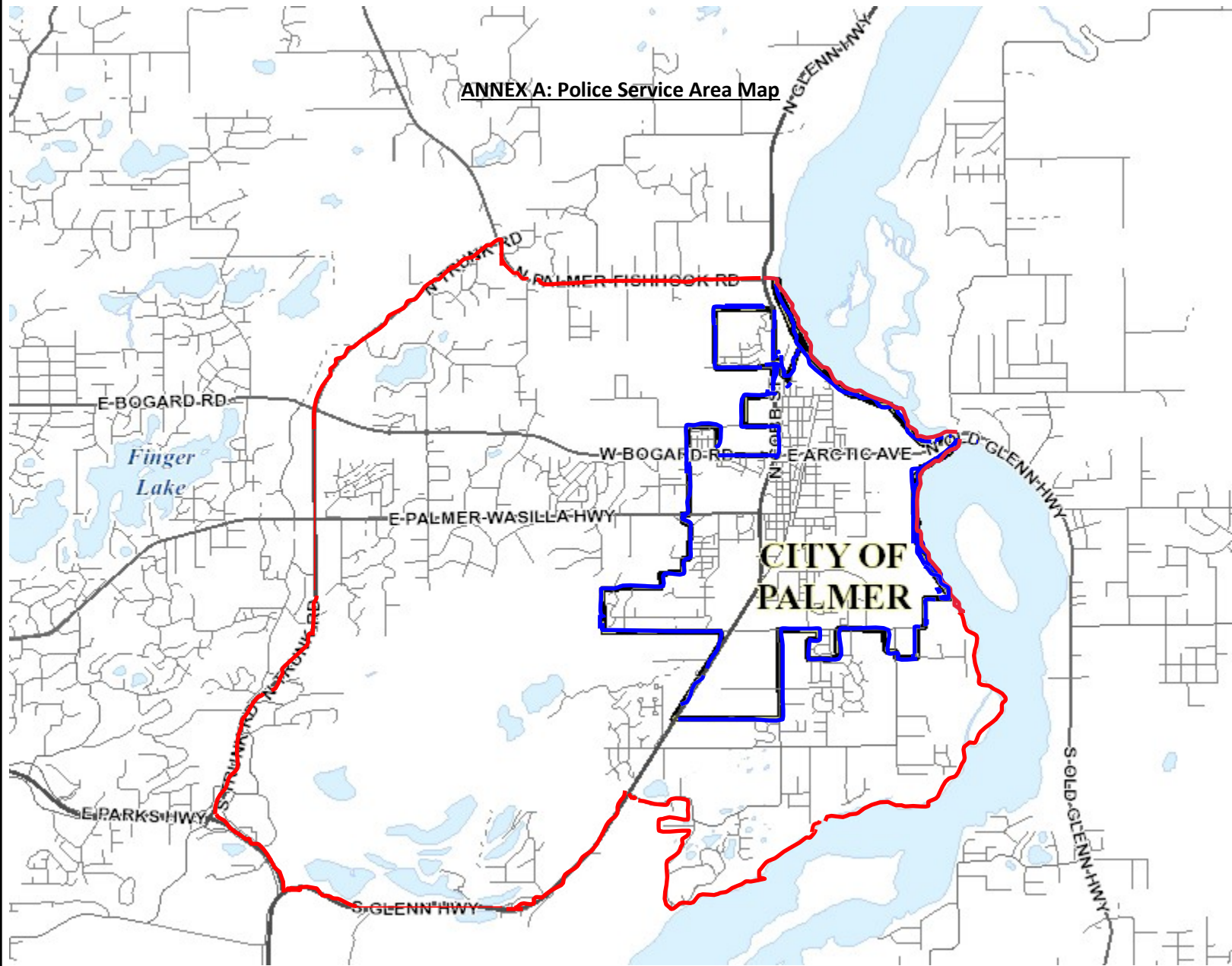
The budget for the new PSA is best viewed in two parts: Initial expenses for equipping the new officers and then recurring yearly costs. Initial costs to purchase equipment required for 11 sworn personnel is estimated at \$851,255.00. Recurring costs are anticipated to run \$2,206,450.00 for the police budget and \$397,300.00 for the dispatch portion. This yields a total of \$3,455,005.00 for the first year and approximately \$2,603,750.00 for each year thereafter. To this is would be prudent to add 4-5% per year to cover increased personnel costs and prices of fuel, equipment, etc. (Please see attached budget spreadsheets in Annex B for further details.)

CONCLUSION

Providing service to the PSA as detailed in this study can only be viewed as a major undertaking which would fundamentally change the landscape of the Palmer Police Department. Political implications, annexation considerations, liability concerns, and the direction and feel of City of Palmer would all be radically altered for better or worse. It is not the intent of this paper to either support or oppose the adoption of any such plan. Rather it is to inform those at the elected level of city government of the potential costs of such a course. We hope it has been informative and welcome any questions the Council may have.



ANNEX A: Police Service Area Map



ANNEX B: BUDGET SPREADSHEETS

PALMER PSA INITIAL EQUIPMENT EXPENSES

Asset	For Eleven Officers
Patrol Vehicles	11 x \$47,000 = \$517,000
Portable Radios	11 x \$5,500 = \$60,500
Laptops	11 x \$3,000 = \$33,000
Radar Units	11 x \$2,500 = \$27,500
AEDs	11 x \$1,500 = \$16,500
Body Armor	11 x \$850 = \$9,350
Pistols	11 x \$600 = \$6,600
Rifles	11 x \$1,500 = \$16,500
Shotguns	11 x \$600 = \$6,600
Leather Gear	11 x \$500 = \$5,500
Jackets	11 x \$400 = \$4,400
Uniforms	11 x \$600 = \$6,600
Tasers	11 x \$1,000 = \$11,000
Body Cams	11 x \$500 = \$5,500
Evidence Kits	11 x \$200 = \$2,200
1st Aid Kits	11 x \$200 = \$2,200
Ammo	Estimate \$10,000 initial purchase
Handcuffs	11 x \$30 = \$330
ASP Batons	11 x \$150 = \$1,650
Animal Poles	11 x \$75 = \$825
Cameras	11 x \$300 = \$3,300
Digital Recorders	11 x \$500 = \$5,500
Hats	11 x \$225 = \$2,475
Badges	11 x \$600 = \$6,600
Fire Extinguishers	11 x \$75 = \$825

Spike Strips	11 x \$800 = \$8,800
MVA Scene Laser	1 x \$80,000 = \$80,000
Total	Total for 11 Officers = \$851,255.00

PALMER PSA FIRST YEAR POLICE BUDGET ESTIMATE

Line Item	8 Ofc. / 2 Sgt. / 1 Inv.
Salary / Benefits	\$1,570,000
Overtime	\$200,000
Leave	\$100,000
Uniform Allowance	\$6,600
Advertising	\$1,000
Travel	\$12,000
Training	\$15,000
Legal Fees	\$2,500
Court Admin.	\$3,300
Services	\$26,300
Phone	\$10,000
Fuel	\$41,250
Insurance	\$20,000
Vehicle Insurance	\$20,000
Office Supplies	\$7,500
Uniform	\$11,000
Operating Supplies	\$13,000
Sm. Tools and Equip.	\$20,000
Equipment	\$3,000
Office Equipment	\$30,000
Vehicle Purchases	\$94,000
Total:	For 8 Ofc. / 2 Sgt. / 1 Inv. = \$2,206,450

PALMER PSA FIRST YEAR DISPATCH BUDGET ESTIMATE

Line Item	For Three Dispatchers
Salary / Benefits	\$330,000
Overtime	\$30,000
Leave	\$4,500
Advertising	\$300
Travel	\$2,000
Training	\$3,000
Contract Services	\$6,000
Telephone	\$5,000
Insurance	\$8,000
Office Supplies	\$1,000
Uniform	\$500
Operating Supplies	\$1,000
Repair and Maint	\$3,000
Office Equipment	\$3,000
Total for Three Dispatchers	\$397,300 per year

Mayor's Memo

Council Meeting report – March 27, 2018

UP COMING EVENTS

Outreach to High school age student(s) for Boards and Commission

**Upcoming meeting with Commuter Railroad Study Group – March 30 – Noon
Wasilla**

Agenda Setting, April 12 March 29, April 26

March 31 – Governor's Prayer breakfast

March 31 – United Way Block Spring Party – Colony High School

April 19 – Mayor/Manager meeting

Crazy Lazy Race – March 24

Friends of Library – Sunday afternoon -April 1

March 23 – Radio

Who Let the Girls Out – April 20-21

Car Show – MTA Event Center – May 5

Discussion

Arctic Street with State Highway System

Snow removal – sidewalks and ADA access points

PENDING ITEMS –

- **Flag Pole by Library,**
- **Electric stands on South Alaska,**
- **tennis courts request,**
- **Rotary Daron Park,**
- **4 Way Stop Inner and Outer Springer,**
- **Golden Shovel Award**
- **Rep. Young office**

Edna DeVries

Mayor

**City of Palmer
Resolution No. 18-011**

Subject: Authorizing the Issuance and Sale of a Utility Revenue Refunding Bond by the City in the Principal Amount of Not to Exceed \$4,816,000.00 for Purposes of Refinancing Costs of Wastewater Utility Improvements; Establishing the Terms of the Utility Revenue Refunding Bond; Authorizing the Sale of the Utility Revenue Refunding Bond to the United States Department of Agriculture; and Related Matters

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated


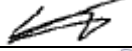
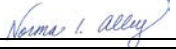
Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
X	Finance	<i>Michelle Tefft</i>	3/7/18
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

Signature:	Remarks:
City Manager 	_____
City Attorney 	_____
City Clerk 	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted _____

Director of Finance Signature: *Michelle Tefft* _____

Attachment(s):

- Resolution No. 18-011
- USDA Letter of Conditions December 23,2016
- USDA form RUS-1780-27

Summary Statement/Background:

Resolution No. 18-011 authorizes the City to issue a utility revenue refunding bond in an amount not to exceed \$4,816,000.00 and the borrowing of said amount for purposes of financing wastewater utility improvements, establishing the terms of the utility revenue bond and related matters.

Background: The City Council, at its January 13, 2017, meeting, approved accepting a USDA loan and grant in the amount of \$8,334,290.00 for the wastewater treatment plant upgrades. The approved loan is for an amount not to exceed \$4,816,000.00. The City was required to use interim financing until the full loan amount is reached at which point the USDA would pay off the interim loan and the City will refund the bond for USDA. The City would issue its utility revenue bond as evidence of the interim loan. Costs associated with interim financing are reimbursable thru the USDA which includes fees and interest.

This refunding bond will pay off the interim loan and refund the bond with USDA.

Authorization to issue the bond and incur the debt was provided by the voters at the City's regular election held on October 4, 2016.

The utility revenue bond would be issued pursuant to the terms of Resolution No. 1150 (adopted by the Council on June 9, 1998) and Resolution No. 17-012. The combination of these two Resolutions set forth the authority and conditions for the issuance of such bond. (For purposes of these Resolutions, the definition of bond includes any form of evidence of indebtedness.) Payment of the principal and interest on the bond would be secured by the revenues of the water and wastewater utility. The bond would not be a general obligation of the City.

Administration's Recommendation:

Approve Resolution No. 18-011 Authorizing the Issuance and Sale of a Utility Revenue Refunding Bond by the City in the Principal Amount of Not to Exceed \$4,816,000.00 for Purposes of Refinancing Costs of Wastewater Utility Improvements; Establishing the Terms of the Utility Revenue Refunding Bond; Authorizing the Sale of the Utility Revenue Refunding Bond to the United States Department of Agriculture; and Related Matters.

