

Mayor
James Kacsh

Council Members
Kristin Carpenter
Tim Joyce
David Allison
Bret Bradford
EJ Cheshier
David Reggiani
James Burton

City Manager
Randy Robertson

City Clerk
Susan Bourgeois

Deputy Clerk
Tina Hammer

Student Council
Sarah Hoepfner
Gabrielle Brown

**REGULAR COUNCIL MEETING
FEBRUARY 19, 2014 @ 7:30 PM
LIBRARY MEETING ROOM**



AGENDA

A. CALL TO ORDER

B. INVOCATION AND PLEDGE OF ALLEGIANCE

I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

C. ROLL CALL

Mayor James Kacsh, Council members Kristin Carpenter, Tim Joyce, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and James Burton

D. APPROVAL OF REGULAR AGENDA..... (voice vote)

E. DISCLOSURES OF CONFLICTS OF INTEREST

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker - **Charles (Buck) Adams** (in re agenda item 16a.)
2. Audience comments regarding agenda items..... **(3 minutes per speaker)**
3. Chairpersons and Representatives of Boards and Commissions (Harbor, HSB, Parks & Rec, P&Z, School Board)
4. Student Council Representative Report

G. APPROVAL OF CONSENT CALENDAR..... (roll call vote)

5. Substitute Resolution 02-14-10..... (page 1)

A resolution of the City Council of the City of Cordova, Alaska, supporting development of a PWS Tanner Crab management plan by 2015, to be discussed at the statewide King and Tanner Crab Board of Fish meeting in Anchorage March 17-21, 2014

6. Resolution 02-14-11..... (page 5)

A resolution of the City Council of the City of Cordova, Alaska, authorizing the conveyance of 1556 square feet of ATS 220, adjacent to the West side of Lot 1, Block 1 of the Cordova Industrial Park to Ocean Beauty Seafoods LLC

7. Council waiving right to protest renewal of liquor licenses..... (page 27)

Powder House, Gandy Dancer Bar and AK Commercial Co.

8. Council concurrence of Mayor's appointment(s) to the Parks & Rec Commission..... (page 34)

9. Record excused absence for *Burton* from the February 5, 2014 Regular Meeting

H. APPROVAL OF MINUTES

10. Public Hearing Minutes 2-05-14..... (page 36)

11. Regular Meeting Minutes 2-05-14..... (page 37)

I. CONSIDERATION OF BIDS

12. Council approval of contract with Eagle Contracting for upgrades to..... (voice vote)(page 43)
drain piping at Baler Facility

13. Council approval of contract with Premier Electric for installation and..... (voice vote)(page 50)
connection of the generator at the Mt Eccles emergency shelter

J. REPORTS OF OFFICERS

14. Mayor's Report

15. Manager's Report..... (page 57)

16. Staff Reports - 4Q 2013 Reports

a. Charles (Buck) Adams, BDO, City Investments..... (page 58)

b. Public Works Department overview..... (page 100)

17. City Clerk's Report..... (page 135)

K. CORRESPONDENCE

18. Letter from NVE thanking City for Sobriety donation 01-15-14..... (page 136)
19. Notice from Division of Elections in re comment period on boundary changes 01-21-14..... (page 137)
20. Council letter to ARRT in re dispersants 02-06-14..... (page 139)

L. ORDINANCES AND RESOLUTIONS

21. Resolution 02-14-12..... (roll call vote)(page 141)

A resolution of the City Council of the City of Cordova, Alaska authorizing the appropriation of \$170,000 from the receipt of money previously obligated and spent in support of the 2012 snow emergency for the acquisition and use of chip seal oil and an infrared asphalt patching apparatus to fulfill the City's road maintenance program for fiscal year 2014 and into the future

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

22. Pending Agenda and Calendar..... (page 142)

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

23. Council Comments

Q. EXECUTIVE SESSION

24. Attorney legal advice regarding Cordova Center finances

R. ADJOURNMENT

← ☒ ☑ → **Cordova General Election** ← ☒ ☑ → **7am – 8pm, Tuesday March 4, 2014** ← ☒ ☑ → **Library Meeting Room** ← ☒ ☑ →

VOTE

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosure.

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.

Full City Council agendas and packets available online at www.cityofcordova.net

Susan Bourgeois

From: Torie Baker <torie.baker@alaska.edu>
Sent: Monday, February 10, 2014 1:31 PM
To: Susan Bourgeois
Cc: John Bocci; Dave Reggiani (External); Jim Holley; Ken Roemhildt; Jeremy Botz
Subject: City Fish Advisory Committee input
Attachments: Draft 2 Resolution 02-14-10 Supporting NVE Crab Proposal for BoF.docx; ATT00001.htm; PWSTannerCrabSurveyEstimates.docx; ATT00002.htm

Hi, Susan:

The Cordova Fish Advisory Committee met on Friday, February 7, 2014, as requested, and reviewed the City's draft resolution regarding support of tanner crab proposals being considered at the Alaska Board of Fisheries Statewide Crab meeting next month. Present were: Torie Baker, Jim Holley, John Bocci, Dave Reggiani, and Jeremy Botz. Absent but excused: Ken Roemhildt.

Based on ADFG data, there is evidence a harvestable surplus is available. The committee felt development of a harvest management plan is the first order of business in reopening this fishery (a position also taken by the Copper River/PWS Advisory Committee to the Boards). We would not recommend endorsing any single proposal at this time, but instead suggest the City strongly encourage ADFG to develop a management plan in partnership with stakeholders. Attached are our recommended edits to the draft resolution.

We've also included ADFG survey data on abundance, age class strengths, etc. for the Council's consideration and inclusion with a letter, resolution, etc. addressed to the Board.

Regards,

--Torie Baker
on behalf of the Committee

Torie Baker
UAF Alaska Sea Grant Marine Advisory Program
Cordova, AK

907 424 7542

www.marineadvisory.org

**CITY OF CORDOVA, ALASKA
SUBSTITUTE RESOLUTION 02-14-10**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, SUPPORTING DEVELOPMENT OF A PWS TANNER CRAB
MANAGEMENT PLAN BY 2015, TO BE DISCUSSED AT THE STATEWIDE
KING AND TANNER CRAB BOARD OF FISH MEETING IN ANCHORAGE
MARCH 17-21, 2014**

WHEREAS, based on Alaska Department of Fish and Game survey data, crab stocks in Prince William Sound appear to be on the rebound; and

WHEREAS, commercial fishing is an integral part of Cordova's economy; and

WHEREAS, twenty-seven years have elapsed since Prince William Sound has had a commercial crab fishery; and

WHEREAS, the City of Cordova, its businesses and citizens would benefit greatly from the economic activity surrounding a commercial crab fishery.

NOW, THEREFORE BE IT RESOLVED, the City Council of the City of Cordova, Alaska does hereby strongly support development of a PWS Tanner Crab Management Plan by the Alaska Department of Fish and Game so as to enable commencement of a crab fishery in 2015.

PASSED AND APPROVED THIS 19th DAY OF FEBRUARY, 2014.

James Kacsh, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

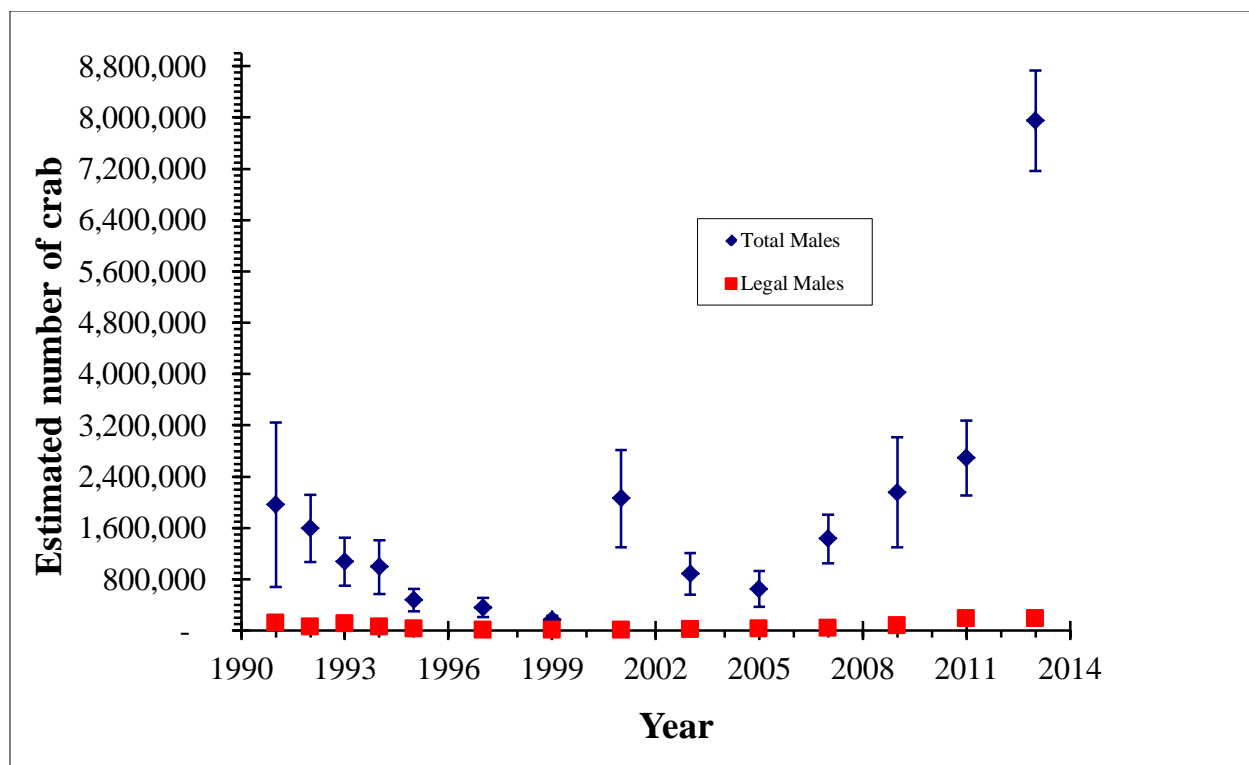


Figure 1. Estimates of total male and legal male Tanner crab abundance from the Prince William Sound trawl survey, 1991-2013.

