TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council
FROM: Karl R. Amylon, City Manager
DATE: August 28, 2020
RE: Authorizing Staff to Provide Ketchikan Youth Initiatives Notice of Violation of the Terms of the Property Conveyance of 632 Park Avenue and Seek Repossession of the Property

The motion detailed below was prepared at the request of Public Works Director Mark Hilson, who asked that it be placed before the City Council for consideration at its meeting of September 3, 2020. If adopted, the motion authorizes staff to provide Ketchikan Youth Initiatives notice of violation of the terms of the property conveyance of 632 Park Avenue. The rationale for taking such action is detailed in Mr. Hilson’s transmittal memorandum and requires little elaboration on the part of my office.

The Public Works Director has identified 632 Park Avenue, the former Water Division Warehouse, as a site for First City Homeless Services’ overnight warming shelter. While Ketchikan Youth Initiatives has agreed to allow the building to be used for three seasons as an overnight warming shelter, Mr. Hilson is estimating $220,000 in structural improvements will be required, including $40,000 in unpaid contractor bills incurred by KYI. While CARES Act funding could be used for such a purpose, it has not been programmed as part of staff’s response to accelerating the community’s use of these funds [see agenda statement 6a(1)]. Appropriated Reserves of the Public Works Sales Tax Fund is another possible funding source.

Both the Public Works Director and I are reluctant to invest such funds without securing permanent use of the building, either by (1) Ketchikan Youth Initiatives surrendering any interest it has in the property; or by (2) the City exercising its reversionary rights to the property due to KYI’s failure to permanently occupy the building for the purposes specified at the time the property was conveyed.

Given the critical importance of the FCHS overnight warming shelter, staff is seeking direction from the City Council whether it has any interest in moving a project forward. While the City could attempt to exercise its reversionary rights, time is short and litigation is a distinct possibility if KYI refuses to surrender its rights to the building. While KYI has indicated its willingness to allow the building to be used for a three-year period, a
substantial financial investment is required and neither FCHS nor the City will have permanent ownership of the building.

Mr. Hilson will attend the City Council meeting of September 3, 2020, in order to address any questions and/or concerns that Councilmembers may have.

Alternative motions have been prepared for City Council consideration.

**Alternative Motion No. 1:** I move the City Council authorize staff to provide Ketchikan Youth Initiatives notice of violation of the terms of the property conveyance of 632 Park Avenue and seek repossession of the property.

**Alternative Motion No. 2:** I move the City Council authorize staff to take such action regarding 632 Park Avenue and First City Homeless Services’ overnight warming shelter for the 2020-2021 winter season as determined appropriate by the City Council.
MEMORANDUM

TO: Karl Amylon, City Manager
CC: Lacey Simpson, Assistant City Manager
    Bob Newell, Finance Director
    Mitch Seaver, City Attorney
    Donita O’Dell, on behalf of First City Homeless Services
    Bobbie McCreary, on behalf of Ketchikan Youth Initiatives

FROM: Mark Hilson, P.E., Public Works Director
DATE: August 28, 2020
SUBJECT: Overnight Warming Center – 632 Park Avenue

At its meeting of September 7, 2017 City Council approved funding for First City Homeless Services (FCHS) to begin operation of an Overnight Warming Center at the Methodist Church. The center opened that year, and operated at the Methodist Church until the Covid-19 pandemic. As a result of the cramped quarters and it not being possible to socially distance, and no room to quarantine someone who was symptomatic, the center was temporarily relocated to the Ketchikan Gateway Borough’s Indoor Recreation Center and opened as a 24 hour per day shelter.

While the operation of the IRC as a temporary shelter has ended, the conditions that prevented the continuance of operations at the Methodist church have not ended. In light of this, FCHS was left with little choice but to search for another location. City staff assisted in an extensive search and evaluation that considered and then ruled out the following facilities:

1. VFW
2. Fish Processor Bunkhouses
3. Saxman Community Center
4. Ted Ferry Civic Center
5. Pioneer Hall
6. Alaska National Guard Armory
7. Various other commercial buildings that were up for sale/lease or not fully utilized.