LEGISLATIVE HISTORY

Introduced by: City Manager Wallace

Public Hearing: March 27, 2018

Action:

Vote:

Yes:

No:

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CITY OF PALMER, ALASKA

Resolution No. 18-011

A Resolution of the Palmer City Council Authorizing the Issuance and Sale of a Utility Revenue Refunding Bond by the City in the Principal Amount of Not to Exceed \$4,816,000 for Purposes of Refinancing Costs of Wastewater Utility Improvements; Establishing the Terms of the Utility Revenue Refunding Bond; Authorizing the Sale of the Utility Revenue Refunding Bond to the United States Department of Agriculture; and Related Matters

WHEREAS, the City of Palmer, Alaska (the "City") is a home rule city and, under Section 11 of Article X of the Alaska Constitution, may exercise all legislative power not prohibited by law or the Charter of the City, and the City has determined that the matters set forth in this resolution are not prohibited by law or the Charter; and

WHEREAS, there is now outstanding a Utility Revenue Bond, 2017 of the City, in the aggregate principal amount of not to exceed \$4,816,000, issued under, and pursuant to, Resolution No. 1150, as amended by Resolution No. 17-027, adopted by the City on June 9, 1998 and September 12, 2017, respectively (the "Master Resolution") and Resolution No. 17-012 adopted by the City on February 28, 2017 (the "2017 Supplemental Resolution"); and

WHEREAS, under Section 11 of Article 9 of the Alaska Constitution and Palmer Charter Section 11.2(a), revenue refunding bonds may be issued without an election, and Section 29.47.410 of the Alaska Statutes provides that the Council by resolution may provide for the form and manner of sale of such bonds; and

WHEREAS, the Council finds that it is necessary and appropriate to delegate to the City Manager authority to determine the aggregate principal amount, principal installment amounts, interest rate and other details of the City's Utility Revenue Refunding Bond, 2018 (the "2018 Bond"), and the amount of 2018 Bond proceeds and cash necessary to effect the refunding of the 2017 Bond, and to determine other matters that are not provided for in this resolution, all subject to terms and conditions herein stated.

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council hereby that

Section 1- Definitions. The terms used in this resolution which are defined in the Master Resolution shall have the meanings set forth in the Master Resolution in addition to the following terms shall have the following meanings in this resolution:

"Agreement" means the terms and conditions set forth in a document dated December 23, 2016 and agreed to by the City, as the same may, and has been, amended from time to time.

"Authorized Denomination(s)" means \$250,000 or any greater amount in \$5,000 multiples thereof, or if the principal amount is at any time less than \$250,000, the principal amount of the outstanding Bond.

"Bond Register" means the registration books maintained by the Registrar containing the names and addresses of each owner of the 2018 Bond or their nominees, and the principal amount and number of the 2018 Bond held by each owner or nominee.

"City" means the City of Palmer, Alaska, a home rule city organized and existing under the Constitution and laws of the State of Alaska.

"Council" means the general legislative authority of the City, as the same may be constituted from time to time.

"Debt Service Reserve Fund" means the Debt Service Reserve Fund established by Section 11 hereof.

"Debt Service Reserve Requirement" means an amount equal to One Hundred Seventy-One Thousand Six Hundred Forty-Eight and No/100 Dollars (\$171,648.00).

"Master Resolution" means Resolution No. 1150, as amended by Resolution No. 17-027, approved by the City Council on June 9, 1988 and September 12, 2017, respectively.

"Purchaser" means the purchaser of the 2018 Bond which shall be the United States Department of Agriculture.

"Refunded Bond" means the outstanding principal amount of the City's Utility Revenue Bond, 2017.

"Registered Owner" means a person named as a registered owner of the Bond in the Bond Register.

"Registrar" means the City Finance Director.

"Short-Lived Asset Reserve Fund" means the Short-Lived Asset Reserve Fund established by Section 12 hereof.

"Short-Lived Asset Reserve Requirement" means an amount equal to \$232,803.00.

"2018 Bond" means the revenue utility refunding bond of the City authorized by this resolution to be evidenced by a bond, note or other evidence of indebtedness.

Section 2 - Authorization of the Bond and Purpose of issuance. The City hereby determines to issue and sell not to exceed \$4,816,000.00 principal amount of a utility revenue refunding bond for purposes of refunding the Refunded Bond. The 2018 Bond shall be sold to the Purchaser pursuant to the terms of the Agreement not inconsistent with the terms herein stated.

In addition to the use of 2018 Bond proceeds, the City is hereby authorized to use available cash of the City, only to the extent necessary, to effect the refunding of the Refunded Bond.

The City has ascertained and hereby determines that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purpose of the City in accordance with the Constitution and statutes of the State of Alaska and to incur the indebtedness and issue the 2018 Bond.

Section 3 - Obligation of Bond. The 2018 Bond shall be an obligation only of the Utility Revenue Fund and shall be payable and secured as provided in this resolution and the Master Resolution. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the 2018 Bond.

Section 4 - Description of 2018 Bond. The 2018 Bond shall be designated "City of Palmer, Alaska, Utility Revenue Refunding Bond, 2018," or such other designation as the City Manager or Finance Director determines is reasonable or appropriate, shall be issued in fully registered form, and shall be numbered in the manner and with such additional designation as the Registrar deems necessary and appropriate for purposes of identification.

The 2018 Bond shall mature in one or more years commencing no earlier than April 1, 2018 and ending no later than December 31, 2059. Payment of principal shall be paid annually and payment of interest shall be paid semi-annually, each as set forth in the form of the 2018 Bond subject, however, to the City Manager's authority to change such payment schedule as set forth in Section 16 hereof. In addition, the principal installment amounts, payment due date(s), including the final maturity date, and interest rate shall be determined by the City Manager pursuant to Section 16 hereof, subject to the terms herein stated.

The Bond shall bear interest from the date of issuance at a fixed rate of interest determined by the City Manager pursuant to Section 16 hereof; provided, however, in no event shall the fixed rate of interest exceed two percent (2%). Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Section 5 - Place and Medium of Payment. Both principal of and interest on the 2018 Bond shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Installments of principal and interest on the 2018 Bond shall be paid by check mailed by first class mail to the Registered Owner as of the first day of the month in which payment is due at the address appearing on the Bond Register; provided that the final installment of both principal and interest on the 2018 Bond shall be payable upon presentation and surrender of the 2018 Bond by the Registered Owner at the office of the Registrar.

For so long as the United States Department of Agriculture ("USDA") is the registered owner of the 2018 Bond, the place and medium of payment shall be as set forth in the Agreement or as otherwise agreed to by the City and USDA.

Section 6 - Registration.

A. Bond Register. The 2018 Bond shall be issued only in registered form as to both principal and interest. The City designates the City Finance Director as Registrar and Paying Agent for the 2018 Bond. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the City. The City covenants that, until the 2018 Bond has been surrendered

and canceled, it will maintain a system for recording the ownership of the 2018 Bond that complies with the provisions of Section 149 of the Code.

B. Registered Ownership. The City and the Registrar, each in its discretion, may deem and treat each Registered Owner of the 2018 Bond as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Payment of the 2018 Bond shall be made only as described in Section 4, but such registration may be transferred as herein provided. All payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the City upon the 2018 Bond to the extent of the amount or amounts so paid.

C. Transfer or Exchange of Registered Ownership: Change in Denominations. The 2018 Bond shall be transferred only upon the Bond Register kept by the Registrar. Upon surrender of the 2018 Bond for transfer or exchange at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or its duly authorized attorney, the City shall execute and the Registrar shall deliver a new 2018 Bond (at the option of the new Registered Owner) of the same date, maturity and interest rate and for the same aggregate principal amount, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee or other governmental charge required to be paid in connection with such transfer or exchange. Any 2018 Bond surrendered for transfer or exchange shall be canceled by the Registrar. The Registrar shall not be required to transfer or exchange any 2018 Bond after the 2018 Bond has been called for redemption.

Notwithstanding the foregoing, the Bond may only be transferred in Authorized Denominations and must be in compliance with the securities law of the United States of America.

Section 7 - Redemption of 2018 Bond. The 2018 Bond may be may redeemed, in whole or in part, without penalty and at any time, at the option of the City.

Section 8 - Notice of Redemption. Notice of any intended redemption of the 2018 Bond shall be given not less than 10 days prior to the date fixed for redemption by United States mail to the Registered Owner of the 2018 Bond to be redeemed at its address as it appears on the Bond Register on the day the notice is mailed. The requirements of this section shall be deemed to be complied with when notice is mailed as provided herein, whether or not it is actually received by the Registered Owner. All official notices of redemption shall be dated and shall state the redemption date and the redemption price.

Section 9 - Series 2018 Bond Fund. A special fund of the City designated the "Utility Revenue Refunding Bond Fund, Series 2018" (the "2018 Bond Fund") is hereby created for the purpose of paying, and securing payment, of the 2018 Bond. Subject to the terms stated herein and in the Master Resolution, the 2018 Bond Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the owners, from time to time, of the 2018 Bond.

A. The City hereby irrevocably obligates and binds itself for as long as the 2018 Bond remains Outstanding to set aside and pay into the 2018 Bond Fund from Net Revenues or money in the Utility Revenue Fund, on or prior to the respective dates on which the same become due:

(1) such amounts as are required to pay the interest scheduled to become due on the Outstanding 2018 Bond;

(2) such amounts as are required to pay maturing principal installment of the Outstanding 2018 Bond;

(3) such amounts as are required to cause amounts held in the Debt Service Reserve Fund to satisfy the Debt Service Reserve Requirement; and

(4) such amounts as are required to cause amounts held in the Short-Lived Asset Reserve Fund to satisfy the Short-Lived Asset Reserve Requirement.

B. Said amounts so pledged to be paid into the 2018 Bond Fund are hereby declared to be a prior lien and charge upon Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to any lien and charge thereon heretofore made or which may hereafter be made to pay and secure the payment of the principal of and interest on any Parity Bonds.

Section 10 – Establishment of Funds and Application Thereof. The following Funds, each to be held by the City, are hereby established in connection with the 2018 Bond:

A. Debt Service Reserve Fund, and

B. Short Lived Asset Reserve Fund.

Section 11 – Debt Service Reserve Fund. If the amount in the 2018 Bond Fund shall be less than the amount required to pay principal of, or interest on, the 2018 Bond on any payment date, the City shall apply amounts held in the Debt Service Reserve Fund to the extent necessary to make good the deficiency subject to the written approval by USDA so long as USDA is the registered owner of the 2018 Bond. If USDA is no longer the Registered Owner of the 2018 Bond, no such written approval shall be required to apply amounts held in the Debt Reserve Fund for payment of principal of, and interest on, the 2018 Bond when due.

Funding of the Debt Service Reserve Fund. The City shall make even monthly deposits from available funds of the City into the Debt Service Reserve Fund which, in the aggregate for each twelve month period, equals at least the sum of ten percent (10%) of the (i) interest accruing during such twelve (12) month period, and (ii) that portion of principal due and payable during such twelve (12) month period. Monthly deposits shall commence on the first day of the month following the date of issuance of the 2018 Bond and thereafter on first day of the month until amounts held in the Debt Service Reserve Fund satisfies the Debt Service Reserve Requirement.

At such time as amounts held in the Debt Service Reserve Fund satisfies the Debt Service Reserve Requirement monthly payments may be temporarily discontinued. However, monthly payments to the Debt Service Reserve Fund shall resume at any time the amount held in the Debt Service Reserve Fund is reduced below the Debt Service Reserve Requirement.

Amounts remaining in the Debt Service Reserve Fund on the final principal installment payment date of the 2018 Bond may be used to pay the principal of and interest on the 2018

Bond or such amounts may be released to the City free and clear of any lien created by this Resolution or the Master Resolution.

Section 12 – Short-Lived Asset Reserve Fund. Amounts held in the Short-Lived Asset Reserve Fund shall be used to pay for repairs and or replacements of component parts of the Utility.

Funding of the Short-Lived Asset Reserve Fund. The City shall make even monthly deposits from available funds of the City into the Short-Lived Asset Reserve Fund which, in the aggregate for each twelve month period, equals at least ten percent (10%) of the Short-Lived Asset Reserve Requirement. Monthly deposits shall commence on the first day of the month following the date of issuance of the 2018 Bond and thereafter on first day of the month until amounts held in the Short-Lived Asset Reserve Fund satisfies the Short-Lived Asset Reserve Requirement.

At such time as amounts held in the Short-Lived Asset Reserve Fund satisfies the Short-Lived Asset Reserve Requirement monthly payments may be temporarily discontinued. However, monthly payments to the Short-Lived Asset Reserve Fund shall resume at any time the amount held in the Short-Lived Asset Reserve Fund is reduced below the Short-Lived Asset Reserve Requirement.

Amounts remaining in the Short-Lived Asset Reserve Fund on the final principal installment payment date of the 2018 Bond, or earlier if USDA shall no longer be the Registered Owner of the 2018 Bond, shall be released to the City free and clear of any lien created this resolution or the Master Resolution.