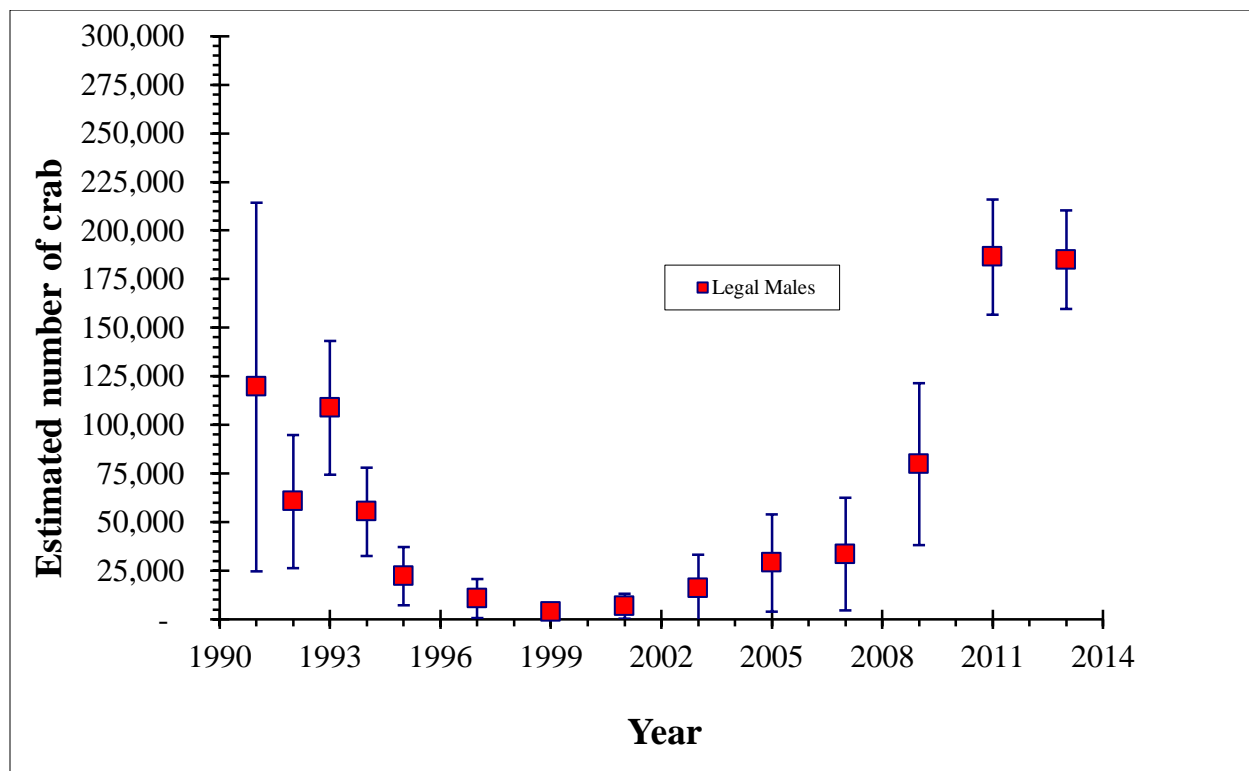


Figure 2. Estimates of legal male Tanner crab abundance from the Prince William Sound trawl survey, 1991-2013.

Table 1. Male (by recruit category) and female Tanner crab estimates from the Prince William Sound trawl survey, 1990-2013.

Year	No. of tows	Prerecruits <112 mm	Prerecruits-1 113 – 134 mm	Recruits 135–157 mm	Postrecruits >157 mm	Legal Males	Females
1991	29	1,694,798	237,328	114,870	4,670	119,539	
1992	37	1,314,143	283,275	57,918	2,653	60,571	
1993	38	779,440	237,601	106,105	2,584	108,689	
1994	38	872,726	182,986	54,377	998	55,375	
1995	32	357,697	97,511	22,275	0	22,275	
1997	39	314,980	32,859	10,694	0	10,694	
1999	40	152,459	16,872	2,749	948	3,697	46,524
2001	40	1,991,713	59,051	6,635	0	6,635	121,776
2003	40	805,089	95,070	15,924	0	15,924	
2005	40	503,122	117,439	28,057	948	29,004	38,227
2007	35	1,195,852	202,609	33,518	0	33,518	42,170
2009	43	1,767,583	307,013	79,712	0	79,712	78,327
2011	43	1,928,261	574,852	186,422	0	186,422	42,272
2013	43	7,440,865	322,264	178,096	6,897	184,992	30,902

Memorandum

To: City Council
Thru: Samantha Greenwood, City Planner
Date: February 12, 2014
Re: Land Disposal

PART I. GENERAL INFORMATION:

The timeline of the disposal of approximately 1,900 square feet of ATS 220, (19 X 100) located on the West side of Lot 1, Block 1 of the Cordova Industrial Park

12/10/2013 Planning and Zoning Commission meeting: request to purchase approximately 1,900 square feet of ATS 220, (19 X 100) located on the West side of Lot 1, Block 1 of the Cordova Industrial Park was refereed back to staff for additional information

1/7/2014 Additional information was presented to P&Z for review and discussion. P&Z recommended to City Council to dispose of the property by direct negotiation

1/15/2014 City Council directed the City manager to enter into direct negotiation with Ocean Beauty for the disposal of approximately 1,900 square feet of ATS 220, (19 X 100) located on the West side of Lot 1, Block 1

The Ordinance, Purchase and Sale Agreement, and Quit Claim Deed have been prepared for this sale and are attached for review. The sale price of the property is of \$9647.20 Nine Thousands six hundred and forty-seven dollars and twenty cents.

PART II. RECOMMENDED CITY COUNCIL MOTION:

Motion for Approval:

"I move to adopt Resolution 14-11."

**CITY OF CORDOVA, ALASKA
RESOLUTION 02-14-11**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CONVEYANCE OF 1556 SQUARE FEET OF ATS 220, ADJACENT
TO THE WEST SIDE OF LOT 1, BLOCK 1 OF THE CORDOVA INDUSTRIAL PARK TO
OCEAN BEAUTY SEAFOODS LLC**

WHEREAS, pursuant to CMC 5.22.010, the City of Cordova, City Council directed the City Manager to enter into direct negotiation with Ocean Beauty Seafoods LLC for the purchase of a 1556 square foot portion of ATS 220 (the "Property"), which is adjacent to the west side of Lot One (1), Block One (1), Cordova Industrial Park ; and

WHEREAS, the Council finds that the purchase price of Nine Thousand Six Hundred Forty-Seven Dollars and Twenty Cents (\$9647.20) is the fair market value of the Property; and

WHEREAS, in negotiating with Ocean Beauty Seafoods LLC to purchase the Property, the Council relied on the City Manager to determine that the Property will be incorporated into Lot 1 Block 1, surveyed and platted as such; and

WHEREAS, the forms of a Purchase and Sale Agreement and Quitclaim Deed that are to be executed in connection with the disposal of the Property by the City have been presented at this meeting, and it appears that such documents are in an appropriate form and are appropriate instruments for the purposes intended.

BE IT RESOLVED by the City Council of the City of Cordova, that:

Section 1 The City Manager is authorized and directed to convey the Property to Ocean Beauty Seafoods LLC in accordance with the terms in the Purchase and Sale Agreement. The form and content of the Purchase and Sale Agreement and Quitclaim Deed now before this meeting hereby are in all respects authorized, approved and confirmed, and the City Manager hereby is authorized, empowered and directed to execute and deliver such documents on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the documents as executed.

PASSED AND APPROVED THIS 19th DAY OF FEBRUARY 2014

James Kacsh, Mayor

Attest:

Susan Bourgeois, CMC, City Clerk

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of _____ (the "Effective Date"), by and between the CITY OF CORDOVA, an Alaska municipal corporation ("Seller"), whose address is P. O. Box 1210, Cordova, Alaska 99574, and OCEAN BEAUTY SEAFOODS LLC, an Alaska limited liability company ("Purchaser"), whose address is 1100 W. Ewing Street, Seattle, WA 98119.