After review and completion of some design work to layout how the facility could work, the Ketchikan Youth Initiatives (KYI) building at 632 Park Avenue, the former Water Division Warehouse was deemed the only option feasible. This property was conveyed to KYI in 2009,
and while many items of work have been accomplished, it has not yet been fully renovated for occupancy and has been vacant for some time. In the past, KYI has used the front 750 square feet of the 3800 square foot building by installing a temporary wall to allow partial occupancy without having operational fire sprinklers. The remaining 3050 s.f. has not been used but was renovated to within about $120,000 of being complete (including approximately $40,000 in unpaid work of local contractors). This property was transferred from the City to KYI in 2009, with the following deed restriction:

“The Premises and all improvements, structures, fixtures and appurtenances shall be improved, redeveloped and used continuously, solely, and exclusively as a youth facility. By “youth facility” is meant a facility functioning as a community center serving the needs of the young people of the community”

According to the deed, failing to comply with this requirement gives the City the right to notify KYI of the violation, and begin a 30 day period whereby KYI must either fully remedy the violation, or provide a plan to fully remedy the violation acceptable to the City in its sole discretion. The consequence of failing to meet the thirty-day deadline is that the property ownership reverts back to the City without further proceedings.

According to Bobbie McCreary, the KYI Board met last evening, Thursday August 27, 2020, and after considering the issue, decided not to turn the building back to the City. I will note that KYI once again intended to use 750 s.f. of the building, previous to concept of using the building for a homeless shelter was raised. However, the KYI Board did recognize the dire need to address homelessness, and indicated they would be agreeable to allowing the use of the building for the next three seasons ending April 1st without charge, provided the building renovation was complete to the point of allowing for such occupancy. A formal response in the form of a letter is anticipated from KYI, but was not available at the time of writing of this memo.

In order to fit out this building for use as homeless shelter, it is estimated that there is approximately $220,000 worth of renovations left to do. This work includes finishes, plumbing, electrical, and fixing the sprinkler system. Since the need for an enlarged shelter was prompted by and continues to be necessitated by the pandemic, a preliminary analysis prepared by Finance Director Bob Newell has indicated that the cost of renovating a building for this purpose is an eligible use of local CARES Act funding. At the time of writing this memo it is doubtful that the outstanding contractor balances could be paid out of Cares Act funding.

FCHS manager Donita O’Dell has reported that the FCHS Board is supportive of the City taking the building back and renovating it with CARES Act local funding for use by FCHS. FCHS would run the Overnight Warming Shelter from this location when complete, later this season. FCHS would be pursuing State Cares Act funding to cover operational costs. 632 Park Ave has long term potential to consolidate FCHS operations into one central location if the viewing
platform next door (former site of the old Water Division garage) is developed with a future project for added space. FCHS has identified potential funding sources to pay for a future project to create the additional space by building a structure on the existing deck. Successful funding applications for such a project would have to demonstrate they have long-term occupancy commitments for the property. The FCHS Board has determined that they cannot operate the overnight warming center safely out of its current location. Therefore, without the KYI building, they will not be able to open the overnight warming center this year. FCHS’s rationale for accepting a 3 year agreement for use of the building is that it forces operations to be conducted out of 2 locations (the Methodist Church would still be needed), and it eliminates the opportunity for the next three years to pursue grant funding that is believed to be attainable. Also during that 3-year period FCHS operational expenses are increased due to running out of two locations.

It is only because the consequences of not opening the overnight warming center are so high, that staff is seeking direction on whether or not to provide notice to KYI to potentially have 632 Park Avenue return to City ownership. It should also be reiterated that providing notice does not guarantee that this building will revert to City ownership.

Donita O’Dell and Board members from FCHS, and Bobbie McCreary and Board members from KYI indicated they will attend the City Council meeting of September 3, 2020.

**RECOMMENDATION**

It is recommended that the City Council adopt a motion directing staff to provide Ketchikan Youth Initiatives with notice of violation of the terms of the property conveyance.

**Recommended Motion:** I move the City Council direct staff to provide Ketchikan Youth Initiatives with notice of violation of the terms of the property conveyance.
"UNAPPROVED" September 7, 2017

Councilmember Sivertsen expressed concern over the problem with the system truly getting fixed.