Section 13 - Form of 2018 Bond. The 2018 Bond shall be signed and delivered to the Purchaser on the date of initial issuance of the 2018 Bond. The 2018 Bond shall be in the following form, with such variations, omissions and insertions as may be required or permitted by this resolution and the Master Resolution:

[FORM OF 2018 BOND]

UNITED STATES OF AMERICA
STATE OF ALASKA
CITY OF PALMER

NO. _____

\$ _____

UTILITY REVENUE REFUNDING BOND, 2018

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Palmer, a municipal corporation of the State of Alaska (the "City"), acknowledges itself indebted and for value received promises to pay (but only out of the sources mentioned herein) to the Registered Owner identified above, or its registered assigns, the Principal Amount stated above in the following installments on the fifteenth day of April of each of the following years, and to pay interest on such installments from the date hereof, payable on

October 15, 2018, and semiannually thereafter on the fifteenth day of each April and October of each year, at the fixed rate equal to _____ percent (____%) per annum:

Principal Installment Payment Dates <u>(April 15)</u>	Principal Installment <u>Amounts</u>	Principal Installment Payment Dates <u>(April 15)</u>	Principal Installment <u>Amounts</u>
2019		2034	
2020		2035	
2021		2036	
2022		2037	
2023		2038	
2024		2039	
2025		2040	
2026		2041	
2027		2042	
2028		2043	
2029		2044	
2030		2045	
2031		2046	
2032		2047	
2033		2048	

Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal of, and interest on, this 2018 Bond shall be payable on the 15th day of each month, until _____, 2048, when the remaining principal of this 2018 Bond, plus accrued interest, shall be due and payable.

Both principal of and interest on this 2018 Bond shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts installments of principal and interest on this 2018 Bond shall be paid by check mailed by first class mail to the Registered Owner no later than the fifteenth day of the month in which payment is due at the address appearing on the Bond Register; provided that the final installment of principal and interest on this 2018 Bond shall be payable upon presentation and surrender of this 2018 Bond by the Registered Owner at the office of the Finance Director of the City, in Palmer, Alaska.

This 2018 Bond is subject to redemption by or on behalf of the City, in whole or in part, at any time without penalty.

This 2018 Bond may only be transferred in Authorized Denominations of \$250,000. Notwithstanding the foregoing, if the principal amount of the outstanding 2018 Bond is less than \$250,000 the 2018 Bond may not be transferred to an eligible transferee without the prior written consent of the City.

This 2018 Bond is a special obligation of the City and is one of a duly authorized issue of bonds of the City issued, and to be issued, in various series under the Palmer City Charter and Resolution No. 1150, as amended by Resolution No. 17-027 (the "Master Resolution"), adopted June 9, 1998 and September 1998, and a series resolution authorizing each such series. As provided in the Master Resolution, bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times,

may bear interest at different rates and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of bonds which may be issued under the Master Resolution is not limited, and all bonds issued and to be issued under said Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Master Resolution or supplemental resolution.

This 2018 Bond is one of a series of bonds issued in the aggregate principal amount of \$ _____ under the Master Resolution and Resolution No. 18-_____ - (the "Series Resolution"), adopted _____, 2018, for the purpose of providing funds to refund a utility revenue bond authorized by the qualified voters of the City at the October 4, 2011 and October 4, 2016 regular City elections, pursuant to Resolution Nos. 11-022 and 16-81, respectively, of the City (the "Refunded Bond").

This 2018 Bond shall be an obligation of the Series 2018 Bond Fund and shall be payable and secured as provided in the Master Resolution and the Series Resolution. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the 2018 Bond. The City has pledged to pay into the Series 2018 Bond Fund from Net Revenues or money in the Utility Revenue Fund, on or prior to the respective dates on which the same become due such amounts as are required to pay the interest and the principal to become due on this 2018 Bond. Said amounts so pledged are hereby declared to be a lien and charge upon Gross Revenue superior to all other charges of any kind or nature whatsoever, except for Operating Expenses and except that the amounts so pledged are of equal lien to any lien and charge thereon theretofore made or which may hereafter be made to pay and secure the payment of the principal of and interest on any Parity Bonds.

By acceptance of this 2018 Bond by the Registered Owner the Registered Owner hereby consents and agrees to the terms of the Master Resolution, including the amendment as set forth in Resolution No. 17-027 and approved by the City Council on September 12, 2017.

IT IS HEREBY CERTIFIED and declared that this 2018 Bond is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the home rule Charter and ordinances and resolutions of the City of Palmer, and that all acts, conditions and things required to happen, to be done, and to be performed precedent to and on the issuance of this 2018 Bond have happened, been done and been performed.

IN WITNESS WHEREOF, the City of Palmer, Alaska, has caused this 2018 Bond to be executed by the manual signature of its Mayor and attested by its Clerk under the seal of the City on this ____ day of _____, 2018.

CITY OF PALMER

_____/specimen/_____
 _____ Mayor

ATTEST:

_____/specimen/_____
 _____ City Clerk

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This is the City of Palmer, Alaska, Utility Revenue Bond, 2018 dated _____, 2018, as described in the Bond Resolution.

Finance Director, City of Palmer, Alaska,
as Registrar

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER IDENTIFICATION NUMBER OF TRANSFEREE

[Empty rectangular box for Social Security or Taxpayer Identification Number]

(Please print or typewrite name and address, including zip code of Transferee)

the within bond and all rights thereunder and does hereby irrevocably constitute and appoint _____ of _____, or its successor, as agent to transfer said bond on the books kept by the Registrar for registration thereof, with full power of substitution in the premises.

DATED: _____, _____.

SIGNATURE GUARANTEED:

NOTE: The signature of this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

Section 14 - Execution of 2018 Bond. The 2018 Bond shall be executed on behalf of the City by the Mayor and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the City Clerk. The execution of the 2018 Bond on behalf of the City by persons that at the time of the execution are duly authorized to hold the proper offices shall be valid and

sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the 2018 Bond or shall not have held office on the date of the 2018 Bond.

Only a 2018 Bond that bears a Certificate of Authentication manually executed by the Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. The executed Certificate of Authentication shall be conclusive evidence that the bond so authenticated has been duly executed, authenticated, registered, and delivered hereunder and is entitled to the benefits of this resolution.

Section 15 - Mutilated, Destroyed, Stolen or Lost 2018 Bond. Upon surrender to the Registrar of a mutilated 2018 Bond, the City shall execute and deliver a new 2018 Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a 2018 Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new 2018 Bond of like maturity and principal amount. The person requesting the authentication and delivery of a new 2018 Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith. Any bond issued pursuant to this section in substitution for a 2018 Bond alleged to be destroyed, stolen or lost shall constitute an original additional contractual obligation on the part of the City, whether or not the 2018 Bond alleged to be destroyed, stolen or lost be at any time enforceable by anyone.

Section 16 - Sale of 2018 Bond: General and Specific Authorization to City Officials. The sale of the 2018 Bond to the Purchaser is hereby authorized, ratified and confirmed.

The City Manager (or his designee) is hereby authorized to negotiate the final terms of the 2018 Bond, subject to the terms herein stated, including the payment dates, interest rate and final maturity date. The City Manager's (or his designee's) execution of all documents and any action necessary or desirable taken by him to carry out the provisions of this resolution and all such actions to effectuate the issuance of the 2018 Bond are hereby authorized, ratified and confirmed.

All actions heretofore and hereinafter taken by the proper officials for the City to complete such sale of the 2018 Bond are hereby authorized, ratified and confirmed, subject to the terms of the Master Resolution and this resolution.

Section 17 - Disposition of the Sale Proceeds of the 2018 Bond. The sale proceeds of the 2018 Bond shall be used to refund and redeem the Refunded Bond.

Section 18 - Defeasance. Payment of any and all of the principal and interest installments of the 2018 Bond (in Authorized Denominations) may be provided for by the irrevocable deposit of cash, non-callable government obligations or any combination thereof. The cash and the maturing principal and interest income on such government obligations, if any, must be sufficient and available without reinvestment to pay when due such principal, whether at maturity or upon fixed prepayment date(s), together with interest thereon. The cash and government obligations shall be held irrevocable in trust for the Registered Owner of the 2018 Bond solely for the purpose of paying such principal and interest as the same shall mature or become payable upon prepayment, and, if applicable, upon the giving of notice of prepayment and notification to the Registered Owner that the deposit required by this section has been made and that such principal is deemed paid in accordance with this resolution. Such principal shall no longer be deemed outstanding hereunder. The obligation of the City in respect of such principal and interest shall

nevertheless continue but the Registered Owner shall thereafter be entitled to payment only from the cash and government obligations deposited in trust to provide for the payment of such principal and interest.

Section 19 - Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in this resolution and shall in no way affect the validity of the other provisions of this resolution or of the 2018 Bond.

Section 20 - Effective Date. This resolution shall be effective upon adoption by the City Council.

Approved by the Palmer City Council this ____ day of _____, 2018.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk



Rural Development

December 23, 2016

Anchorage field office

510 L Street,
Suite 410
Anchorage, AK
99501

Nathan Wallace, City Manager
City of Palmer
231 W. Evergreen Avenue
Palmer, AK 99645

Voice 907-271-2424

SUBJECT: Wastewater Treatment Plant Upgrade – MBBR & Clarifier
Loan - \$4,816,000
Grant - \$3,518,290

Dear Mr. Wallace:

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

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

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

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

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

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

The conditions are as follows:

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

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

SECTION I - PROJECT DETAIL

1. **Project Description** – Funds will be used for the construction and upgrades to the Wastewater Treatment Plant, including the installation of a Moving Bed Bioreactor (MBBR) with Secondary Clarifiers.

Facilities will be designed and constructed in accordance with sound engineering practices and must meet the requirements of Federal, State, and local agencies. The proposed facility design must be based on the Preliminary Engineering Report (PER) as concurred on by the Agency.

2. **Project Budget** – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
City Administration & Legal	\$355,390
Site work (prep, earthwork, improve, electrical)	\$667,690
Yard Piping	\$569,595
Control Building (incl Elec, Mech, Lab, etc)	\$1,069,615
Process Systems (blower, polymer, caustic)	\$466,670
MBBR (concrete basin, equipment, materials)	\$3,086,510
Dewater pump station	\$189,750
Flow splitter box	\$80,500
Clarifiers (x2 and scum pit)	\$2,099,900
Waste Activated sludge vault	\$324,300
Lagoon (manholes, outfalls/intakes, baffle)	\$213,670
Non-potable water system	\$126,500
Metering manhole	\$57,500
Headworks Control Gate	\$5,750
Facility Instruments and Controls	\$460,000
General Construction requirements	\$57,500
Engineering (Design and CA)	\$1,695,000
Contingency	\$948,000
Interest (interim financing)	<u>\$136,450</u>
TOTAL:	\$12,610,290

Project feasibility and funding will be reassessed if there is a significant change in project costs after bids are received. Obligated loan or grant funds not needed to complete the proposed project will be deobligated prior to start of construction. Any reduction will be applied to grant funds first. An amended letter of conditions will be issued for any changes to the total project budget.

3. **Project Funds** – Project funding is planned from the following sources:

<u>Project Funding Source</u>	<u>Funding Amount:</u>
Applicant Contribution	\$3,131,000
State of Alaska (DCCED direct appropriation)	\$1,000,000
State of Alaska (lab grant)	\$145,000
USDA RD Direct Loan	\$4,816,000
USDA RD Direct Grant	<u>\$3,518,290</u>
TOTAL:	\$12,610,290

Any changes in funding sources following obligation of Agency funds must be reported to the processing official. If actual project costs exceed the project cost estimates, an additional contribution by the Owner may be necessary. Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter. Agency funds will not be used to pre-finance funds committed to the project from other sources.

SECTION II – LOAN AND GRANT TERMS

4. **Repayment** – The interest rate will be the lower of the rate in effect at the time of loan approval or the time of loan closing, unless you request otherwise. Should the interest rate be reduced, the payment will be recalculated to the lower amount.

Your loan will be scheduled for repayment over a period of 40 years. Payments will be equal 480 amortized installments, beginning one month after the closing date. For planning purposes, use a 1.875% interest rate and an amortization factor of 40, which provides for a monthly payment of \$14,304.00.

The payment due date will be established as the day that the loan closes (the 28th is the due date when loans are closed on the 29th, 30th or 31st).

Income Available – You must maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance and reserves. Based on application information provided, you must raise rates in order to meet the requirements necessary for reserves, debt service, and operation/maintenance costs. In additional, per 7CFR1780, they must a level no less than similar systems. As such, an increase of monthly user rates to a level no less than \$31.78 a month will be required. Prior to the final disbursement of funding, you will be required to establish a resolution which officially sets the updated sewer rates for the City of Palmer. A copy of the resolution must be provided to Rural Development.

Rates must be set to generate monthly revenues of at least \$132,694 or \$1,592,326 annually. This will ensure that there are adequate income to meet the minimum requirements for the operation and maintenance and reserves.