WHEREAS, Seller is the owner of certain real property located in the City of Cordova, Alaska, more particularly described and diagramed in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Purchaser has funds to pay the cost of acquiring the Property; and

WHEREAS, Purchaser desires to buy from Seller, and Seller desires to sell to Purchaser, the Property, subject to and in accordance with the terms and provisions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of Seller's right, title and interest in and to that certain real property located in the Cordova Recording District, Third Judicial District, State of Alaska, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with any and all improvements thereon, and all rights, privileges, easements and appurtenances thereto (the "Property").

2. The Purchase Price. The purchase price for the Property is Nine Thousands Six Hundred Forty-Seven Dollars and twenty cents (\$9647.20) (the "Purchase Price") and shall be paid to Seller by Purchaser at the Closing (as that term is defined in Section 13 below) as follows:

Within five (5) business days after execution of this Agreement by all parties, Purchaser shall deposit a fully executed copy of this Agreement, and the sum of One THOUSAND DOLLARS (\$1,000.00) as an earnest money deposit (the "Deposit"), in escrow ("Opening of Escrow") with First American Title ("Escrow Agent").

(a) In the event the purchase and sale of the Property is consummated as contemplated hereunder, the Deposit shall be retained by Seller and credited against the Purchase Price at Closing, or otherwise disbursed in accordance with this Agreement.

(b) The balance of the Purchase Price over and above the amount paid by or credited to Purchaser pursuant to Section 2(b) above shall be paid to Seller in immediately available funds at the Closing.

3. Purchaser Contingency. The obligations of Purchaser under this Agreement are contingent upon Purchaser having determined in its sole and absolute judgment on or before the Contingency Date (as hereinafter defined) that it is satisfied with (i) the physical and environmental conditions of the Property; and (ii) the results of its environmental inspection of the Property, and any state of facts or circumstances pertaining to the Property (the "Purchaser Contingency").

(a) Seller, without charge to Purchaser, shall allow Purchaser and Purchaser's agents, access to the Property for the purpose of Purchaser's investigation and testing, subject to the conditions set forth herein. Purchaser may conduct, environmental testing and an environmental site assessment of the Property at its sole expense. Purchaser shall pay all costs and expenses of Purchaser's investigation and testing and shall indemnify and hold Seller and the Property harmless from all costs and liabilities relating to Purchaser's activities. Purchaser shall repair and restore any damage to the Property caused by or occurring during Purchaser's testing and return the Property to substantially the same condition as existed prior to such entry.

(b) The "Contingency Date" shall be that date which is sixty (60) days after the Effective Date. If the Contingency Date falls on a Saturday, Sunday or federal holiday, then the Contingency Date shall be extended to the next business day.

(c) If Purchaser notifies Seller in writing on or before the Contingency Date that the Purchaser Contingency has not been satisfied (the "Termination Notice"), then this Agreement shall be automatically terminated without any further action by either party. Upon such termination, the Deposit shall be returned to Purchaser and upon such return, neither party will have any further rights or obligations under this Agreement or with respect to the Property. If Purchaser does not deliver the Termination Notice to Seller on or before the Contingency Date as provided herein, then the parties shall proceed to Closing as contemplated by this Agreement.

4. Title.

(a) Seller shall order from First American Title, ("Title Company"), and shall deliver to Purchaser within ten (10) days following the Opening of Escrow, a preliminary title report pertaining to the Property (the "Commitment"), together with legible (to the extent available) copies of all documents relating to the title exceptions referred to in such Commitment.

(b) Within fifteen (15) days after the delivery of the Commitment, Purchaser shall notify Seller in writing of any title exceptions identified in the Commitment of which Purchaser disapproves. Any exception not disapproved in writing within said fifteen (15) day period shall be deemed approved by Purchaser, and shall constitute a "Permitted Exception" hereunder. Purchaser and Seller hereby agree that

all non-delinquent property taxes and assessments shall also constitute "Permitted Exceptions." Within ten (10) days after receipt of Purchaser's written notice of disapproved title exceptions, if any, Seller shall notify Purchaser in writing of any disapproved title exceptions which Seller is unable or unwilling to cause to be removed prior to or at Closing. Seller's failure to give such notice shall be deemed an election not to remove any disapproved title exceptions. With respect to such exceptions, Purchaser then shall elect, by giving written notice to Seller and Escrow Agent within ten (10) days thereafter, (x) to terminate this Agreement, or (y) to waive his disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Purchaser's failure to give such notice shall be deemed an election to waive the disapproval of any such exception. In the event Purchaser elects to terminate this Agreement in accordance with clause (x) above, the Deposit, without interest, shall be immediately refunded to Purchaser; provided, however, that Purchaser shall be responsible for any title or escrow cancellation fees.

5. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Seller which are to be delivered to Purchaser at the Closing will be, legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms and does not and will not violate any provisions of any agreement to which Seller is a party or to which it or the Property is subject.

(b) Purchaser shall purchase the Property based on Purchaser's own prior investigation and examination of the Property (or Purchaser's election not to do so) and upon the warranties, covenants and representations contained in this Agreement; AND THAT, AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, SUBJECT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS PURCHASING THE PROPERTY IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS. Except as may be set forth in this Agreement, Purchaser hereby waives, and Seller does hereby disclaim, all warranties of any type or kind whatsoever with respect to the Property, whether express or implied, including, by way of description but not limitation, those of fitness for a particular purpose and use.

6. Representations, Warranties and Covenants of Purchaser. Purchaser represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Purchaser which are to be delivered to Seller at the Closing will be, duly authorized, executed, and delivered by Purchaser, and is and will be legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms and do not and will not violate any provisions of any agreement to which either Purchaser is a party or to which they are subject.

7. Conditions Precedent to Closing.

(a) The following shall be conditions precedent to Seller's obligation to consummate the purchase and sale transaction contemplated herein (the "Seller's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 5, Section 15 or Section 16 of this Agreement within the time periods described in said Sections.

(2) Purchaser shall have delivered to Escrow Agent, prior to or at the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Purchaser in accordance with this Agreement.

(3) There shall be no uncured breach of any of Purchaser's representations or warranties set forth in Section 7, as of the Closing.

(4) Purchaser shall have delivered to Escrow Agent the items described in Section 11.

(5) The timely performance by Purchaser of each and every obligation imposed upon Purchaser hereunder.

The conditions set forth in this Section 8(a) are solely for the benefit of Seller and may be waived only by Seller and only in writing. Seller shall, at all times have the right to waive any of these conditions.

(b) The following shall be conditions precedent to Purchaser's obligation to consummate the purchase and sale transaction contemplated herein (the "Purchaser's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 5, Section 15 or Section 16 of this Agreement within the time periods described in said Sections.

(2) Title Company shall be committed to issue, at the Closing, an owner's policy of title insurance (the "Title Policy"), insuring Purchaser's interest in the Property, dated the day of the Closing, with liability in the amount of the Purchase Price, subject only to the Permitted Exceptions.

(3) There shall be no uncured breach of any of Seller's representations or warranties as set forth in Section 6 or the covenants as set forth in Section 7, as of the Closing.

(4) Seller shall have delivered the items described in Section 10.

(5) The timely performance by Seller of each and every obligation imposed upon Seller hereunder.

The conditions set forth in this Section 8(b) are solely for the benefit of Purchaser and may be waived only by Purchaser and only in writing. Purchaser shall, at all times have the right to waive any of these conditions.

8. Covenants of Seller. Seller hereby covenants with Purchaser, as follows:

(a) After the date hereof and prior to the Closing, no part of the Property, or any interest therein, will be voluntarily sold, mortgaged, encumbered, leased or otherwise transferred without Purchaser's consent which may be withheld in their sole and absolute discretion.

(b) Seller agrees to notify Purchaser promptly of the occurrence of any event which violates any covenant set forth in this Section 9.

9. Seller's Closing Deliveries. At or prior to the Closing, Seller shall deliver to Escrow Agent the following:

(a) A Quitclaim Deed in the form attached hereto as Exhibit C, executed by Seller conveying the Property to Purchaser (the "Deed").

(b) A closing statement prepared by the Title Company itemizing and approving all receipts and disbursements made in connection with Closing.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

10. Purchaser's Closing Deliveries. At or prior to the Closing, Purchaser shall deliver to Escrow Agent the following:

(a) The balance of the Purchase Price, together with such other sums as Escrow Agent shall require to pay Purchaser's share of the Closing costs, prorations, reimbursements and adjustments as set forth in Section 12 and Section 14, in immediately available funds.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

11. Prorations and Adjustments. The following shall be prorated and adjusted between Seller and Purchaser as of the day of the Closing, except as otherwise specified:

(a) General real estate, personal property and ad valorem taxes and assessments, and any improvement or other bonds encumbering the Property, for the current tax year for the Property. Purchaser is not responsible for delinquent real estate taxes, personal property taxes, ad valorem taxes, or assessments arising prior to Closing.

(b) Utility charges, if any. Purchaser acknowledges and agrees that Seller shall be entitled to all refunds of utility deposits with respect to the Property and that such amounts are not to be assigned to Purchaser in connection with the sale of the Property. However, Purchaser will be responsible for any additional assessments effective prior to Closing, of which notice is received after Closing.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month that shall have elapsed as of the day of the Closing and based upon the actual number of days in the month and a three hundred sixty-five (365) day year. In no event will there be any proration of insurance premiums under Seller's existing policies of insurance relating to the Property, and Purchaser acknowledges and agrees that none of Seller's insurance policies (or any proceeds payable thereunder) will be assigned to Purchaser at the Closing, and Purchaser shall be solely obligated to obtain any and all insurance that they deem necessary or desirable. The provisions of this Section 12 shall survive the Closing.