Public Works Director Hilson answered questions from the Council.

Motion passed with Roose, Flora, Sivertsen, Zenge, Kiffer, Gage and Isom voting yea.

**Specifying Scope of Work for FY 2018 Designated Legislative Grant - Port of Ketchikan Cruise Ship Berths**

Moved by Roose, seconded by Zenge the City Council direct the city manager to specify the removal of the rock pinnacle adjacent to Berth II as the scope of work for the FY 2018 Designated Legislative Grant and to respond to the Department of Commerce, Community, and Economic Development consistent with such direction.

Motion passed with Roose, Flora, Sivertsen, Zenge, Kiffer, Gage and Isom voting yea.

**Request for Funding - 2017-2018 Overnight Warming Center (OWC)**

Moved by Zenge, seconded by Flora the City Council direct the city manager to respond and/or to take such action regarding the request of First City Homeless Services for funding in support of an Overnight Warming Center as determined appropriate by the City Council.

Evelyn Erbele, representing First City Homeless Services, introduced Sam Fowler, lieutenant for the Salvation Army, who described the warming center program as it existed last year. He described how the program helped both the Police Department and hospital. He concluded it is a preservation of life issue. Ms. Erbele said they hoped this would be the last time they come to the Council seeking funding, noting other agencies to which they are applying for funding assistance. She described a program in Juneau, saying the government has taken a fiscal role in supporting the program. She spoke to a letter from the hospital citing some of the statistics experienced from homelessness. She answered questions from the Council.

Agnes Moran described potential sources of funding and those funding cycles.

Moved by Isom, seconded by Gage to amend by fully funding the warming center for $80,000 for 2017-2018.

Motion passed with Roose, Flora, Sivertsen, Zenge, Kiffer, Gage and Isom voting yea.

**Purchase of Two Electric Division Pick-Up Trucks in Lieu of Underground Cable Puller**

Moved by Flora, seconded by Zenge the City Council authorize the Electric Division to solicit competitive bids for the purchase of two pick-up trucks in lieu of the budgeted underground cable puller as detailed in the Electric Division's operations manager's report dated August 24, 2017.

Electric Division Operations Manager Adams answered questions from the Council.
QUITCLAIM DEED

The CITY OF KETCHIKAN, ALASKA, a home rule chartered municipality, 334 Front Street, Ketchikan, Alaska 99901, (hereinafter also referred to as “GRANTOR”) for and in consideration of the sum of ten and no/100 dollars ($10.00) and other valuable consideration, conveys and quitclaims to KETCHIKAN YOUTH INITIATIVES, a nonprofit corporation organized and existing under the laws of the State of Alaska, whose address is 724 Bayview Street, Ketchikan, Alaska 99901, its successors and assigns (hereinafter jointly and singularly referred to as “GRANTEE”), interests, except as stated below, which GRANTOR has in the following described real estate (hereinafter referred to as “the Premises):

Those portions of Lots 3 and 24, Block 17, US Survey 437, Indentured to the City of Ketchikan in Book Q, Page 113 of the Ketchikan Recording District, described as Tax Lot 25 in the Ketchikan Gateway Borough’s Assessment Rolls and named Lot 25B per Plat 2009-15 Recorded 5-26-2009, amended to be more particularly described as follows:

Beginning at the Monument marking the centerline intersection of Grant & Bawden Streets;

Thence a distance of 291.23 feet at a bearing of S55°14’59”E to the true point of beginning, this also being the northwest corner of the subject property and lying on the easterly boundary of Park Avenue;

Thence N39°49’00”E, a distance of 25.72 feet;

Thence S46°00’00”E, a distance of 88.36 feet;

Thence S44°00’00”W, a distance of 25.12 feet;

Thence N46°21’26”E, a distance of 86.48 feet to the point of beginning, containing 2,220 square feet, more or less.
The Premises and all improvements, conditions, structures, fixtures, and appurtenances are conveyed in "AS IS" conditions "WITH ALL FAULTS" and with NO WARRANTIES OR REPRESENTATIONS of any sort whatsoever.