5. **Security** – The loan will be secured by a Revenue instrument (bond) with first lien position in the amount of \$4,816,000. The instrument will be fully registered as to both principal and interest in

the name of the United States of America, Acting through the United States Department of Agriculture.

The bond and any ordinance or resolution relating thereto must not contain any provision in conflict with the Agency Loan Resolution, applicable regulations, or its authorizing law. In particular, there must be no defeasance or refinancing clause in conflict with the graduation requirements of 7 U.S.C. 1983(c).

Additional security requirements are contained in RUS Bulletin 1780-12, "Water and Waste System Grant Agreement," and RUS Bulletin 1780-27, "Loan Resolution (Public Bodies)." A draft of all security instruments, including draft bond resolution, must be reviewed and concurred in by the Agency prior to advertising for bids. The Bond Resolution and Loan Resolution must be duly adopted and executed prior to loan closing. The Grant Agreement must be fully executed prior to the first disbursement of grant funds.

6. **Electronic Payments** – Payments will be made on the day your payment is due through an electronic preauthorized debit system. You will be required to complete Form RD 3550-28, "Authorization Agreement for Preauthorized Payments," for all new and existing indebtedness to the Agency prior to loan closing. It will allow for your payment to be electronically debited from your account on the day your payment is due.
7. **Construction Completion Timeframe** - All projects are required to be completed and all funds disbursed within five years of obligation. If funds are not disbursed within five years of obligation, you must submit a written waiver request with adequate justification of extenuating circumstances beyond your control for an extension of time. Any additional requests for waivers beyond the initial extension will be submitted through the State Office to the Assistant Administrator for concurrence decision.
8. **Disbursement of Agency Funds** Any applicant contribution will be the first funds expended, followed by other funding sources. Interim financing or Agency loan funds will be expended after all other funding sources unless a written agreement is reached prior to start of construction or loan closing, whichever occurs first, with all other funding sources on how funds are to be disbursed. Agency grant funds will be expended last. Interim financing funds or Agency loan funds must be used prior to the use of Agency grant funds. Grant agreements must not be closed and funds must not be disbursed prior to loan funds except as specified in RUS Instruction 1780.45(d).

Grant funds are to be deposited in an interest-bearing account (exception provided below) in accordance with 2 CFR Part 200 and interest in excess of \$500 per year remitted to the Agency. The funds should be disbursed by the recipient immediately upon receipt and there should be little interest accrual on the Federal funds. Recipients shall maintain advances of Federal funds in interest-bearing accounts, unless:

- a. The recipient receives less than \$120,000 in Federal awards per year.
- b. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.
9. **Reserves** – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this loan:
- a. **Debt Service Reserve** – As a part of this Agency loan proposal, you must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$1,430.40 per month; this amount should be deposited monthly until a total of \$14,304.00 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully-funded amount is reached.
 - b. **Short-Lived Asset Reserve** – In addition to the debt service reserve fund, you must establish a short-lived asset reserve fund. Based on the preliminary engineering report, you must deposit \$232,803 into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets.

Current assets can also be used to establish and maintain reserves for expected expenses, including but not limited to operation and maintenance, customer deposits, deferred interest during the construction period, and an asset management program.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

10. **Environmental Requirements** – At the conclusion of the proposal’s environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated April 2016, the following actions are required for successful completion of the project and must be adhered to during project design and construction:
- Construction activities must be limited to waking hours to reduce noise impacts (10 hours);
 - Contractor to prepare a Storm Water Pollution Prevention Plan (SWPPP), in compliance with the Alaska Pollutant Discharge Elimination System General Construction Permit;
 - No buildings shall be constructed within the 100 year floodplain. Any improvements within the floodplain need to be flood-proofed.
 - Fugitive dust from construction activities must be reduced during construction by use of water or other dust control measures;
 - Emissions from vehicles and equipment must be maintained below applicable state and local emission control plans;
 - Movement of construction material and machinery must be scheduled for non-peak or non-critical times;
 - In the event that historical artifacts are discovered, all work must be stopped immediately and appropriate agencies must be contacted;

- Best Management Practices must be utilized during construction to minimize or avoid potential impacts to water quality or resources;
- All waste materials generated during construction will be disposed of in the landfill or the waste will be backhauled to an approved facility;
- Proper sedimentation and erosion control construction techniques will be used.
- Mitigation measures will be taken to minimize impacts to migratory birds. The site will be examined for the presence of animal or bird habitat and breeding ground before ground disturbing activities. Vegetation clearing will take place outside of the nesting season. If a bald eagle nest is observed, any construction activity will be stopped and will not continue until further consultation with USFWS.
- Potential impacts to regional water quality from construction will be prevented by implementing appropriate construction best management practices (BMPs), including but not limited to use of silt fences and soil stabilization measures, temporary cover practices to prevent erosion of exposed soils, preservation of existing vegetation to the maximum extent practicable.

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. If the project or any project element deviates from or is modified from the originally-approved project, additional environmental review may be required.

11. **Engineering Services** – The agreement for engineering services must consist of the Engineers Joint Contract Documents Committee (EJCDC) documents as indicated in RUS Bulletin 1780-26, “Guidance for the Use of EJCDC Documents on Water and Waste Disposal Projects with RUS Financial Assistance,” or other approved form of agreement. The Agency must concur in the agreement and any modifications for professional engineering services prior to advertising for bids. The Agency concurrence will occur immediately following approval of the loan and/or grant. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.
12. **Contract Documents, Final Plans and Specifications**
 - a. The contract documents must consist of the EJCDC Construction Contract Documents as indicated in RUS Bulletin 1780-26 or other Agency approved forms of agreement.
 - b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C – Planning, Designing, Bidding, Contracting, Constructing and Inspections, and must be submitted to the Agency for concurrence prior to advertising for bids along with an updated cost estimate. The Agency may require an updated cost estimate if a significant amount of time elapses between the original submission and advertising for bids.
 - c. The use of any procurement method other than competitive sealed bids must be requested in writing and approved by the Agency.
13. **Legal Services** – You will be required to execute a legal services agreement with your attorney and bond counsel, if applicable, for any legal work needed in connection with this project. The agreement should stipulate an hourly rate for the work, with a “not to exceed”

amount for the services, including reimbursable expenses. RUS Bulletin 1780-7, "Legal Services Agreement," or similar format may be used. A copy of this agreement must be submitted for Agency review and concurrence prior to advertising for bids. Any changes to the fees or services spelled out in the original agreement must be reflected in an amendment to the agreement and have prior Agency concurrence.

14. **Property Rights** - Prior to advertising for bids, you and your legal counsel must furnish satisfactory evidence that you have or can obtain adequate continuous and valid control over the lands and rights-of-way needed for the project. Acquisitions of necessary land and rights must be accomplished in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act. Such control over the lands and rights will be evidenced by the following:
- a. **Right-of-Way Map** – Your engineer will provide a map clearly showing the location of all lands and rights-of-way needed for the project. The map must designate public and private lands and rights and the appropriate legal ownership thereof.
 - b. **Form RD 442-20, "Right-of-Way Easement"** – This form may be used to obtain any necessary easements for the proposed project.
 - c. **Form RD 442-21, "Right-of-Way Certificate"** – You will provide a certification on this form that all right-of-way requirements have been obtained for the proposed project.
 - d. **Form RD 442-22, "Opinion of Counsel Relative to Rights-of-Way"** – Your attorney will provide a certification and legal opinion on this form addressing rights-of-way, easements, and title.
 - e. **Preliminary Title Work (Title Opinion)** – When applicable, your attorney will provide a preliminary title opinion for any property related to the facility, currently owned and to be acquired, along with copies of deeds, contracts or options for purchasing said property. Form RD 1927-9, "Preliminary Title Opinion," may be used.
 - f. **Preliminary Title Work – (Title Insurance)** – When applicable, a title insurance binder will be required on all real estate related to the facility now owned and property to be acquired in connection with this project. The binder will be in the amount of the proposed loan and name the United States of America, acting through the United States Department of Agriculture, as the proposed insured.

The above rights-of-way forms may contain a few exceptions, such as properties that must be condemned. However, prior to closing or the start of construction, whichever occurs first, new forms must be provided which do not provide for any exceptions.

You are responsible for the acquisition of all property rights necessary for the project and will determine that prices paid are reasonable and fair. The Agency may require an appraisal by an independent appraiser or Agency employee in order to validate the price to be paid.

15. **System Policies/Procedures** – The facility must be operated on a sound business plan. You must adopt policies, procedures, and/or ordinances outlining the conditions of service and use of the proposed system. Mandatory connection policies should be used where enforceable. The policies, procedures, and/or ordinances must contain an effective collection policy for accounts not paid in full within a specified number of days after the date of billing. They should include appropriate late fees, specified timeframes for disconnection of service, and

reconnection fees. A draft of these policies, procedures, and/or ordinances must be submitted for Agency review and concurrence prior to advertising for bids, along with the documents below, unless otherwise stated.

- a. **Conflict of Interest Policy** – Prior to obligation of funds, you will certify in writing that your organization has in place an up-to-date written policy on conflict of interest. The policy will include, at a minimum: (1) a requirement for those with a conflict or potential conflict to disclose the conflict/potential conflict; (2) a prohibition of interested members of the applicant’s governing body from voting on any matter in which there is a conflict, and (3) the specific process defining how the governing body will manage identified or potential conflicts.

You must also submit a disclosure of planned or potential transactions related to the use of Federal funds that may constitute or present the appearance of personal or organizational conflict of interest. Sample conflict of interest policies may be found at the National Council of Nonprofits website, <https://www.councilofnonprofits.org/tools-resources/conflict-of-interest>, or in Internal Revenue Service Form 1023, Appendix A, “Sample Conflict of Interest Policy,” at <http://www.irs.gov/pub/irs-pdf/i1023.pdf>. Though these examples reference non-profit corporations, the requirement applies to all types of Agency borrowers.

Disclosure must be in the form of a written letter signed and dated by the applicant’s official. A negative disclosure of the same format is required if no conflicts are anticipated.

Assistance in developing a conflict of interest policy is available through Agency-contracted technical assistance providers if desired.

Fully executed copies of any policies, procedures, ordinances, contracts, or agreements must be submitted prior to loan closing, with the exception of the conflict of interest policy, which must be in place prior to obligation of funds.

16. **Closing Instructions** – The Agency will prepare closing instructions as soon as the requirements of paragraphs 12, 13, and 14 are complete, as well as a draft of the security instrument(s). Closing instructions must be obtained prior to advertising for bids.
17. **Interim Financing** – For all loans exceeding \$500,000, where loan funds can be borrowed at reasonable interest rates on an interim basis from commercial sources for the construction period, such interim financing will be used to preclude the necessity for multiple advances of Agency loan funds. You must provide the Agency with a copy of the interim loan financing agreement for review prior to advertising for bids. The Agency approval official may make an exception when interim financing is cost prohibitive or unavailable. Grant funds from the Agency will be disbursed by multiple advances through electronic transfer of funds after interim financing or Agency loan funds are expended, in accordance with RUS Instruction 1780.45.
18. **Construction Account** – You must establish a construction account for all funds related to the project. Construction funds will be deposited with an acceptable financial institution or

depository that meets the requirements of 31 CFR Part 202. A separate account will not be required for Federal funds and other funds; however, the recipient must be able to separately identify, report, and account for all Federal funds, including the receipt, obligation and expenditure of funds. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral, in accordance with 31 CFR Part 202. All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the construction account at any one time. Your financial institution can provide additional guidance on collateral pledge requirements.

Agency funds will be disbursed into the borrower's depository account through an electronic transfer system. SF 3881, "ACH Vendor/Miscellaneous Payment Enrollment Form," must be completed and submitted to the Agency prior to advertising for bids.

19. **System Users** – This letter of conditions is based upon your indication at application that there will be at least 2187 residential users and 272 non-residential users (commercial) users on the existing system when construction is completed.

Before the Agency can agree to the project being advertised for construction bids, you must certify that the number of users indicated at application are currently using the system or signed up to use the system once it is operational.

If the actual number of existing and/or proposed users that have signed up for service is less than the number indicated at the time of application, you must provide the Agency with a written plan on how you will obtain the necessary revenue to adequately cash flow the expected operation, maintenance, debt service, and reserve requirements of the proposed project (e.g., increase in user rates, sign up of an adequate number of other users, reduction in project scope, etc.). Similar action is required if there is cause to modify the anticipated flows or volumes presented following approval.