12. Closing. The purchase and sale contemplated herein shall close on or before fifteen (15) days after expiration of the Purchaser Contingency set forth in Section 4; but in no event later than seventy five (75) days after the Effective Date (the "Closing") or on such other specific date and time mutually agreed to by the parties. As used herein, the term "Closing" means the date and time that the Deed is recorded in the Cordova Recording District, Third Judicial District, State of Alaska (the "Official Records"). The Closing shall occur at the offices of the Escrow Agent as set forth in Section 19(m).

13. Closing Costs. Purchaser shall pay the fee for recording the Deed, the premium for the Title Policy, and for all fees and costs Seller incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees. Purchaser shall bear the expense of its own counsel. Unless otherwise specified herein, if the sale of the Property contemplated hereunder does not occur because of a default on the part of Purchaser, all escrow cancellation and title fees shall be paid by Purchaser; if the sale of the Property does not occur because of a default on the part of Seller, all escrow cancellation and title fees shall be paid by Seller.

14. Risk of Loss. If prior to the Closing, any portion of the Property is subject to a taking, or eminent domain proceedings are commenced, by public authority (other than Seller) against all or any portion of the Property, Purchaser shall have the right, exercisable by giving notice to Seller within ten (10) business days after receiving written notice of such taking (but in any event prior to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the

same, and Purchaser and Seller each shall be responsible for one-half of any title or escrow cancellation fee, or (ii) to accept the Property in its then condition, without any abatement or reduction in the Purchase Price, and receive an assignment of all of Seller's rights to any condemnation award payable by reason of such taking. Purchaser's failure to elect timely shall be deemed an election of (ii). If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent. As used in this Section 15, "taking" shall mean any transfer of the Property or any portion thereof to a governmental entity (other than Seller) or other party with appropriate authority, by exercise of the power of eminent domain.

15. Default.

(a) No party shall be deemed to be in default hereunder unless such party fails to cure an alleged default within ten (10) days after receipt from the other party of written notice thereof; provided, however, that (i) if such alleged default is not susceptible of being cured within said ten (10) day period, such party shall not be deemed in default hereunder so long as such party commences to cure the alleged default within said ten (10) day period and diligently prosecutes the same to completion within thirty (30) days; and (ii) no notice shall be required or cure period permitted in the event the alleged default is a failure to close the transaction contemplated hereby at the Closing.

(b) In the event of a default by Seller hereunder, Purchaser shall be entitled, in addition to any and all other remedies to which Purchaser may be entitled at law or in equity, (i) to terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser and neither party shall have any further rights, obligations, or liabilities hereunder, or (ii) to enforce Seller's obligations hereunder by a suit for specific performance, in which event Purchaser shall be entitled to such injunctive relief as may be necessary to prevent Seller's disposition of the Property pending final judgment in such suit.

(c) In the event of a default by Purchaser hereunder, Seller shall be entitled, as Seller's sole and exclusive remedy, to terminate this Agreement by written notice to Purchaser, in which event, the Deposit shall be retained by Seller as liquidated damages; thereafter, neither party shall have any further rights, obligations, or liabilities hereunder. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

16. Escrow.

(a) Instructions. Within five (5) business days after execution of this Agreement, Purchaser shall deposit a copy of this Agreement executed by both Purchaser and Seller with Escrow Agent. This Agreement, together with such further instructions, if any, as the parties shall provide to Escrow Agent by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or

obligations of Escrow Agent hereunder are not acceptable to Escrow Agent, or if Escrow Agent requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as Seller and Purchaser shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly agreed to by Seller and Purchaser.

(b) Deposits into Escrow. Seller shall make its deliveries into escrow in accordance with Section 10. Purchaser shall make his deliveries into escrow in accordance with Section 11. Escrow Agent is hereby authorized to close the escrow only if and when: (i) Escrow Agent has received all items to be delivered by Seller and Purchaser pursuant to Sections 10 and 11; and (ii) Title Company can and will issue the Title Policy concurrently with the Closing.

(c) Close of Escrow. Provided that Escrow Agent shall not have received written notice in a timely manner from Purchaser or Seller of the failure of any condition to the Closing or of the termination of the escrow, and if and when Seller and Purchaser have deposited into escrow the matters required by this Agreement and Title Company can and will issue the Title Policy concurrently with the Closing, Escrow Agent shall:

(1) Deliver to Seller the Purchase Price, after satisfying the Closing costs, prorations and adjustments to be paid by Seller pursuant to Section 12 and Section 14, respectively.

(2) Deliver to Purchaser the Deed by causing it to be recorded in the Official Records of the Cordova Recording District, Third Judicial District, State of Alaska and immediately upon recording delivering to Purchaser a conformed copy of the Deed.

(4) Deliver to Purchaser any funds deposited by Purchaser, and any interest earned thereon, in excess of the amount required to be paid by Purchaser hereunder.

(5) Deliver the Title Policy issued by Title Company to Purchaser.

17. Reciprocal Indemnification.

(a) Seller hereby agrees to indemnify, hold harmless and defend Purchaser from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, charges and costs, incurred by Purchaser by reason of: (i) Seller's breach of any covenants, representations or warranties of Seller contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Seller's failure to duly perform and discharge Retained Liabilities, as defined below. The "Retained Liabilities" include: (i) any liability the existence of which would constitute a breach of any of Seller's representations or warranties contained in Section 6; and (ii) any

expenses, liabilities or obligations relating to the Property or its operation arising from acts, omissions, occurrences or matters that took place prior to the Closing.

(b) Purchaser hereby agrees to indemnify, hold harmless and defend Seller from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, incurred by Seller by reason of: (i) Purchaser's breach of any covenants, representations or warranties of Purchaser contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Purchaser's failure to duly perform the Assumed Liabilities. The "Assumed Liabilities" include: (i) Seller's obligations and liabilities with respect to the Property or its operation which are expressly assumed in writing by Purchaser pursuant to this Agreement or documents delivered at Closing; and (ii) any expenses, liabilities or obligations relating to the Property or its operation arising from acts, omissions, occurrences or matters that take place on or after the Closing.

18. General Provisions.

(a) Each individual executing this Agreement hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he or she is executing this Agreement to the terms hereof.

(b) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which such period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next business day.

(c) Seller represents and warrants to Purchaser, and Purchaser represents and warrants to Seller, that there is no broker, finder, or other intermediary of any kind with whom such party has dealt in connection with the transaction contemplated hereby, and each party agrees to indemnify, defend, and hold harmless the other from any claim made by any broker or agent alleging entitlement to any fee or commission as a result of having dealt with the indemnifying party.

(d) This Agreement, including all exhibits attached hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants with respect thereto not contained herein.

(e) This Agreement may be amended or modified only by a written instrument executed by all of the parties hereto.

(f) No waiver of any condition or provision of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be deemed or construed as a waiver of any other or similar provision or of any future event, act, or default.

(g) If any provision of this Agreement is deemed unenforceable in whole or part, such provision shall be limited to the extent necessary to render the same valid or shall be deemed excised from this Agreement and replaced by a valid provision as close in meaning and intent as the excised provision, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited or as so replaced, as the case may be.

(h) Headings of articles and sections herein are for convenience of reference only and shall not be construed as part of this Agreement.

(i) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns.

(j) This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

(k) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute a single instrument.

(l) In no event shall this Agreement be construed more strongly against any one person solely because such person or its representative acted as draftsman hereof, it being acknowledged by the parties hereto that both have been represented by competent legal counsel, that this Agreement has been subject to substantial negotiation, and that all parties have contributed substantially to the preparation of this Agreement.

(m) Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

Seller: City of Cordova
Attn: City Manager
P. O. Box 1210
Cordova, Alaska 99574

Purchaser: Ocean Beauty Seafoods LLC
1100 W. Ewing Street
Seattle, WA 98119

Escrow Agent: First American Title
3035 C Street,
Anchorage, Alaska 99503

Title Company: First American Title
3035 C Street,
Anchorage, Alaska 99503

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date three (3) days after being placed in the U.S. Mail.

(n) The parties agree to execute such instructions to Escrow Agent and Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement on terms mutually acceptable to Purchaser and Seller.

(o) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SELLER: CITY OF CORDOVA

By: _____
Randy Robertson, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Randy Robertson, City Manager of the CITY OF CORDOVA, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires:_____

PURCHASER:

OCEAN BEAUTY SEAFOODS LLC

By: _____
Tony Ross, Chief Financial Officer

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2014, by Tony Ross, Chief Financial Officer of OCEAN BEAUTY SEAFOODS LLC, an Alaska limited liability company, on behalf of the company.

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT A

Legal Description of the Property

The Property to be sold to Purchaser according to this Agreement is legally described as follows:

A 1556 square foot portion of Lot 1, Block 1, Cordova Industrial Park, according to the official map and plat thereof, Plat No. 65-304, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

The Property to be sold to Purchaser according to this Agreement is adjacent to the west side of Lot 1, Block 1, Cordova Industrial Park, and is highlighted in the diagram on page 2 of this Exhibit A.