The Premises and all improvements, structures, fixtures, and appurtenances shall be improved, redeveloped and used continuously, solely, and exclusively as a youth facility. By "youth facility" is meant a facility functioning as a community center serving the needs of the young people of the community. The Premises shall at all times be owned and operated by a nonprofit organization. No office or commercial use shall be permitted unless such use is integral to and supportive of the operation as a youth facility. The GRANTOR makes no warranties or representations that the Premises are suitable or can be made suitable for use as a youth facility.

In the event the Premises and any improvement, structure, fixture, or appurtenance are not continuously used as a youth facility or in the event that the GRANTEE fails to comply with the requirements of the preceding paragraph concerning use, ownership, or operation, the GRANTOR may, in its discretion, give written notice to GRANTEE specifying such noncompliance. Notice shall be posted conspicuously on the Premises and mailed to GRANTEE at its registered office, and shall be deemed given upon posting. Within thirty (30) days of giving such notice of noncompliance GRANTEE shall remedy or correct the noncompliance or shall provide a plan, acceptable to GRANTOR in its sole discretion, to fully remedy such noncompliance within a time frame acceptable to GRANTOR. If (i) within thirty (30) days of giving the notice the noncompliance is not fully remedied or corrected, or such plan to remedy or correct the noncompliance is either not provided or not acceptable to GRANTOR in its sole discretion (with the time tolling while the plan is being reviewed by GRANTOR); (ii) such noncompliance is not fully remedied and corrected as outlined in the plan; or (iii) if remedied or corrected, is again repeated within six (6) months from the date of previous noncompliance, then all rights, title, and interest in and to the Premises, and all
improvements, structures, fixtures, and appurtenances shall immediately and without further notice or proceeding revert back to the GRANTOR in fee simple absolute.

Dated at Ketchikan, Alaska, this 9th day of July, 2009.

CITY OF KETCHIKAN

Karl R. Amylon
City Manager

ATTEST

Katherine M. Suiter
City Clerk

CITY ACKNOWLEDGMENT

STATE OF ALASKA )
) ss.
FIRST JUDICIAL DISTRICT )

THIS IS TO CERTIFY that on this 9th day of July, 2009, before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn, personally appeared KARL R. AMYLON and KATHERINE M. SUITER to me known to be the City Manager and the City Clerk of the CITY OF KETCHIKAN, a municipal corporation, the corporation which executed the above and foregoing instrument; who on oath stated that they were duly authorized to execute said instrument and affix the corporate seal thereto on behalf of said corporation; who acknowledged to me that they signed and sealed the same freely and voluntarily on behalf of said corporation for the uses and purposes therein mentioned.

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

NOTARY PUBLIC FOR ALASKA
My Commission Expires: 5/9/2011

After recording return to:
Ketchikan Youth Initiatives
724 Bayview Street
Ketchikan, AK 99901
QUITCLAIM DEED

The CITY OF KETCHIKAN, ALASKA, a home rule chartered municipality, 334 Front Street, Ketchikan, Alaska 99901, (hereinafter also referred to as "GRANTOR") for and in consideration of the sum of ten and no/100 dollars ($10.00) and other valuable consideration, conveys and quitclaims to KETCHIKAN YOUTH INITIATIVES, a nonprofit corporation organized and existing under the laws of the State of Alaska, whose address is 724 Bayview Street, Ketchikan, Alaska 99901, its successors and assigns (hereinafter jointly and singularly referred to as "GRANTEE"), interests, except as stated below, which GRANTOR has in the following described real estate (hereinafter referred to as "the Premises"):

Those portions of Lots 3 and 24, Block 17, US Survey 437, Indentured to the City of Ketchikan in Book Q, Page 113 of the Ketchikan Recording District, described as Tax Lot 25 in the Ketchikan Gateway Borough's Assessment Rolls and named Lot 25B per Plat 2009-15 Recorded 5-26-2009, amended to be more particularly described as follows:

Beginning at the Monument marking the centerline intersection of Grant & Bawden Streets;

Thence a distance of 291.23 feet at a bearing of S55°14'59"E to the true point of beginning, this also being the northwest corner of the subject property and lying on the easterly boundary of Park Avenue;

Thence N39°49'00"E, a distance of 25.72 feet;