20. **Other Funding** – Prior to advertising for bids, you must provide evidence of applicant contributions and approval of other funding sources. This evidence should include a copy of the commitment letter from each source.
21. **Proposed Operating Budget** – You must establish and/or maintain a rate schedule that provides adequate income to meet the minimum requirements for operation and maintenance (O&M), debt service, and reserves. Prior to advertising for bids, you must submit a proposed annual operating budget to the Agency which supports the operation, maintenance, debt service, and reserves, as well as your proposed rate schedule. The operating budget should be based on a typical year cash flow after completion of the construction phase and should be signed by the appropriate official of your organization. Form RD 442-7, "Operating Budget," or similar format may be utilized for this purpose. It is expected that O&M will change over each successive year and user rates will need to be adjusted on a regular basis.
22. **Permits** –The owner or responsible party will be required to obtain all applicable permits for the project, prior to advertisement for bids. The consulting engineer must submit written evidence that all applicable permits required prior to construction have been obtained with submission to the Agency of the final plans, specifications, and bid documents.

23. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. Borrowers with existing systems must provide a certification that a VA/ERP has been completed prior to advertising for bids. The documents are not submitted to the Agency. For new systems, see Section V of this Letter of Conditions. For VA/ERP requirements throughout the life of the loan, see Section VII. Technical assistance at no cost is available in preparing these documents.
24. **Bid Authorization** - Once all the conditions outlined in Section III of this letter have been met, the Agency will authorize you to advertise the project for construction bids. Such advertisement must be in accordance with applicable State statutes.

SECTION IV - REQUIREMENTS PRIOR TO START OF CONSTRUCTION

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

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

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

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

27. **Resident Inspector(s)** – Full-time inspection is required unless you request an exception. Such requests must be made in writing and the Agency must concur in the request. Inspection services are to be provided by the consulting engineer unless other arrangements are requested in writing and concurred in by the Agency. A resume of qualifications of any resident inspector(s) will be submitted to the owner and Agency for review and concurrence prior to the pre-construction conference. The resident inspector(s) must attend the pre-construction conference.
28. **Preconstruction Conference** – A preconstruction conference will be held prior to the issuance of the Notice to Proceed. The consulting engineer will review the planned development with the

Agency, owner, resident inspector, attorney, contractor, other funders, and other interested parties, and provide minutes of this meeting to the owner and Agency.

29. **Final Rights-of-Way** – If any of the rights-of-way forms listed under paragraph 13 above contained exceptions, new forms which do not provide for any exceptions must be provided prior to the issuance of the notice to proceed. For projects involving the acquisition of land, you must provide evidence that you have title to the land prior to the issuance of the Notice to Proceed.

Final Title Work - On the day of loan closing or start of construction, whichever occurs first, your attorney must furnish a separate final title opinion on all existing land(s) and those to be acquired for the facility, showing no exceptions. Form RD 1927-10, "Final Title Opinion" may be used.

Final Title Work - Immediately after closing, a Title Insurance Policy showing no exceptions that would adversely affect the use of the real property in connection with the proposed project must be provided.

30. **Insurance and Bonding Requirements** - Prior to the start of construction or loan closing, whichever occurs first, you must acquire and submit to the Agency proof of the types of insurance and bond coverage for the borrower shown below. The use of deductibles may be allowed, providing you have the financial resources to cover potential claims requiring payment of the deductible. The Agency strongly recommends that you have your engineer, attorney, and insurance provider(s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of the Agency to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.
- a. **General Liability Insurance** – Include vehicular coverage.
 - b. **Workers' Compensation** – In accordance with appropriate State laws.
 - c. **Fidelity or Employee Dishonesty Bonds** – You will provide coverage for all persons who have access to funds, including persons working under a contract or management agreement. Coverage may be provided either for all individual positions or persons, or through blanket coverage providing protection for all appropriate workers. During construction, each position should be bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The coverage may be increased during construction based on the anticipated monthly advances. After construction and throughout the life of the loan, the amount of coverage must be for at least the total annual debt service of the Agency loan. The Agency will be identified in the fidelity bond for receipt of notices. Form RD 440-24, "Position Fidelity Schedule Bond," or similar format may be used.
 - d. **National Flood Insurance** - If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
 - e. **Real Property Insurance** – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured, and subsurface lift stations except for the value of electrical and pumping equipment. The Agency will be listed as mortgagee on the policy when the Agency has a lien on the property. Prior to the acceptance of the facility from the contractor(s), you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

Insurance types described above are required to be continued throughout the life of the loan. See Section VII.

SECTION V – REQUIREMENTS PRIOR TO LOAN CLOSING

If interim financing is being used, then the following items are required prior to closing:

31. **Documents from Section II and III** – Documents detailed above in paragraphs 4, 5, 6, and 15 must be adopted and/or executed and submitted to the Agency prior to loan closing.
32. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – The Agency requires all financed water and wastewater systems to have a VA/ERP in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operation, and a certification that a VA is complete must be submitted within one year of the start of operation. Borrowers with existing systems must provide a certification that a VA and ERP are completed prior to authorization to advertise for bids. The VA/ERP documents are not submitted to the Agency. Technical assistance is available in preparing these documents at no cost to you. The VA/ERP must address potential impacts from natural disasters and other emergency events. In particular, it should include plans to address impacts of flash flooding in areas where severe drought or wildfires occur. The documents should be reviewed and updated every three years.
33. **Other Requirements** – All requirements contained in the Agency’s closing instructions, as well as any requirements of your bond counsel and/or attorney, must be met prior to loan closing.
 - a. **System for Award Management**. You will be required to maintain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and maintain an active registration in the System for Award Management (SAM) database. Renewal can be done on-line at: <http://sam.gov>. This registration must be renewed and revalidated every twelve (12) months for as long as there are Agency funds to be expended.

To ensure the information is current, accurate and complete, and to prevent the SAM account expiration, the review and updates must be performed within 365 days of the activation date, commonly referred to as the expiration date. The registration process may take up to 10 business days. (See 2 CFR Part 25 and the “Help” section at <http://sam.gov>).
 - b. **Litigation**. You are required to notify the Agency within 30 days of receiving notification of being involved in any type of litigation prior to loan closing or start of construction, whichever occurs first. Additional documentation regarding the situation and litigation may be requested by the Agency.
 - c. **Certified Operator**. Evidence must be provided that your system has or will have, as defined by applicable State or Federal requirements, a certified operator available prior to the system becoming operational, or that a suitable supervisory agreement with a certified operator is in effect.

SECTION VI – CONSTRUCTION AND POST CONSTRUCTION REQUIREMENTS:

- 34. Inspections** - The Agency requires a pre-construction conference, pre-final and final inspections, and warranty inspection. Your engineer will schedule a warranty inspection with the contractor and the Agency before the end of the one-year warranty period to address and/or resolve any warranty issues. The Agency will conduct an inspection of your records management system at the same time, and will continue to inspect the facility and your records system every three years for the life of the loan. You must participate in these inspections and provide the required information.
- 35. Change Orders** – Prior Agency concurrence is required for all Change Orders.
- 36. Payments** – Prior Agency concurrence is required for all Invoices and Partial Payment Estimates before Agency funds will be released. Requests for payment related to a contract or service agreement will be signed by the owner, project engineer, and contractor or service provider prior to Agency concurrence. Invoices not related to a construction contract or service agreement will include the owner’s written concurrence.
- 37. Use of Remaining Funds** – Applicant contribution and connection or tap fees will be the first funds expended in the project, followed by non-Agency sources of funds. Remaining funds may be considered in direct proportion to the amounts obtained from each source and handled as follows:
- a. Remaining funds may be used for eligible loan and grant purposes, provided the use will not result in major changes to the original scope of work and the purpose of the loan and grant remains the same.
 - b. Agency loan funds that are not needed will be applied as an extra payment on the Agency indebtedness unless other disposition is required by the bond ordinance, resolution, or State statute.
 - c. Grant funds not expended for authorized purposes will be cancelled within 90 days of final completion of project. Prior to actual cancellation, you and your attorney and engineer will be notified of the Agency’s intent to cancel the remaining funds and given appropriate appeal rights.

SECTION VII – SERVICING REQUIREMENTS DURING THE TERM OF THE LOAN

- 38. Prepayment and Extra Payments** - Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower, with no penalty.

Security instruments, including bonding documents, must contain the following language regarding extra payments, unless prohibited by State statute:

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of borrower. Refunds, extra payments and loan proceeds obtained from outside sources for the purpose of paying down the Agency debt, shall, after payment of interest, be applied to the installments last to become due under this note and shall not affect the

obligation of borrower to pay the remaining installments as scheduled in your security instruments.

39. **Graduation** - By accepting this loan, you are also agreeing to refinance (graduate) the unpaid loan balance in whole, or in part, upon request of the Government. If at any time the Agency determines you are able to obtain a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms, you will be requested to refinance. Your ability to refinance will be assessed every other year for those loans that are five years old or older.
40. **Security/Operational Inspections** – The Agency will inspect the facility and conduct a review of your operations and records management system and conflict of interest policy every three years for the life of the loan. You must participate in these inspections and provide the required information. Your conflict of interest policy will be reviewed at this time.
41. **Annual Report/Audit Requirements** – You are required to submit an annual report at the end of each fiscal year. The annual report will be certified by the appropriate organization official, and will consist of financial information and a rate schedule. Financial statements must be prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP), and must include at a minimum a balance sheet and income and expense statement. The annual report will include separate reporting for each water and waste disposal facility, and itemize cash accounts by type (debt service, short-lived assets, etc.) under each facility. You will retain all records, books and supporting material for three years after the issuance of the annual report.

If an audit is required, you must enter into a written agreement with the auditor and submit a copy to the Agency prior to advertisement of bids. The audit agreement may include terms and conditions that the borrower and auditor deem appropriate; however, the agreement should include the type of audit or financial statements to be completed, the time frame in which the audit or financial statements will be completed, what type of reports will be generated from the services provided and how irregularities will be reported.

The type of financial information that must be submitted is specified below:

- a. **Audits** – All audits are to be performed in accordance with 2 CFR Part 200, as adopted by USDA through 2 CFR Part 400. Further guidance on preparing an acceptable audit can be obtained from the Agency. It is not intended that audits required by this part be separate and apart from audits performed in accordance with State and local laws. To the extent feasible, the audit work should be done in conjunction with those audits. The audit must be prepared by an independent licensed Certified Public Accountant, or a State or Federal auditor if allowed by State law, and must be submitted within 9 months of your fiscal year end.

An annual audit is required in the following instances:

- **Single Audit.** If you expend \$750,000 or more in Federal financial assistance per fiscal year, an audit under the Single Audit Act is required. The total Federal funds expended from all sources shall be used to determine Federal financial assistance expended. Expenditures of interim financing are considered Federal expenditures.

- **GAGAS Audit.** If you expend less than \$750,000 in Federal financial assistance per fiscal year, but have a total outstanding Agency loan balance of \$1,000,000 or more, a financial audit performed in accordance with the latest revision of the generally accepted government auditing standards (GAGAS) is required.
- b. **Financial Statements** – If you expend less than \$750,000 in Federal financial assistance per fiscal year and have an outstanding Agency loan balance of less than \$1,000,000, you may submit financial statements in lieu of an audit which include at a minimum a Balance Sheet and an Income and Expense Statement. You may use Form RD 442-2, “Statement of Budget, Income and Equity,” and 442-3, “Balance Sheet,” or similar format to provide the financial information. The financial statements must be signed by the appropriate borrower official and submitted within 60 days of your fiscal year end.
 - c. **Quarterly Reports** – Quarterly Income and Expense Statements will be required until the processing office waives this requirement. You may use Form RD 442-2 or similar format to provide this information, and the reports are to be signed by the appropriate borrower official. The Agency will notify you in writing when the quarterly reports are no longer required.
42. **Annual Budget and Projected Cash Flow** - Thirty days prior to the beginning of each fiscal year, you will be required to submit an annual budget and projected cash flow to this office. With the submission of the annual budget, you will be required to provide a current rate schedule, a current listing of the Board or Counsel Members and their terms. The budget must be signed by the appropriate borrower official. Form RD 442-2 or similar format may be used.