EXHIBIT B
Property Development Plan

EXHIBIT C
Quitclaim Deed

EXHIBIT A

CORDOVA RECORDING DISTRICT

Recording requested by and
after recording return to:

Thomas F. Klinkner
Birch Horton Bittner & Cherot
1127 West 7th Avenue
Anchorage, AK 99501

QUITCLAIM DEED

The CITY OF CORDOVA, an Alaska municipal corporation, whose address is P.O. Box 1210, Cordova, Alaska 99574 ("Grantor"), for good and valuable consideration in hand paid, the adequacy and sufficiency of which are hereby acknowledged, conveys and quitclaims to OCEAN BEAUTY SEAFOODS LLC, whose address is 1100 W. Ewing Street, Seattle, WA 98119, all interest which Grantor has, if any, in the real property diagrammed in Attachment A and legally described as:

A 1556 square foot portion of Lot 1, Block 1, Cordova Industrial Park, according to the official map and plat thereof, Plat No. 65-304, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

DATED this _____ day of February, 2014.

GRANTOR:

CITY OF CORDOVA

By: _____
Randy Robertson, City Manager

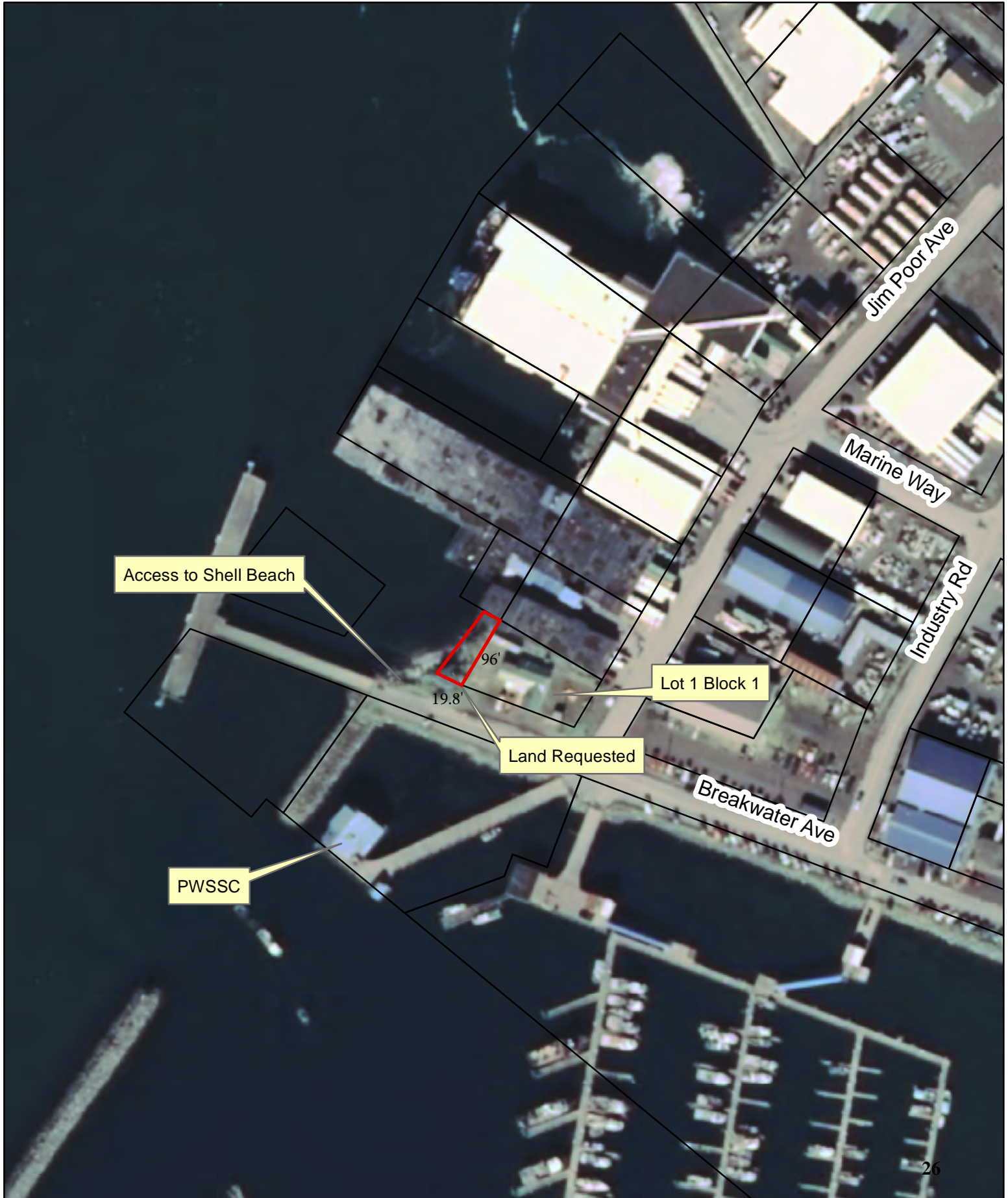
STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2014, by Randy Robertson, City Manager of the City of Cordova, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires: _____

[illegible]

Location Map for land adjoining Lot 1 Block 1 Ocean Beauty Request



For planning purposes only.

A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

DATE: January 16, 2013
TO: Mayor & City Council
SUBJECT: Liquor License Renewals

The Clerk's office has received notification that the following local establishments have applied for renewal of their liquor licenses with the State Alcoholic Beverage Control Board. Police Chief Wintle and Finance Director Jon Stavig have been advised and their suggestions to Council are attached hereto. The Clerk's office has opined that property tax wise, these three owners are current on 2013 property taxes owing to the City.

Licenses: Powder House – Beverage Dispensary Lic. #919
Gandy Dancer Bar – Beverage Dispensary – seasonal Lic. #2587
AK Commercial Co. #235 – Package Store Lic. #3410

Suggested motion: move to waive Council's right to protest the ABC Board's approval of the applications for renewal of the Powder House Beverage Dispensary Lic. #919, the Gandy Dancer Bar Beverage Dispensary seasonal Lic. #2587 and AK Commercial Co. #235 Package Store Lic. #3410.

Required Action: Majority voice vote or unanimous roll call vote of the consent calendar.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive
Anchorage, Alaska 99501
Main: 907.269.0350
TDD: 907.465.5437
Fax: 907.334.2285

January 16, 2014

Renewal Application Notice

City of Cordova
Attn: City Clerk
VIA EMAIL: cityclerk@cityofcordova.net

DBA	Lic Type	Lic #	Owner	Premise Address
Powder House	Beverage Dispensary	919	Mile 1 Copper River Hwy	Libbie B Graham
The Gandy Dancer Bar	Beverage Dispensary-Seasonal	2587	Lot 1 Block 88 Cordova Airport	Copper River & Northwest Limited Inc.
Alaska Commercial Company #235	Package Store	3410	106 Nicholoff Way	Alaska Commercial Company

We have received a renewal application for the above listed licenses within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal

zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. COTÉ
Director

/s/ *Christine C. Lambert*

Christine C. Lambert
Licensing & Records Supervisor
Christine.lambert@alaska.gov

CITY OF CORDOVA



To: Mayor and City Council
Through: Robert E. Robertson, City Manager
Subject: Liquor License Renewal Notice dated 01-16-2014
Date: January 16, 2014
From: Jon K. Stavig, Finance Director

I have reviewed the status of the Powder House (License #919), The Gandy Dancer Bar (License #2587) and Alaska Commercial Company (License # 3410) as it relates to compliance with City Code pertaining to business license, sales tax and utility services.

From such review, I find no reason to protest renewal of these entities.

Respectfully,

Jon K Stavig
Finance Director
City of Cordova



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6100
Fax: (907) 424-6120
Email: policechief@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of Chief of Police

January 29, 2014

Susan Bourgeois
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: Powder House Liquor License #919

Dear Susan,

I have no reason to protest the renewal of the liquor license for the Powder House #919 Beverage Dispensary.

Respectfully,

George Wintle
Chief of Police



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6100
Fax: (907) 424-6120
Email: policechief@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of Chief of Police

February 11, 2014

Susan Bourgeois
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: The Gandy Dancer Bar #2587, Beverage Dispensary-Seasonal

Dear Susan,

I have no reason to protest the renewal of the liquor license for The Gandy Dancer Bar (Liquor License #2587).

Respectfully,

George Wintle
Chief of Police
City of Cordova



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6100
Fax: (907) 424-6120
Email: policechief@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of Chief of Police

January 29, 2014

Susan Bourgeois
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: Alaska Commercial Company, #235

Dear Susan,

I have no reason to protest the renewal of the liquor license for the Alaska Commercial Company, #235.

Sincerely,

George D. Wintle

George Wintle
Chief of Police

A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

DATE: February 11, 2014


TO: Mayor and City Council

SUBJECT: Parks and Recreation Commission

There are three vacant seats on the Parks and Recreation Commission one to expire November 2014, one to expire November 2015 and one to expire November 2016. The Clerk's Office has continually advertised these vacancies and asked for letters of interest to be submitted at any time in hopes of filling these vacancies. There has been one letter submitted at the time of printing of this packet; from Marvin Van Den Broek. If there are other letters received by the Clerk previous to the date of the meeting, she will bring them with her to the meeting for further consideration.