Thence S46°00'00"E, a distance of 88.36 feet;

Thence S44°00'00"W, a distance of 25.12 feet;

Thence N46°21'26"E, a distance of 86.48 feet to the point of beginning, containing 2,220 square feet, more or less.
REVOCABLE PERMIT
KPU WATER WAREHOUSE
632 PARK AVENUE

The City of Ketchikan, Alaska (the City), permits the Ketchikan Youth Initiatives (KYI), a non-profit corporation, to enter the old KPU Water Warehouse at 632 Park Avenue for the sole purposes of:

1. Removing debris from inside and under the old KPU Water Warehouse building at KYI's cost; and

2. Removing drywall and other material and debris from inside the old KPU Water Warehouse building down to the framing studs of the building at KYI's cost.

No other uses, work, or activity are permitted. The City, its officers, agents, and employees shall have access to the old KPU Water Warehouse at all times but shall have no responsibility to inspect, supervisor, or direct work.

Nothing in this permit obligates KYI to do any of this work. KYI can terminate this permit at any time by vacating the building and giving written notice to the City. The City may terminate this Permit at any time for any or no reason by giving written notice to Tyrell Rettke, President, Ketchikan Youth Initiatives or by posting notice on an entrance to the old KPU Water Warehouse building. KYI will immediately vacate the old KPU Water Warehouse building upon the City's termination of this Permit.

KYI understands that the old KPU Water Warehouse has been determined to be a dangerous building and a fire hazard. The electrical system has been identified as hazardous and poses risks of electric shock and fire. The building is inadequately supported by the existing pilings and supports. The floor is bent and weakened. KYI also understands that the City has estimated the costs of repairing the old KPU Water Warehouse building will exceed $800,000 to get the building to comply with building and fire code requirements. The old KPU Water Warehouse building may contain asbestos or other hazardous, toxic, or polluting substances. KYI understands that it will be responsible for identifying any such substances and taking appropriate action to remove them and render the premises safe for people entering it or working in the building. KYI understands that the City makes no warranties or representations that the old KPU Water Warehouse is safe to work in or that it is feasible to repair it.

KYI shall assure that all work on and under the old KPU Water Warehouse will be safe. These efforts include, but are not limited to:
(a) Requiring that all workers wear safety gear, including hard hats, safety glasses, and appropriate footwear and clothing;

(b) Requiring that all workers use breathing masks, work gloves, and appropriate padding as determined by a supervisor listed in (c) below;

(c) Requiring that one of the following individuals be present to supervise and direct the work at the beginning of any work period and prior to beginning any new tasks:

Bill Rotecki, or any qualified supervisor designated by Bill Rotecki and approved by the City.

KYI will assure that all work is done in the manner directed by that individual who is listed above and who was present at the beginning of the work period or at the beginning of any new task;

(d) Stopping all work in the event asbestos or other hazardous materials are discovered and obtaining at its expense a qualified person, approved by the City, to remove such asbestos or other hazardous material;

(e) Requiring that before using any electrical service to the old KPU Water Warehouse the electrical system is inspected and approved for use by a person approved by the City and paid by KYI;

(f) Keeping the old KPU Water Warehouse safe, secure, and clean with all debris and waste immediately removed and legally disposed of at KYI's expense. KYI will assure that the old KPU Water Warehouse is locked and secured whenever work is not occurring;

(g) Complying with all laws and regulations which relate to the work being done.

KYI understands that the City makes no promises that the old KPU Water Warehouse property will be given or otherwise conveyed to KYI. KYI understands that all work done on the old KPU Water Warehouse building could be wasted and that it is proceeding only on its hope that the City might be persuaded to let KYI use or own the old KPU Water Warehouse building. KYI understands that if the City does consent to convey the old KPU Water Warehouse building to it or otherwise let it use the building, KYI will need to fully comply with all building, fire, and other codes adopted by the City of Ketchikan which may include codes applicable to new buildings and will need to prepare plans and obtain building permits at KYI's expense which incorporate those requirements. KYI understands that the City doubts that KYI can meet these requirements and anticipates that KYI will be unsuccessful in restoring the building. KYI nonetheless desires to work on the building as described in this Permit.
KYI will assure that all workers except for Bill Rotecki and those workers approved by the City under Section (d) and (e) above will be volunteers.