Technical assistance is available at no cost to help you evaluate and complete a rate analysis on your system. If you are interested, please contact our office for information.
 43. **Vulnerability Assessment/Emergency Response Plan (VA/ERP)** – You will be required to submit a certification to the servicing office every three years that the VA/ERP is current and covers all sites related to the facility. The documents themselves are not submitted to the Agency.
 44. **Insurance.** You will be required to maintain insurance on the facility and employees as described in paragraph 30 for the life of the loan.
 45. **Statutory and National Policy Requirements**– As a recipient of Federal funding, you are required to comply with U.S. statutory and public policy requirements, including but not limited to:
 - a. **Section 504 of the Rehabilitation Act of 1973** – Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Agency financial assistance.
 - b. **Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and

Subpart E of Part 1901 of this Title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by Paragraph 1901.202(e) of this Title.

- c. **The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 *et seq.*) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.
- d. **Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 *et seq.*) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- e. **Limited English Proficiency (LEP) under Executive Order 13166** - LEP statutes and authorities prohibit exclusion from participation in, denial of benefits of, and discrimination under federally assisted and/or conducted programs on the ground of race, color, or national origin. Title VI of the Civil Rights Act of 1964 covers program access for LEP persons. LEP persons are individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand English. These individuals may be entitled to language assistance, free of charge. You must take reasonable steps to ensure that LEP persons receive the language assistance necessary to have meaningful access to USDA programs, services, and information your organization provides. These protections are pursuant to Executive Order 13166 entitled, “Improving Access to Services by Persons with Limited English Proficiency” and further affirmed in the USDA Departmental Regulation 4330-005, “Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA.”

Agency financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap. You must display posters (provided by the Agency) informing users of these requirements, and the Agency will monitor your compliance with these requirements during compliance reviews. Compliance reviews will typically be conducted in conjunction with the security inspections described in paragraph 39.

- 46. **Data Collection.** If beneficiaries (users) are required to complete an application or screening for the use of the facility or service that you provide, you must request and collect data by race (American Indian or Alaska Native, Asian, Black or African American, White); ethnicity (Hispanic or Latino, Not Hispanic or Latino); and by sex. The Agency will collect this data as part of the required compliance review described under paragraph 44.

SECTION VIII – REMEDIES FOR NON-COMPLIANCE

Non-compliance with the conditions in this letter or requirements of your security documents will be addressed under the provisions of 7 CFR 1782 and other applicable regulations, statutes, and policies.

We look forward to working with you to complete this project. If you have any questions, please contact the undersigned at 907-271-2424 ext. 118 or by e-mail at Tasha.deardorff@ak.usda.gov.

Sincerely,



TASHA DEARDORFF
CF/Sanitation Program Director

Attachments

ACRONYMNS:

ACH – Automated Clearing House
AD – Agriculture Department
CDBG – Community Development Block Grant
CFR – Code of Federal Regulations
CPAP – Commercial Programs Application Processing
DUNS – Dun and Bradstreet Data Universal Numbering System
EJCDC – Engineers Joint Contract Documents Committee
ERP – Emergency Response Plan
GAAP – Generally Accepted Accounting Principles
GAGAS – Generally Accepted Government Auditing Standards
OC – Owner Construction
OPS – Owner-Performed Services
O&M – Operation and Maintenance
PER – Preliminary Engineering Report
RD – Rural Development
RUS – Rural Utilities Service
SAM – System for Award Management
SF – Standard Form
UCC – Uniform Commercial Code
USC – United States Code
USDA – United States Department of Agriculture
VA – Vulnerability Assessment

Appendix A

I. SYSTEM FOR AWARD MANAGEMENT AND UNIVERSAL IDENTIFIER REQUIREMENTS

A. Requirement for System for Award Management

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for unique entity identifier

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
2. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

C. Definitions

For purposes of this award term:

1. System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
2. Unique entity identifier means the identifier required for SAM registration to uniquely identify business entities.
3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and

e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward:

a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).

c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that:

a. Receives a subaward from you under this award; and

b. Is accountable to you for the use of the Federal funds provided by the subaward.

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE _____

OF THE _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

pursuant to the provisions of _____; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond coverage as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA's concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of action against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ _____

under the terms offered by the Government; that the _____

and _____ of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said grant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas _____ Nays _____ Absent _____

IN WITNESS WHEREOF, the _____ of the

_____ has duly adopted this resolution and caused it

to be executed by the officers below in duplicate on this _____, _____ day of _____

(SEAL) _____
By _____

Attest: _____
Title _____

Title _____

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the _____

hereby certify that the _____ of such Association is composed of _____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting by the vote shown above, I further certify that as of _____ , the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

Attachment(s):

- None

Summary Statement:

The School Resource Officer (SRO) program is widely regarded as successful in building better relationships between police organizations and community youth. The City of Palmer Police Department (PPD) would support the program by designating a SRO to serve local schools, with funding provided in a 25% / 75% split between Palmer and the Mat Su Borough School District (MSBSD) respectively. To maintain adequate patrol staffing in the City an additional officer would be hired to support the program. At its core, there are several key components to the SRO program:

1. Provide focused law enforcement and police services to the school, school grounds, and areas adjacent to the school. Investigate allegations of criminal incidents per police department policies and procedures.
2. Work to prevent juvenile delinquency through close contact and positive relationships with students. The SRO will monitor crime statistics and work with local patrol officers and students together to design crime prevention strategies.
3. Establish and maintain a close partnership with school administrators to provide for a safe school environment.
4. Be visible within the school community. Attend and participate in school functions. Continue working relationships with the school's staff as well as with student and parent groups.
5. Develop and implement classes in law related education to support the educational efforts of the faculty. Work closely with teachers in designing and presenting law-related topics and the role of police in our society.
6. Work with guidance counselors and other student support staff to assist students and to provide services to students involved in situations where referrals to service agencies are necessary. Assist in conflict resolution efforts.
7. Initiate interaction with students in the classroom and general areas of the school building. Be a positive role model. Increase the visibility and accessibility of police to the school community.
8. The SRO will provide service to all MSBSD schools located within the city limits of Palmer with primary emphasis on the high school and junior middle school.

Total program costs are approximately \$528,360.70 over three years. Palmer proposes a 75% (MSBSD)/25% (City of Palmer) division of costs for the position. This recognizes the officer being exclusively detailed to school related activities for nine months of the year. The remaining three months (Summer Break) the officer will be allowed to assume normal police activities in the community. The estimated costs are as follows:

1. Initial equipment outlay (2018) of \$69,205.00, with the MSBSD paying \$51,903.75 and Palmer paying \$17,301.25
2. First Year(2018) Salary and Benefits of approximately \$148,727.27, with the MSBSD paying \$111,545.45 and Palmer paying \$37,181.82.

3. Second Year (2019) Salary and Benefits of approximately \$153,009.08 with the MSBSD paying \$114,756.81 and Palmer paying \$38,252.27.
4. Third Year (2020) Salary and Benefits of approximately \$157,419.35 with the MSBSD paying \$118,064.52 and Palmer paying \$39,354.84.
5. Total MSBSD costs are approximately \$396,270.53. Total City of Palmer costs are approximately \$132,090.17.

Administration's Recommendation:

Approve Action Memorandum No. 18-042 authorizing the City Manager to Negotiate and Execute a Three-Year Agreement with the Matanuska Susitna Borough School District (MSBSD) to Provide a School Resource Officer to MSBSD Schools Within the Palmer City Limits, the Amount Being Funded 75 Percent by MSBSD and 25 Percent by the City of Palmer.

**Memorandum of Agreement
Between
Matanuska-Susitna Borough School District
and
The City of Palmer Police Department**

Purpose:

This agreement between the Matanuska-Susitna Borough School District (MSBSD) and the City of Palmer Police Department (PPD) sets for the foundation and guiding principles for the continuation of a School Resource Officer (SRO) program for schools located within the City of Palmer. The parties understand and agree that this is an evolving program for both the MSBSD and PPD and that from time to time amendments to this agreement may be necessary.

Intent:

The MSBSD and PPD hereby agree to the following collaborative concepts for the School Resource Officer Project:

1. Both parties support placing a School Resource Officer (SRO) within the schools located within the City of Palmer to enhance and improve the overall safety and security of schools, youth, and the community.
2. Both parties agree to, for the life of this agreement, maintain an open forum between the parties for the purpose of evaluating, improving, and managing this project.
3. Both parties will work together to secure and maintain local funds for this project to continue for a period of three years. Both parties also pledge to work collaboratively to seek grant funds or other funding sources to support and maintain the project.
4. The parties will agree to and monitor key program elements for determining the outcomes and lessons learned from this project.
5. The project involves duties and assignments at Palmer High School and Palmer Junior Middle School. Nothing in this agreement is intended to restrict or prohibit the SRO from responding to an emergency, investigation of criminal activities, or providing technical assistance to another school as time permits.
6. The parties will jointly develop and implement project goals, tasks, projects, and evaluations on an annual basis.
7. The parties understand, acknowledge, and agree that not every contingent can be covered within this agreement. The parties agree that within the scope and intent of this agreement the discretion and responsibility to develop and grow the program shall be with the assigned points of contact for the MSBSD and PPD.

The PPD agrees to:

1. Employ and assign one Alaska State Certified Police Officer to the program. The officer shall have at a minimum 2 years of patrol experience and other training, skills, knowledge, or abilities that would enhance their ability to work within the school environment.
2. Shall pay all costs associated with the assigned Police Officer to include wages, benefits, overtime, insurance, or other costs routinely associated with and paid for by PPD subject to the cost sharing agreement (Attachment A).
3. Provide supervision of the assigned officer.
4. Provide and maintain the required officer-related equipment such as uniforms, weapon, radio, vehicle, and other related items subject to the cost sharing agreement (Attachment A).
5. Assign the SRO to the affected schools (Palmer High School and Palmer Junior Middle School) at least 75% of their scheduled days of work. The actual hours of work for each day and days at work will be coordinated between the PPD and Palmer High School as the lead school.
6. Assign the officer to a flexible work schedule to meet the needs and requirements of the schools and PPD.

The MSBSD agrees to:

1. Provide annual funding support of this project in the amounts specified in Attachment A as approved by the School Board in its annual budget.
2. Palmer High School will provide an office space, computer with internet access, desk, chair, telephone, and office supplies as needed for the SRO.
3. The affected schools will each assign a staff member as the single point of contact with its administration between the school and PPD.
4. MSBSD will provide at least one district administration representative to be a member of the project oversight team.
5. The affected schools will advise the SRO of any criminal activity it becomes aware of that occurs in or around the school.
6. The affected schools will allow the SRO to participate in classroom discussions and presentations in such areas as substance abuse prevention, personal safety, law enforcement careers, and other areas or topics as the SRO may be qualified or trained in providing. The SRO will not be assigned classroom assignments or tasks that supplant a certified teacher's responsibility.
7. The affected schools and MSBSD will assist in the annual project evaluation, goal setting, and project team activities.
8. Assist PPD with the selection of the SRO and provide input to the performance evaluation of the SRO.

Payments:

The district shall make quarterly payments under this agreement as follows:

August 1, 2017; October 1, 2017; January 1, 2018; and March 1, 2018

Student Discipline:

1. Student discipline shall remain the responsibility of the MSBSD.
2. The SRO may be called in to assist in student disciplinary cases that involve criminal activity where the student is the offender or victim to provide technical expertise in proper investigative procedures or to act as a third party during interviews.
3. The SRO will not be requested to initiate or hand out administrative disciplinary actions.
4. The MSBSD will refer all criminal acts – Class A misdemeanors or felonies that occur on school grounds, facilities, or programs, or that become known to the MSBSD regarding students of Palmer area schools to the SRO for potential criminal investigation and evaluation.
5. MSBSD may coordinate administrative disciplinary actions with the SRO's criminal investigation when appropriate.
6. If agreed to by both the school and PPD, disciplinary actions for minor criminal acts will be handled by the school.

Transporting Students:

1. The SRO shall not transport students in their vehicle while engaged in SRO duties at a school except:
 - a. When the student is under arrest or otherwise detained. The SRO shall follow the PPD policies and procedures for transporting juveniles.
 - b. To transport a student to a referral agency such as the hospital, clinic, or other location as determined by the school when the student represents an immediate safety threat to themselves or others and only with a school official accompanying the student.
 - c. To remove a student who has been suspended or expelled and the parent or guardian is not available to remove the student and the student represents an immediate safety threat to themselves or others. A school employee shall accompany the SRO and student during the transport.
 - d. At the discretion of the SRO supervisor.
 - e. The SRO shall notify the school principal or designee prior to removing any student from the school.