RECOMMENDED MOTION: Move to approve Mayor Kacsh's appointments to the Parks and Recreation Commission of the following:

 to the seat to expire November 2014

 to the seat to expire November 2015

Marvin Van Den Broek to a seat to expire November 2016

REQUIRED ACTION: Majority voice vote.



Mr. Marvin J. Vandenbroek
PO Box 921
Cordova, AK 99574

1-30-2014

TO: MAYOR JIM KASH

RE: PARKS & REC COMMISSION

I WOULD LIKE TO APPLY TO A
POSITION ON THE PARKS & REC BOARD.

MARVIN VAN DEN BROEK

Marvin Van Den Broek

**CITY COUNCIL PUBLIC HEARING
FEBRUARY 05, 2014 @ 7:15 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council public hearing to order at 7:18 pm on February 5, 2014, in the Library Meeting Room.

B. ROLL CALL

Present for roll call were *Mayor James Kacsh* and Council members *Kristin Carpenter, Tim Joyce, David Allison, Bret Bradford, EJ Cheshier* and *Dave Reggiani*. Council Member *James Burton* was absent. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

C. PUBLIC HEARING

1. Ordinance 1113

An ordinance of the City Council of the City of Cordova, Alaska, authorizing a lease for a portion of Lot 2, Block 7A, Tidewater Development Park, Plat 93-2, specifically a building known as the Prince William Sound Science Center and the south west 50 feet of the dock to the Prince William Sound Science and Technology Institute, an Alaska nonprofit corporation, doing business as Prince William Sound Science Center for the operation of the Prince William Sound Science Center.

Mayor Kacsh opened the meeting up for public comment – there was no public comment

M/Joyce S/Bradford to recess at 7:20 pm.

Hearing no objection, the Public Hearing was recessed at 7:20 pm.

The public hearing was recessed from 7:20 pm until 7:28 pm.

Mayor Kacsh asked again if there was any public comment and there was not.

D. ADJOURNMENT

M/Joyce S/Bradford to adjourn the Public Hearing

Hearing no objection, the Public Hearing was adjourned at 7:30 pm.

Approved: February 19, 2014

Attest: _____
Susan Bourgeois, CMC, City Clerk

**CITY COUNCIL REGULAR MEETING
FEBRUARY 05, 2014 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Regular Meeting to order at 7:30 pm on February 05, 2014, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor James Kacsh led the audience in the Pledge of Allegiance.

C. ROLL CALL

Present for roll call were **Mayor James Kacsh** and Council members **Kristin Carpenter**, **Tim Joyce**, **Bret Bradford**, **EJ Cheshier** and **Dave Reggiani**. Council Member **David Allison** was present via teleconference. Council Member **James Burton** was absent. Also present were City Manager **Randy Robertson**, City Clerk **Susan Bourgeois** and Student Council Representative **Gabrielle Brown**.

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/Bradford to approve the Regular Agenda.

Mayor Kacsh asked Council if they would agree that we should handle items 22 & 23 after the executive session where we would be getting pertinent information from the attorney. Council agreed.

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST - none

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker

a. Steven Rothchild, PWSRCAC, update on dispersants

He mentioned that the ARRT (Alaska Regional Response Team) has proposed changes to how dispersants are authorized for use during an oil spill. If the City is interested in commenting they will have to do so by Friday, February 14. PWSRCAC does not support the use of dispersants; **Rothchild** went on to explain that science has shown that dispersants are especially ineffective in cool, less salty water – which is just what we have in PWS. **Carpenter** asked **Rothchild** who sits on the ARRT. **Rothchild** said it is comprised of 13 people from different state and federal agencies such as EPA, USCG, ADEC, USFS, NOAA, ALCOM, Department of Energy, DHHS, DoJ, OSHA, FAA, etc.

b. Donald Kurz, regarding live video streaming of Council meetings – he said he would be hoping to start doing the meetings on February 19. He is the owner-operator of ASLN (Alaska Sports Live Network) which is a 24 hour/day internet radio station – also a website (www.asln.net) and asln tv on the Roku streaming device. His plans include live-video streams of Council meetings. He would need only a small 4 ft table in the back corner with a computer setup and a few small devices. He envisions a camera in the back of the room and maybe one in the front as well, possibly mounted, to capture the audience and those addressing Council.

c. Joanie Behrends, regarding Alaska Shield exercise, 2014. She said the event is on the anniversary of the 1964 magnitude 9.2 great Alaska earthquake, on March 27-28. She said the military will be very involved and it's linked with a nationwide exercise called Capstone. She went on to name all the municipalities involved, the state agencies and NGOs, as well as military and private sector entities. March 28 at 9am there will be an earthquake, which will be an actual aftershock, because this is a recreation of 1964. Cordova will have no communications. The aftershock will cause one-third of Hawkins Island to slip into the ocean causing a tsunami. She encouraged Council to get involved and to play with them in this exercise. **Bradford** asked how many people would be coming to town that will be involved in this exercise. **Joanie Behrends** said 50 National Guard and with others, about 70 total.

2. Audience comments regarding agenda items

Bob Smith 702 Lake Avenue said he wanted to thank the Council for considering supporting a crab fishery. He said the comment deadline date is March 3. He said the Advisory Committee has decided to support proposal #331 and he left a copy for the Clerk to give to Council of the Advisory Committee's recommendation.

Nancy Bird 101 Lake Avenue said that regarding dispersants she spent a great deal of time working on this and it has been happening for 20 years and she thinks it's really time to have very specific guidelines as to when to use dispersants – she believes that dispersants should not ever be used in Alaskan waters. She offered to assist whomever the City Council designates to write such a letter.

Joanie Behrends mile 4.5 CRH, Homeland Security and NOAA would like to come on March 19 to present an award to Cordova because we are now a Tsunami-ready City. At that time they would also like to plan a commemorative night where we can hear full stories of the tsunami survivors from 1964.

3. Chairpersons and Representatives of Boards and Commissions

HSB – Allison said they would have a special meeting before the next Council Meeting on February 19 to go over the audit and to do an evaluation of the contract and the administrator.

Planning and Zoning – Reggiani said P&Z had a meeting last night, February 4. They discussed 1) land disposal maps – this was referred to staff looking for Harbormaster and Harbor Commission to weigh-in on some North Fill lots; 2) consideration of a one-way proposal for Saw Mill Avenue – also referred to staff asking Police Chief to look at it to see if there was anything that could be done regarding safety – street lights, traffic lights, etc.; 3) reviewed the comp plan planning process – also referred this asked the Planner to get new bids to try to match up the project to what was budgeted (\$35K).

School Board – Bradford stated they meet next week.

4. Student Council Representative Report – **Gabrielle Brown** stated that homecoming will be on March 1 – the theme is “time warp”. Student Council met and had elections to positions and *she* and **Sarah Hoepfner** kept the same roles and will continue to be the City Council reps for 2014. They also had a program of work and they planned all the events for second semester.

G. APPROVAL OF CONSENT CALENDAR

Mayor Kacsh informed Council that the consent calendar was before them.

Item 8 was called out and placed as item 21a.

5. Ordinance 1113 An ordinance of the City Council of the City of Cordova, Alaska, authorizing a lease for a portion of Lot 2, Block 7A, Tidewater Development Park, Plat 93-2, specifically a building known as the Prince William Sound Science Center and the south west 50 feet of the dock to the Prince William Sound Science and Technology Institute, an Alaska nonprofit corporation, doing business as Prince William Sound Science Center for the operation of the Prince William Sound Science Center – 2nd reading

6. Resolution 02-14-05 A resolution of the City Council of the City of Cordova, Alaska, authorizing the appropriation from the general fund in the amount of \$42,000 to the Cordova Community Medical Center (CCMC) to fund the cost of Task 200 (final documents) phase of the CT scanner project at Cordova Community Medical Center

7. Resolution 02-14-06 A resolution of the City Council of the City of Cordova, Alaska, authorizing the appropriation from the general fund in the amount of \$225,000 to the Cordova Community Medical Center (CCMC) to fund the cost of a CT scanner purchase and installation at Cordova Community Medical Center

~~8. Resolution 02-14-07 A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a sole source contract with Arctic Information Technology in accordance with the attached statement of work to provide network management through the TotalCare program for the City of Cordova for FY2014~~

9. Resolution 02-14-08 A resolution of the City Council of the City of Cordova, Alaska, directing the City Clerk to prepare and publish a certified copy of the foreclosure list of delinquent real property taxes for the year 2013

10. Resolution 02-14-09 A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a 10 year lease of property legally described as Lot 5, Block 1, South Fill Development Park Plat 85-9 with the North West Company (International) Inc.

11. Council concurrence of Mayor's appointment of the 2014 Election Board

12. Record unexcused absences for Mayor Kacsh and Bradford from the January 15, 2014 Regular Meeting
Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Burton). Bradford –yes; Reggiani-yes Cheshier-yes; Carpenter-yes; Joyce-yes and Allison-yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Reggiani S/Cheshier to approve the Minutes.

13. Regular Meeting Minutes 1-15-14

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion passes.