KYI will at all times maintain insurance in the form and amount shown in Exhibit 1. The City of Ketchikan, Alaska, will be shown as an also insured.

KYI indemnifies, defends, and holds harmless the City, its officers, agents, and employees from any and all damages, injuries, deaths, losses, or causes of action arising from or related to this Permit and any uses, work, or activities occurring under this Permit even if such damages, injuries, deaths, losses, or causes of action arise from the sole negligence of the City, its officers, agents, or employees.

KYI shall promptly pay all persons providing materials, equipment, or supplies and all payments of wages, benefits, taxes, and contractual obligations. KYI shall keep the old Water Warehouse and its site free from liens or claims of liens.

KYI may remove, keep, or dispose of all materials, furniture, and fixtures located in the old KPU Water Warehouse building provided, however, that all such removal and any such disposal be completed in a safe and legal manner.

This Permit does not allow access to, use of, or work on or under the viewing platform adjacent to the old KPU Water Warehouse, except for access to two debris boxes provided by the City for KYI to collect debris and compostable wood. Any such access, work, or use must be with the additional written consent of the City. If such consent is given, the work shall be performed under the terms and conditions of this Permit.

This Permit shall become effective May 14, 2008 and continue until terminated by the City or KYI.

DATED at Ketchikan, Alaska, this 14th day of May, 2008.

FOR THE CITY OF KETCHIKAN

KYI accepts the above Permit and agrees to abide by all of its terms and conditions.

DATED at Ketchikan, Alaska, this 14th day of May, 2008.
COMMERCIAL LINES COMMON POLICY DECLARATIONS

INSURANCE IS PROVIDED BY THE COMPANY DESIGNATED BY AN "X":

X PENN-AMERICA INSURANCE COMPANY
X PENN-STAR INSURANCE COMPANY

Bala Cynwyd, Pennsylvania 19004

POLICY NUMBER: PAC6697618

1. NAMED INSURED: KETCHIKAN YOUTH INITIATIVES

DBA:

MAILING ADDRESS:

640 PARK AVENUE # 101
KETCHIKAN AK 99901

2. POLICY PERIOD: From 10/01/2007 To 10/01/2008 at 12:01 A.M.

3. FORM OF BUSINESS: CORPORATION

4. BUSINESS DESCRIPTION: MEETING HALL-YOUTH ACTIVITY GROUP & WORK PROGRAM

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

5. THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

<table>
<thead>
<tr>
<th>Coverage Part</th>
<th>PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial General Liability Coverage Part</td>
<td>$1,003.00</td>
</tr>
<tr>
<td>Commercial Property Coverage Part</td>
<td>$350.00</td>
</tr>
<tr>
<td>Commercial Crime Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>Commercial Inland Marine Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>Professional Liability Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>Liquor Liability Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>Commercial Umbrella Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>Owners Contractors Protective Coverage Part</td>
<td>NOT COVERED</td>
</tr>
<tr>
<td>TRIA</td>
<td>NOT COVERED</td>
</tr>
</tbody>
</table>

6. TOTAL PREMIUM PAYABLE AT INCEPTION $1,353.00

TOTAL $1,453.00

7. FORM(S) AND ENDORSEMENT(S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE:

**AS PER FORM COMSCHD(10/00) ATTACHED**

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

Agency Code: 02228
The Insurance Center, Inc.
Anchorage, AK

SAM 10/19/07

S1100(11/07) INSURED

By Authorized Representative
July 2, 2009

manager to offer the position of Telecommunications Division engineer to David Weber of Mohave Valley, Arizona based on a compensation level of 73P at an annual salary of $89,658; annual vacation accrual of 15 days per year; and moving expenses not to exceed $10,000.

Assistant Manager Martin and Telecommunications Division Manager Abbott answered questions from the Council.

After discussion, the Council determined to advertise the position of Telecommunications Division engineering manager for four weeks, and if no qualified applications are received, hire a firm to conduct the recruiting process.

Motion passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen and West voting yea; Freeman absent.