Investigation Procedures:

1. The SRO has the responsibility and authority to investigate criminal acts or suspected criminal activity on and around the school. The SRO shall coordinate such activities with the school to minimize education disruptions and to assure coordination with any administrative actions required by the school.
2. The SRO may conduct interviews of students during school hours with the approval of the principal and after notifying the parents or guardians, provided such notification does not conflict with appropriate investigatory procedures.
3. If in the opinion of the SRO and principal an immediate investigation or interview is necessary to protect the safety of a student, school, or staff, the SRO may conduct the interview without parental contact.
4. The SRO will follow the PPD policies and procedures for interviews of juveniles.

Search Procedures:

1. School officials shall follow the MSBSD policy on student searches at all times.
2. Evidence of criminal acts uncovered during an administrative search conducted by and at the direction of the school officials shall be turned over to the SRO for criminal investigation and proceedings.
3. The SRO shall refrain from using a school official as an agent of the police in conducting a search and seizure situation. The SRO will not ask or manipulate a school official into making a search on behalf of the SRO that would otherwise be prohibited by law.

Arrest Procedures:

1. The Principal of the school is responsible for notifying the parent or guardian of any student arrested during school hours.
2. The SRO shall immediately notify the Principal of any student they place under arrest while the student is on campus.
3. If the SRO arrests a school district employee on school property, the SRO shall immediately notify the Principal. The Principal shall then notify the Superintendent's office and the Assistant Superintendent of Instruction.
4. The SRO shall, as soon as is reasonably possible, notify the Principal of any other person arrested while on campus.

Access to Education Records:

The parties understand that some student records maintained by MSBSD are subject to legal restrictions on disclosure to protect student privacy. MSBSD officials shall be solely responsible for interpreting and applying those restrictions in cases where the SRO requests access to student records in the performance of police investigative duties, and the SRO shall abide by the determination of the MSBSD concerning access of the SRO to student records maintained by MSBSD.

1. School officials shall allow the SRO access to inspect and copy public records maintained by the school, such as directory information and yearbooks.
2. School officials shall grant the SRO access to student educational records when such access is necessary to protect the health and safety of a student, other students in the school, staff, or the public. Such disclosure shall be documented by the school and maintained in a confidential manner.
3. Confidential records may also be released to the SRO upon receipt of a release of information signed by the parent or guardian or upon receipt of a search warrant or subpoena.

Complaints Regarding the School Resource Officer:

1. In the event of a complaint made against the SRO received by the school district, the Principal and SRO shall meet to discuss and resolve the issues or concerns raised. The SRO supervisor shall be notified of the complaint and may assist in the initial stage of resolution.
2. If the complaint cannot be resolved at the first level or is considered a serious problem, the Principal shall notify the SRO supervisor and refer the complaint to the SRO supervisor. PPD may notify the Principal whether any disciplinary action was taken as a result of the complaint.
3. Concerns or issues regarding the performance of the SRO by the Principal shall be brought to the SRO supervisor. If the issue cannot be resolved at this level, the Principal shall meet with the PPD Chief to resolve the conflict.
4. If the SRO has a complaint regarding a school employee, they shall contact the Principal of the school the employee works in. The Principal shall be responsible for investigating and handling the complaint in an appropriate manner. Should the complaint involve a Principal or Assistant Principal, the SRO shall forward the complaint through the SRO supervisor and information to the Assistant Superintendent of Instruction.

Classroom Instruction:

1. The SRO may instruct or present materials in a classroom setting on topics or materials that have been approved through the Principal.
2. The SRO may instruct in a classroom only when there is a certified teacher present. The teacher is responsible for classroom management.

Records:

1. All investigative records created by the SRO shall remain the property of the PPD, who shall maintain and control them in accordance with PPD policies and procedures.
2. Records other than investigative records created by the PPD that pertain to the SRO's work and tasks that are not of an investigative or confidential nature shall be shared by PPD and the MSBSD.

Project Team:

1. MSBSD and PPD agree that for the duration of this agreement they shall form and maintain a project team to oversee and evaluate the project. The team shall be comprised of at least the following members:
 - a. Principal of affected schools or their designee
 - b. Palmer Police Chief or Commander
 - c. District Risk Management
 - d. Department of Instruction designee
 - e. School Resource Officer
2. The project team may add other agencies to the team as they determine would be in the best interest of the project.
3. The project team shall meet quarterly or more often as determined by the team members.
4. The team shall maintain minutes of their meetings.
5. The duties assigned to the project team are:
 - a. Provide for annual project evaluation
 - b. Conduct an annual review of project goals and objectives and modify them as needed
 - c. Prepare an annual report of the project for PPD and MSBSD

Modifications and Amendments:

This agreement may be modified or amended at any time by the parties by written agreement of the parties. The MSBSD and PPD understand and agree that this is an evolving new project and such modifications or amendments may be necessary for its continuation and success.

The parties agree that for non-financial modifications to this agreement the format shown in Attachment B will be used to modify or amend operational details of this agreement.

Notices:

All written notices under this agreement shall be sent to the following:

For the MSBSD:

Superintendent Gene Stone
501 N. Gulkana Street
Palmer, AK 99645

For the PPD:

Chief Lance Ketterling
423 S. Valley Way
Palmer, AK 99645

Termination:

Either party may terminate this agreement without cause by providing written notice to the other party at least 90 days prior to the requested termination date, stating the reasons for termination and the effective date.

Insurance:

For the duration of this agreement, PPD agrees to, at its expense, have and maintain the following insurance coverage for the SRO:

1. State required Workers' Compensation
2. Professional and General Liability
3. Vehicle Damage and Liability
4. Employee benefits as provided to other Palmer Police Officers

Agreed to this day:

For the Matanuska-Susitna Borough School District:

Gene Stone, Superintendent

Date

For the City of Palmer:

Lance L. Ketterling, Chief of Police

Date

Attachment A

**School Resource Officer
Cost Sharing Agreement**

DRAFT

Attachment B

**School Resource Officer
Agreement Form
For Minor Agreement Amendments**

Amendment number (INSERT NUMBER) to the School Resource Officer Memorandum of Agreement between the Matanuska-Susitna Borough School District (MSBSD) and the City of Palmer Police Department (PPD) is hereby agreed to this day _____, 20_____.

Whereas the MSBSD and PPD desire to amend the agreement for non-financial reasons and have agreed to use this form for that purpose, and

Whereas the amendment set forth below is of an operational nature necessary to the proper functions for the School Resource Officer project.

Now therefore the parties agree to the following amendment:

(INSERT AMENDMENT AGREEMENT HERE)

Dated this day _____ of _____, 20_____.

For the MSBSD: _____

For the PPD: _____

**City of Palmer
Action Memorandum No. 18-043**

Subject: Authorizing the City Manager to Amend the Professional Services Agreement with HDL Engineering Consultants, in an Amount Not to Exceed \$57,507.00, for Additional Required Design Phase Services for Sherrod Area Water and Street Improvements Phase 5, Which Include Street Improvements, Lighting, and a Pathway on Auklet Avenue Between the Glenn Highway and Valley Way

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: Chris Nall, Director of Public Works

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
√	Finance	<i>Michelle Tefft</i>	3/5/2018
_____	Fire	_____	_____
_____	Police	_____	_____
√	Public Works	<i>C. Nall</i>	3/5/18

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<i>[Signature]</i>	_____
City Attorney	<i>[Signature]</i>	_____
City Clerk	<i>[Signature]</i>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ 57,507.00

This legislation (√):

<input type="checkbox"/>	Creates revenue in the amount of:	\$ _____
√	Creates expenditure in the amount of:	\$ <u>57,507.00</u>
<input type="checkbox"/>	Creates a saving in the amount of:	\$ _____
<input type="checkbox"/>	Has no fiscal impact	

Funds are (√):

√	Budgeted	Line item(s): <u>CIP Road Projects Fund: 10-01-06-6301 Paving Upgrades</u>
<input type="checkbox"/>	Not budgeted	_____

Director of Finance Signature: *Michelle Tefft*

Attachment(s):

- HDL Amendment for Additional Engineering Services

Summary Statement/Background:

As the City moves to continuing street paving efforts and increasing bike ability and bike safety within the City, we have requested HDL prepare a proposal for amending the current Sherrod Area Professional Services Agreement (PSA). City staff is working with HDL for this project because the original PSA from 2012, was for a 65% Plan, Specification and Estimate (PS&E) package for the Sherrod Area Water and Street Improvements project.

This Amendment proposal will include street improvements (paving), lighting, and a pathway on Auklet Ave. between the Glenn Hwy and Valley Way. HDL will provide as-built surveys of portions of Sherrod Phase 3 improvements, a preliminary cost estimate, final design for bid-ready plans, specifications, and estimate, and bidding assistance.

The original PSA budget had remaining funds sufficient to cover this work, but this is out of scope for the original agreement.

This work is not eligible for the state grant reimbursement that previously funded the PSA as it does not include utility work that was already done and will be funded by the City with capital improvement funds.

This Phase 5 project will complete the street and pedestrian improvements that were started under the Phase 3 project for this particular area.

Administration's Recommendation:

To approve Action Memorandum No. 18-043, authorize the City Manager to amend the Professional Services Agreement with HDL Engineering Consultants, in an Amount Not to Exceed \$57,507.00 for additional required design phase services for Sherrod Area Water and Street Improvements Phase 5.

February 22, 2018

Chris Nall, Public Works Director
City of Palmer
231 West Evergreen Avenue
Palmer, AK 99645

RE: Amendment for Additional Engineering Services
Sherrod Area Water and Street Improvements – Phase 5

Dear Mr. Nall:

HDL Engineering Consultants (HDL) is pleased to present this amendment proposal for design phase engineering services for the Sherrod Area Water and Street Improvements, Phase 5 project.

Contract Background. Our original 2012 contract was for a 65% Plan, Specifications, and Estimate (PS&E) package for the Sherrod Area Water and Street Improvements project, to replace steel water main and upgrade both paved and unpaved roads in the northeast portion of the City. The project was broken into several phases and the overall scope of the project was modified several times. We have received eleven amendments adding final design and construction services for four phases of the project.

Phase 5 Design Phase Services. The City has requested HDL prepare this proposal to provide design phase services for the Phase 5 project, which includes street improvements, lighting, and a pathway on Auklet Avenue between the Glenn Highway and Valley Way. Our work will include an as-built survey of portions of the Phase 3 improvements, preliminary cost estimate, final design for bid-ready plans, specifications, and estimate, and bidding assistance. The Phase 5 project will complete the street and pedestrian improvements that were started under the Phase 3 project. The additional scope of services required to complete these improvements is detailed below:

SCOPE OF SERVICES

Task 2 – Surveying

We will perform a detailed design survey of the intersections at Alaska Street and Bonanza Street to update the base map to include the improvements constructed in the Phase 3 project and other changes in the area. We will utilize our existing survey control network and set additional control, as necessary, near the project areas. Topographic data will be gathered by taking cross sections every 50 feet for the width of the ROW plus 5 feet beyond on each side. Planimetric data for all surface improvements and utilities within these limits will be gathered. Any new large improvements or significant drainage features outside these limits

that may impact design will also be located. We will contact each utility agency within the entire project area to update utility information. With the field survey complete, we will reduce the data, blend the new data into the existing base map, and update the Triangulated Irregular Network (TIN) surface model. We will also update the survey control diagram to be included in the final plan set. Both drawings will be delivered to our in-house designers.

Task 5 – Final Design (Phase 5)

Preliminary Cost Estimate. Upon the City's direction to begin work, we will prepare a preliminary construction cost estimate to assist in securing funding for the project. The estimate will be based on the previous 65% design, the updated scope of work, and current unit prices. The deliverable will include the preliminary cost estimate only, 65% plans and specifications will not be prepared.

Bid-Ready Construction Plans, Specifications, and Estimate. Upon review of the preliminary estimate and determination of the final scope for the Phase 5 project, we will begin work to complete the design and prepare a bid-ready set of construction documents including plans, bidding, and contract documents with special provisions. A detailed construction cost estimate will be prepared when the design is approximately 95% complete and then again at 100% design to reflect final quantities and pay items determined in the final detailing of the work. We will also examine and update unit prices to provide an accurate final estimate.

Deliverables. The final deliverables for this task will be bid-ready plans, stamped and signed by a registered professional engineer in the State of Alaska, a bid-ready Project Manual with bidding and contract documents and special provisions, and the engineer's construction cost estimate. We will provide deliverables in hard copy and on CD in Adobe PDF® format ready for uploading to the City's bidding website.

Task 7 - Bidding Assistance (Phase 5)

HDL will assist the City with bidding the Phase 5 package. We will attend a pre-bid conference, respond to bidders' questions, prepare addenda as necessary, review the City's bid tabulations, and prepare a recommendation for award.