I. CONSIDERATION OF BIDS

J. REPORTS OF OFFICERS

14. Mayor's Report – *Mayor Kacsh* said he is getting ready to stay on top of the legislative session.

15. Manager's Report – *Robertson* reported that: 1) we've had good interest on LT2 process – will put the RFP in paper next week; we have had at least 4 major firms visit us. 2) He and Council member *Allison* had a good meeting in Anchorage last week with the leadership at Providence. He said they were very appreciative of our resolution thanking them for the \$150K. 3) He handed out a picture of Bidarki showing how it has been fixed up (after the roof leaked onto basketball court) and all of the other improvements, paint, posters, etc. He encouraged Council to go up there and look around and give kudos to *Mrs. Herschleb* and her staff for their hard work. 4) *Attorney Holly Wells* will be here on February 19 for an executive session regarding movement with the Cordova Center issues which may be followed up with a March 5 executive session as well. 5) He introduced *Sue Cogswell* Executive Director of the PWSEDD. She introduced a vista volunteer who was with her who will be working on surveys of businesses in town to determine their needs. *Carpenter* wanted to clarify Council direction to the Manager regarding a letter from the City to the ARRT about the use of dispersants. *Bradford* agreed that he wanted a letter written and that Council could get together to approve such a letter this week or next week so as to have the letter timely submitted. Council concurred and *Robertson* said he would get with *Bird* and they could have a letter ready by Friday at noon for a special meeting. Council said let's solidify at the pending agenda item later tonight.

a. City Lobbyist, *John Bitney*, Juneau Legislative update – The Governor's proposal for State to enter into an ownership agreement with the major producers on the North Slope for a natural gas pipeline will dominate this legislative session and *Bitney* says he cannot overstate how complicated of a deal this has become. He also believes education funding will be one of the major adjournment issues. Governor needs two-thirds vote in each house to get his constitutional amendment on vouchers on the ballot – *Bitney* says that will be a tough task. There is an omnibus education bill out there which increases the BSA by \$85/student. Roughly that comes to an increase in state aid of \$70K to Cordova. There is a lot on the table as far as education and something needs to be done (there is a general consensus on this), but not sure what it will be yet. Capital budget wise – lowering of expectations on what will be available - \$430M that the Governor has put on the table – he says this can be increased but given that the general fund budget is a \$200M deficit, it's not a welcoming sign for capital projects. *Bitney* said that this Friday (Feb. 7) is the deadline for communities to get their CAPSIS requests in so all the legislators will be bombarded with projects from their districts. Cordova has in the Cordova Center as our #1 and we are requesting \$6.5M. Our #2 is the harbor G float and our request is \$8M (which is actually G & H float at a request of \$4M each). *Austerman* had given us a hint of a possibility of harbor project funding this session so that is why we came up with that increased ask in the harbor realm. *Bradford* asked *Bitney* if he would stick around regarding a later agenda item about letter-writing. *Bradford* asked *Bitney* his opinion on this letter writing and *Bitney* said that as long as it is a consensus of the community and it is a positive message then it could work. He

said the timing would be the first two weeks in March. **Cheshier** asked how we arrived at the \$8M for the harbor floats. **Bitney** and **Robertson** both answered that there was an engineer involved – Harbormaster called in DHi and R&M and that is where the numbers came from.

16. City Clerk's Report – **Bourgeois** said that the declaration of candidacy period is open for the General Election on March 4, 2014 and it closes February 4. So far she said **Tom Bailer** has declared for Council seat C, and **Tim Joyce** has declared for Council seat B and **David Allison** and **Sheryl Glasen** have declared for the one open School Board seat.

17. Staff Reports - 4Q 2013 Reports

- a. **Miriam Dunbar**, Library Director
- b. **Paul Trumblee**, Fire Marshal, CVFD
- c. **Tony Schinella**, Harbormaster
- d. **Susie Herschleb**, Park & Recreation Director
- e. **George Wintle**, Chief of Police
- f. **Laura Cloward**, Information Services Director
- g. **Cathy Sherman**, Museum Director
- h. **Jon Stavig**, Finance Director
- i. **Samantha Greenwood**, City Planner

K. CORRESPONDENCE

18. Letter 01-15-14 from State DCCED in re Cordova Population determination 2013

19. Letter from 3rd grade of Ashford Academy to Mayor Kacsh

20. Letter from Ketchikan Mayor in re lawsuit concerning school funding 01-22-14

As far as item 20, **Mayor Kacsh** opined it would probably not be in our best interest to join in the lawsuit with Ketchikan. **Reggiani** thought it might be fun for the **Mayor** to put our third grade class in touch with the third grade class that wrote the **Mayor**. **Mayor Kacsh** said he had responded to their request but he would do that as well; good idea.

L. ORDINANCES AND RESOLUTIONS

21. Resolution 02-14-10 A resolution of the City Council of the City of Cordova, Alaska, supporting NVE's proposal #333 to the Board of Fish to be heard at the statewide King and Tanner Crab Board of Fish meeting in Anchorage March 17-21, 2014 regarding a commercial Tanner Crab fishery in PWS

M/Cheshier S/Reggiani to approve Resolution 02-14-10 a resolution of the City Council of the City of Cordova, Alaska, supporting NVE's proposal #333 to the Board of Fish to be heard at the statewide King and Tanner Crab Board of Fish meeting in Anchorage March 17-21, 2014 regarding a commercial Tanner Crab fishery in PWS.

Joyce said he thinks that our resolution should go along with what the AC (Fish & Game Advisory Committee) is sending as well. **Bradford** and **Reggiani** agreed. **Reggiani** also asked if this was an appropriate thing that the City Fisheries Advisory Committee should look at this. **Joyce** said this is exactly what that committee was created for and they could ensure that the City's resolution of support is also in line with the AC's opinions. **Cheshier** agreed and said he wouldn't support this in this form because this specific resolution precludes boats of his size from participating in a crab fishery in PWS.

M/Joyce S/Cheshier to refer to the City Fisheries Advisory Committee.

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion passes.

21a. Resolution 02-14-07 A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a sole source contract with Arctic Information Technology in accordance with the attached statement of work to provide network management through the TotalCare program for the City of Cordova for FY2014

M/Carpenter S/Joyce to approve Resolution 02-14-07 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to enter into a sole source contract with Arctic Information

Technology in accordance with the attached statement of work to provide network management through the TotalCare program for the City of Cordova for FY2014.

Carpenter said she is prepared to vote for this and last time the holdup was that we were not following Code per a sole source resolution, which is why staff has brought us this tonight. **Bradford** said he would like to see us shorten this contract to three months and go right out for an RFP. **Carpenter** said she is fine with 12 months. **Reggiani** spoke against the resolution and was of the opinion that the reason stated in the memo and resolution was not a strong enough reason to warrant a sole source contract. He thinks that findings should be stated for the record – i.e. why does Council feel like it's in our best interest to go about this with a sole source contract. **Joyce** said he can understand **Mr. Reggiani's** point if you read the small portion of the memo that he read from. However, the resolution has several whereas' that provide additional information. Also, AIT's amendment to the contract is actually at a reduced rate – almost for that reason alone its worth having this – a money savings. Finally, we will be doing another RFP very soon, 4, 5, 6 months down the road. **Joyce** continued that doing this twice in a very short time would be a waste of staff's time and of our time. **Cheshier** said he is seeing that this could be a split vote of Council which is a bummer. He just wants to ensure that we are following process. **Reggiani** reiterated that he believes it's about process and competition – unless we go out and see what the competition can offer we just assume that we are getting a good deal. **Joyce** said we are absolutely following process. This is a recommendation from staff, they have done the research, and they work on a daily basis with Arctic IT, they expect them to be there, they depend on their knowledge and expertise. **Joyce** said there is a Code provision, we are absolutely allowed to do this – by resolution we can determine to procure this without formal competition, we saw this at the budget work session, we approved the budget with this in it. To not follow through now would be blindsiding staff. **Allison** said he fully supports everything that **Mr. Joyce** has said. He doesn't think all of us are aware of not only how much it takes to write and solicit an RFP but how time consuming and difficult it is also for those who choose to respond. He doesn't think it could happen more quickly than at the end of this year anyway. He thinks it's prudent to approve this contract knowing that staff is fully aware that they will go out with an RFP before year-end.

Vote on motion: 4 yeas, 2 nays (Bradford, Reggiani), 1 absent (Burton). Motion passes.

M. UNFINISHED BUSINESS – these 2 items were moved during approval of agenda to after the executive session

~~**22. Brian Wildrick** request for extension of Performance Deed of Trust on Lot 8 Block 2 South Fill Development Park~~

~~**23. Joel Azure**, NVE performance deed of trust proposal~~

N. NEW & MISCELLANEOUS BUSINESS

24. Bulk mailer re letter writing to legislators about Cordova Center funding – after some Council discussion including the input of Lobbyist **John Bitney**, Council opted to just try to solicit known supporters of the Cordova Center and other City projects to write letters to the appropriate legislators during this session. In the end, Council was mostly against the idea of a bulk mailer to PO Boxes in Cordova. **Bitney** would be getting a list of the other important legislators to encourage such letters be sent to and get that list to **Robertson**.