Budget Transfer – Conveyance of Former Water Division Warehouse by Quitclaim Deed to Ketchikan Youth Initiatives

Moved by Jason Harris, seconded by Sivertsen the City Council authorize a budget transfer of $25,000 from Appropriated Reserves of the General Fund to the City Council’s 2009 Community Promotion Account No. 51, in order for General Government to acquire the former Water Division Warehouse from Ketchikan Public Utilities and direct the city manager to quitclaim the building and property located at 632 Park Avenue as is and with all faults to Ketchikan Youth Initiatives.

Ketchikan Youth Initiatives Administrator Bobbie McCreary answered questions from the Council.

Motion passed with Coose, Jason Harris, West, Kj Harris, Sivertsen and Olsen voting yea; Freeman absent.

Budget Transfer – Memorandum of Understanding for Interim Repairs to Ketchikan General Hospital Surgical Suite

Moved by Sivertsen, seconded by West the City Council direct the city manager to enter into a Memorandum of Understanding with PeaceHealth regarding interim repairs to the Ketchikan General Hospital surgical suite in an amount not to exceed $96,752 and authorize a transfer of $96,752 from the 2009 Public Health Department’s Ketchikan General Hospital Surgical Suite HVAC Humidifier Capital Account to the Public Health Department’s 2009 Ketchikan General Hospital Surgical Suite Interim Repairs Capital Account.
ACORD CERTIFICATE OF LIABILITY INSURANCE

PRODUCER (907) 225-9641 FAX (907) 225-1639
Davies-Barry Insurance
4205 Cambria Dr. West #201
Ketchikan, AK 99901
Bill Troupe

INSURED Ketchikan Youth Initiatives
724 Bayview Street
Ketchikan, AK 99901

INSURERS AFFORDING COVERAGE

<table>
<thead>
<tr>
<th>NAIC #</th>
</tr>
</thead>
<tbody>
<tr>
<td>32859</td>
</tr>
</tbody>
</table>

COVERAGE

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LYM. INSUR

<table>
<thead>
<tr>
<th>TYPE OF INSURANCE</th>
<th>POLICY NUMBER</th>
<th>POLICY EFFECTIVE DATE (MM/DD/YY)</th>
<th>POLICY EXPIRATION DATE (MM/DD/YY)</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL LIABILITY</td>
<td>PAC6697618</td>
<td>10/01/2007</td>
<td>10/01/2008</td>
<td>EACH OCCURRENCE $ 1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>DAMAGE TO RENTED PREMISES (EA occurrence) $ 100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>MED EXP (Any one person) $ 5,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PERSONAL &amp; ADM INJURY $ 1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>GENERAL AGGREGATE $ 2,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PRODUCTS - COMPLIANT $ Included</td>
</tr>
<tr>
<td>AUTOMOBILE LIABILITY</td>
<td></td>
<td></td>
<td></td>
<td>COMBINED SINGLE LIMIT (EA accident) $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY (Per person) $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BODILY INJURY (Per accident) $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>PROPERTY DAMAGE (Per accident) $</td>
</tr>
<tr>
<td>GARAGE LIABILITY</td>
<td></td>
<td></td>
<td></td>
<td>AUTO ONLY - EA ACCIDENT $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTHER ONLY - EA ACCIDENT $</td>
</tr>
<tr>
<td>EXCESS/UMBRELLA LIABILITY</td>
<td></td>
<td></td>
<td></td>
<td>EACH OCCURRENCE $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>AGGREGATE $</td>
</tr>
<tr>
<td>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</td>
<td></td>
<td></td>
<td></td>
<td>WC STATUTORY LIMITS</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>OTHER</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>E.L. EACH ACCIDENT $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>E.L. DISEASE - EA EMPLOYEE $</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>E.L. DISEASE - POLICY LIMIT $</td>
</tr>
</tbody>
</table>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder below is included as an additional insured on the above policy.

CERTIFICATE HOLDER

City of Ketchikan
334 Front Street
Ketchikan, AK 99901

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 20 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES

AUTHORIZED REPRESENTATIVE

Bill Troupe/BILL

©ACORD CORPORATION 1988
IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.