BASIC ASSUMPTIONS

The following basic assumptions were used to prepare this estimate:

1. The Phase 5 project will be designed in a single construction document set and bid one time.
2. Existing environmental permits will be used for this project. Additional permitting is not included but may be added by amendment.
3. There will be no landscaping component to the project, except to topsoil and seed the disturbed areas.
4. Public involvement is not included but may be added by amendment.
5. Local Improvement District (LID) coordination and assistance is not included but may be added by amendment.

6. Construction Administration and Inspection (CA) is not included in this fee estimate. The CA scope, level of effort, and fee will be determined when the design is complete and can be added by contract amendment.
7. Utility relocation is not anticipated. Coordination, design, and construction of natural gas, power, telephone and cable television utility relocations is not included.
8. Traffic Control Plans are not included in our scope of services, but will be required of the construction contractor.
9. A Storm Water Pollution Prevention Plan is not included in our scope of services, but will be required of the construction contractor.

SCHEDULE

Upon notice to proceed, we will commence survey field work as soon as possible and prepare a preliminary cost estimate based on the previous 65% design. The design completion date will require aggressive action and allows less time than is typical for this type of project. We understand the importance of completing the design quickly to allow for construction during the summer of 2018 and we will work diligently to try to meet the schedule. Our milestone schedule is as follows:

Milestone	Date
Amendment Approved	March 13, 2018
Notice To Proceed Start Survey and Design	March 14, 2018
Preliminary Cost Estimate Complete	March 22, 2018
Survey Complete	March 30, 2018
95% Design PS&E Complete	April 20, 2018
Bidding Advertisement for Construction	May 8, 2018
Construction Contract Bid Opening	May 29, 2018
Council Award of Construction Contract	June 12, 2018

FEE

We propose to provide the aforementioned services on a time and expenses basis at our published hourly labor rates and a 10% mark-up of subcontracts and reimbursable expenses for a fee not to exceed **\$57,507** as detailed on the attached worksheet.

We appreciate the opportunity to provide this proposal and look forward to assisting the City with this important project. If you have any questions, please contact me at 746-5230.

Sincerely,

HDL Engineering Consultants, LLC



David Lundin, P.E.
Principal/Civil & Environmental Engineer

attach: Fee Worksheet dated February 19, 2018, 2 pages
EDC proposal and fee worksheet dated February 15, 2018, 3 pages

cc: Greg Wickham, City of Palmer

FEE PROPOSAL WORKSHEET
Engineering Services for
Sherrod Area Water and Street Improvements - Phase 5

TASK	ACTIVITY	QTY	RATE	HDL LABOR*	REIMBURSABLE EXPENSES	SUB-CONTRACTS	SUBTOTAL	TOTAL
2.0	Surveying							\$11,460
2.1	<u>Survey Field Work</u>						\$6,820	
	Surveying Manager (PLS)	8 hrs	@ \$160	\$1,280				
	1-person Survey Crew	0 hrs	@ \$150	\$0				
	2-person Survey Crew	24 hrs	@ \$210	\$5,040				
	Surveying Technician	0 hrs	@ \$100	\$0				
	Reimbursable Expense	1 budget	@ \$500		\$500			
2.2	<u>Topographic and Control Drawing</u>						\$4,640	
	Surveying Manager (PLS)	4 hrs	@ \$160	\$640				
	Surveying Technician	32 hrs	@ \$125	\$4,000				
5.0	Final Design							\$41,830
5.1	<u>Management/Coordination/Quality Assurance</u>						\$3,400	
	Principal Civil Engineer	16 hrs	@ \$175	\$2,800				
	Clerical	8 hrs	@ \$75	\$600				
5.2	<u>Civil Plans (25 sheets)</u>						\$23,000	
	Civil Engineer	40 hrs	@ \$135	\$5,400				
	Engineering Assistant	60 hrs	@ \$110	\$6,600				
	Designer/Drafter	100 hrs	@ \$110	\$11,000				
5.3	<u>Street Lighting Plans (6 sheets)</u>							
	Civil Engineer	8 hrs	@ \$135	\$1,080			\$1,080	
	EDC, Inc.	1 budget	@ \$8,170			\$8,170		
5.4	<u>Specifications & Bidding Documents</u>						\$2,460	
	Civil Engineer	16 hrs	@ \$135	\$2,160				
	Clerical	4 hrs	@ \$75	\$300				
5.5	<u>Construction Cost Estimate</u>						\$3,720	
	Civil Engineer	8 hrs	@ \$135	\$1,080				
	Engineering Assistant	24 hrs	@ \$110	\$2,640				

FEE PROPOSAL WORKSHEET
Engineering Services for
Sherrod Area Water and Street Improvements - Phase 5

<u>TASK</u>	<u>ACTIVITY</u>	<u>QTY</u>	<u>RATE</u>	<u>HDL LABOR*</u>	<u>REIMBURSABLE EXPENSES</u>	<u>SUB-CONTRACTS</u>	<u>SUBTOTAL</u>	<u>TOTAL</u>
7.0	<i>Assistance During Bidding</i>							\$3,350
7.1	<u>Pre-Bid Conference</u>						\$1,330	
	Principal Civil Engineer	2 hrs	@ \$175	\$350				
	Civil Engineer	4 hrs	@ \$135	\$540				
	Engineering Assistant	4 hrs	@ \$110	\$440				
7.2	<u>Assistance During Bidding</u>						\$2,020	
	Principal Civil Engineer	2 hrs	@ \$175	\$350				
	Civil Engineer	8 hrs	@ \$135	\$1,080				
	Engineering Assistant	4 hrs	@ \$110	\$440				
	Clerical	2 hrs	@ \$75	\$150				
Subtotal				\$47,970	\$500	\$8,170		\$56,640
Markup**					\$50	\$817		\$867
Total Fee				\$47,970	\$550	\$8,987		\$57,507
*also includes those expenses charged without a markup								
**10% for subcontracts, 10% for reimbursable expenses								



February 15, 2018

Steve Reed, P.E.
HDL Engineering Consultants
202 W Elmwood Ave., Suite 1
Palmer, AK 99645

Subject: City of Palmer, Sherrod Area Water and Street Improvements, Phase 5 – Fee Proposal

Dear Steve:

This proposal is for electrical engineering design services in support of the planned water and street improvements in the Sherrod area of Palmer, Alaska. This proposal is based on the following:

SCOPE OF WORK

The scope of services will include the following:

- Complete 65% LED lighting design of West Auklet Avenue. Design includes a new load center.
- Provide special provisions to the City of Palmer specifications.
- Provide bid tabs using City of Palmer format.
- Coordinate with MEA for electrical service requirements.

ASSUMPTIONS

- HDL will provide the layout base sheets for EDC's use in AutoCAD format.

EXCLUSIONS

- Bidding assistance and construction services.

Deliverables

- The submittal will include half-size, PDF copies of 95% and final drawings, special provisions, and bid tabs.
- Paper copies will be available upon request.

FEE

The fee of **\$8,170** will be billed on a time-and-material basis.

Sherrod Area Water and Street Improvements Phase 5

Page 2

February 15, 2018

Thank you for the opportunity to propose on this project. We look forward to a successful project. If you have any questions concerning our understanding of the work, please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "Roy N. Pace". The letters are cursive and somewhat stylized.

Roy N. Pace, P.E.
EDC, INC.

COST ESTIMATE PER TASK

FIRM: EDC, Inc.				PROJECT TITLE: Sherrod Area Improvements Ph 5							
TASK NO: 1	TASK DESCRIPTION: PS&E Design -					DATE: 2/15/2018					
GROUP:	METHOD OF PAYMENT: FP <input type="checkbox"/> FPPE <input type="checkbox"/> T&E <input checked="" type="checkbox"/> CPFF <input type="checkbox"/>			PREPARED BY: R. Pace							
SUB-TASK NO.	SUB-TASK DESCRIPTION	LABOR HOURS PER JOB CLASSIFICATION									
		Lead Elec. Engineer	Eng. Assistant	Drafter	Clerical						
	Review 65% Ph 3 Plans	1									
	95% Submittal										
	Plans	6		12							
	Lighting calcs (new LED lum)		6								
	Load center calcs	1									
	Bid tabs	2									
	Update specials	2									
	Misc coordination	4									
	MEA coordination	4									
	100% Submittal										
	Address review comments	1									
	Revise plans	4		4							
	Revise bid tabs	1									
	Revise specials	1									
	Internal QC	2									
	Issue signed drawings	1									
TOTAL LABOR HOURS		30	6	16	0	0	0	0	0	0	0
* LABOR RATES (\$/HR)		\$185.00	\$130.00	\$115.00	\$90.00						
LABOR COSTS (\$)		\$5,550.00	\$780.00	\$1,840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
EXPENSES					COMMENTS:						
SUB-TASK NO.	ITEM(S)	QUANTITY	UNIT PRICE	TOTAL PRICE							
				\$0.00							
				\$0.00							
				\$0.00							
				\$0.00							
				\$0.00							
				\$0.00							
				\$0.00							
				\$0.00							
				FIRM'S TOTAL COST OF LABOR (or Fixed Price):	\$8,170						
				TOTAL EXPENSES:	\$0						
SUB-CONTRACTORS: Firm Initials and Price Per Task				FIRM'S TOTAL COST (no Subcontracts or Fee)	\$8,170						
FIRM:											
AMOUNT:					TOTAL SUBCONTRACTOR PRICES:	\$0					

* Labor Rates shall be direct labor (base pay) only if Method of Payment is CPFF; otherwise, Labor Rates shall be total rates (i.e. base pay + benefits + overhead + profit.)

**City of Palmer
Resolution No. 18-012**

Subject: Adopting the 2018 Update to the City of Palmer Standard Specifications for Construction in the City

Agenda of: March 27, 2018

Council Action: **Approved** **Amended:** _____
 Defeated

Originator Information:

Originator: City Manager

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	<u>Michele Tefft</u>	<u>3/1/18</u>
_____	Fire	_____	_____
_____	Police	_____	_____
<u>✓</u>	Public Works	<u>N. Wall</u>	<u>02/01/18</u>

Approved for Presentation By:

	Signature:	Remarks:
City Manager	<u>[Signature]</u>	_____
City Attorney	<u>[Signature]</u>	_____
City Clerk	<u>Nesma L. Alley</u>	_____

Certification of Funds:

Total amount of funds listed in this legislation: \$ _____

This legislation (✓):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (✓):

- Budgeted Line item(s): _____
- Not budgeted _____

Director of Finance Signature: Michele Tefft

Attachment(s):

- City of Palmer Standard Specifications for Construction Summary Statement (full copy is available for review on the city's website on the "[2018 City Council Meeting Agendas, Packets and Minutes](#)" page or at the City Clerk's Office)

Summary Statement/Background:

The Department of Public Works has completed a full revision to the Standard Specifications for construction in the city. This document contains general provisions, technical specifications, and standard drawings used by the City during public construction and during private development for public utilities. The update is based on the 2009 and 2015 Municipality of Anchorage Standard Specifications and reflects changes in codes and standards including revisions for current construction practices, improved construction quality and service life, and other miscellaneous updates.

Major updates include:

- Tailoring Division 10 - General Provisions for Palmer code and preferences, increasing the warranty period to two years, adding CCTV inspection for storm drain and sewer main work.
- Revising Division 60 - Water Systems to match local conditions and updating old standard details.

The current document was adopted in 1998 and it is industry standard to update standard specifications every 3 to 5 years. Approving and adopting this update will get the City's Standard Specifications back within that industry standard.

Administration's Recommendation:

Approve Resolution No. 18-012 Adopting the 2018 Update to the City of Palmer Standard Specifications for Construction in the City.

LEGISLATIVE HISTORY

Introduced by: City Manager Wallace

Date: March 27, 2018

Action:

Vote:

Yes:	No:

CITY OF PALMER, ALASKA

Resolution No. 18-012

A Resolution Adopting the 2018 Standard Specifications for the City of Palmer

WHEREAS, the City of Palmer has established various construction standards throughout the years through Resolution No. 650, Resolution No. 968, Resolution No. 1167, and Resolution No. 1343; and

WHEREAS, the City of Palmer desires to update its 1998 Standard Specifications and related amendments; and

WHEREAS, such an update will positively reflect improvements on technology and material for city infrastructure,

NOW, THEREFORE, BE IT RESOLVED the Palmer City Council hereby adopts, by this Resolution, the 2018 Standard Specifications.

Approved by the Palmer City Council this ____ day of _____, 2018.

Edna B. DeVries, Mayor

Norma I. Alley, MMC, City Clerk