25. Pending Agenda and Calendar

Council opted for a noon special meeting on Friday February 7 to approve the letter that **Robertson** will be writing with the assistance of **Nancy Bird** regarding dispersants as comments to the ARRT. HSB will be meeting on Feb. 19 before the Council Regular Meeting and it will be an hour or so.

O. AUDIENCE PARTICIPATION

Tom Bailer of 304 Orca Inlet Drive agreed with the decision they came to regarding the bulk mailer; targeting the user groups to ensure the positive letters is the best approach.

P. COUNCIL COMMENTS

26. Council Comments

Bradford said Happy Ice Worm to everyone.

Carpenter – echoes **Bradford's** comments regarding Ice Worm.

Joyce said he hasn't found the tail yet.

Mayor Kacsh called for a short recess before entering executive session. With no objection, the meeting was recessed at 9:55 pm. At 10:00pm Council was back in regular session.

Q. EXECUTIVE SESSION

27. Attorney advice regarding City Performance Deeds of Trust

M/Bradford S/Joyce to enter into an executive session to discuss a matter the immediate knowledge of which would clearly have an adverse effect on the finances of the government, specifically attorney advice regarding performance deeds of trust.

With no objection, Council entered the executive session at 10:02 pm. The regular session was reconvened at 10:57 pm.

23. Joel Azure, NVE performance deed of trust proposal

M/Joyce S/Carpenter to direct the City Manager to enter into negotiations with NVE to resolve the issue of the Performance Deed of Trust.

Vote on motion: 6 yeas, 0 nays, 1 absent (Burton). Motion passes.

22. Brian Wildrick request for extension of Performance Deed of Trust on Lot 8 Block 2 South Fill Development Park

The time was 11:00 pm. Per City Code, business items not considered by 11:00 pm may be taken up at a reconvened meeting or added to the next regular or special meeting agenda.

M/Joyce S/Reggiani to recess the regular meeting until Friday February 7, 2014 at noon. Hearing no objection, the meeting was recessed at 11:00 pm.

The Council meeting was reconvened at 12:00 pm on February 7, 2014 in the City Hall Conference Room. A roll call was taken to establish a quorum. Present for roll call were **Mayor James Kacsh** and Council members **Kristin Carpenter**, **Tim Joyce**, **Bret Bradford**, **EJ Cheshier** and **Dave Reggiani**. Council member **James Burton** was present via teleconference. Council member **David Allison** was absent. Also present were City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

27. Attorney advice regarding City Performance Deeds of Trust

M/Reggiani S/Bradford to enter into an executive session to discuss a matter the immediate knowledge of which would clearly have an adverse effect on the finances of the government, specifically attorney advice regarding performance deed of trust on Lot 8, Block 2 South Fill Development Park.

Vote on motion: 6 yeas, 0 nays, 1 absent (Allison). Motion passes. Council entered executive session at 12:14 pm and the regular session was reconvened at 12:55 pm.

M/Joyce S/Reggiani to direct the City Manager to enter into negotiations with Harborside Pizza for a conditional extension on their performance deed of trust ensuring that Council would hear from them within 60 days on their plans to proceed with their development.

Vote on motion: 6 yeas, 0 nays, 1 absent (Allison). Motion passes.

R. ADJOURNMENT

M/Bradford S/Joyce to adjourn. Hearing no objections the meeting was adjourned at 12:56 pm.

Approved: February 19, 2014

Attest: _____

Susan Bourgeois, CMC, City Clerk



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

February 12, 2014

Memo to City Council
Re: Baler Drain Project 01-14

CMC 5.12.040 "Council approval of contracts" says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

A total of (5) contractors attended the pre-bid meetings for RFP 01-14 Baler Drains. A total of (2) proposals were received in response to RFP 01-14 Baler Drains with Eagle Contracting being the lowest qualified bidder by a good margin. See attached Bid Summary Sheet (Exhibit A). The project is funded thru a combination of Loan's, Grant's, operating budget, and depreciation funds. See the attached Baler Loan.Grant Budget 2014 (Exhibit B).

I recommend the city enter into a contract with Eagle Contracting Corporation of Cordova, Alaska, to perform the upgrades to the drain piping located at the Solid Waste Baling Facility as set forth in the attached Request for proposal #01-14. (Exhibit C).

The total contract price is not to exceed One Hundred and Ninety Five Thousand Dollars (\$195,000.00).

A summary of the nature and quantity of the performance the city shall receive is set forth in the attached Request for proposal #01-14 (Exhibit C). The contractor will have 60 days to complete the work from the date of the Notice to Proceed.

Recommended action: Voice Vote.

I move to direct the City Manager to enter into a contract with Eagle Contracting Corporation of Cordova, Alaska, to perform the upgrades to the drain piping located at the Solid Waste Baling Facility for a sum of One Hundred and Ninety Five Thousand Dollars (\$195,000.00).

Thank you,
Randy Robertson
City Manager

ITB SUMMARY
City of Cordova
Baler Drains 01-14
Cordova, Alaska

Date: 2/10/14

Time: 2:00pm

Location: City Hall

PRESENT: *Brandon Dahl, Raena Kenye, Barb Webber*

2 proposal(S) RECEIVED:

Name:	AMOUNT:
<i>Wolverine Supply</i>	<i>\$ 497,000. Total Base Bid</i>
<i>Eagle Contracting</i>	<i>\$ 195,000. Total</i>

[Signature]
Witness

Raena Kenye
Witness

Barbara E Webber
Witness

EXHIBIT B

Baler Rehab Cost Detail				
	FY2014	Item Estimate	Actual Cost	Cumulative
	Grant # MG 26165	\$497,000.00	\$497,000.00	
	30% City Match - Existing Depreciation Fund	\$91,000.00	\$91,000.00	
	30% City Match - 2014 Depreciation fund contribution	\$75,000.00	\$75,000.00	
	30% City Match - Refuse Operating Budget	\$47,000.00	\$47,000.00	\$213,000.00
	Total Available Funds (Grant #26165 + 30% City Match)	\$710,000.00	\$710,000.00	
	<u>Funded Project Scope</u>			
Phase	Description			
1	Drain system and floor repair	\$123,200.00	\$195,000.00	\$123,200.00
2	Insulated building shell, roof	\$493,500.00		\$616,700.00
2	Concrete Knee wall	\$30,000.00		\$646,700.00
2	Exterior Doors	\$35,200.00		\$681,900.00
	Total Project Scope Funded	\$681,900.00		
	<u>Unfunded Project Scope</u>			
3	Interior Build out	\$141,000.00		\$822,900.00
4	Interior water system	\$35,000.00		\$857,900.00
5	Electrical Upgrades	\$60,500.00		\$918,400.00
6	Snow Deflection at Entry	\$21,150.00		\$939,550.00
	Total Unfunded Project Cost	\$257,650.00		
	Total Project Cost			\$939,550.00

EXHIBIT C

City of Cordova
Cordova, Alaska
Whitshed Baler Facility
Request for Proposal # 01-14
Baler Facility Drain Piping Upgrades
REQUEST FOR PROPOSAL

The City of Cordova is requesting written proposals from qualified Contractors interested in providing the necessary labor and material to upgrade the Drain Piping at the Solid Waste Baling Facility. Sealed proposals, plainly marked, "RFP #01-13 – Baler Facility Drain Piping Upgrades" addressed to the City Manager, City of Cordova, P.O. Box 1210, Cordova, AK 99574 will be accepted until 2:00 p.m. February 10, 2014. PROPOSALS RECEIVED AFTER 2:00 P.M. WILL NOT BE CONSIDERED.

Copies of this RFP may be obtained from Brandon Dahl at Baler Facility on Whitshed Road, or by calling 424-5600. A mandatory pre-bid meeting will be held at 10:00am on 1-23-14 at the Baler Facility. The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to accept any proposal that is in the best interest of the City, and to negotiate the terms and conditions of any proposal leading to acceptance and final execution of a contract for services.

If you have any questions pertaining to the submittal and review process of City bids please contact the City Manager at 907-424-6200.

The City welcomes potential Contractors to visit the Baler Facility to better understand the dynamics, operations, location and access throughout the facility. To arrange a visit or if you have any questions pertaining to the specifics of this RFP and the scope of services, please contact the Refuse Foreman, Brandon Dahl, at 907-253-5605.

I. INTENT OF SOLICITATION

The City of Cordova (City) is soliciting competitive proposals from qualified contractors to provide the necessary labor and material to upgrade the Drain Piping at the City of Cordova's Solid Waste Baling Facility on Whitshed Road. Additional service requirements will be found in SECTION III, SCOPE OF WORK.

II. BACKGROUND

The Baler Facility is a working Solid Waste Transfer Station. It is used to collect, sort, process, bale, and transfer solid waste to the landfill. The intent of this RFP is to provide for installation of upgrades to the drainage system and replace worn hardened concrete in areas adjacent to the new piping. The drains and pipes are undersized and consequently clog regularly. The drainage system drains leachate created from baling solid waste away from an existing pit into the sewer system. The plant will remain in operation during construction. The baler machine's feed conveyor belt is installed in the pit that will be upgraded. This equipment will need to stay in operation while being upgraded. . This initial scope of work must be complete within 60 days of the notice to proceed

EXHIBIT C

III. SCOPE OF WORK

Provide the necessary material, equipment, and labor to perform the following scope of work: The following work scope is provided as a minimum guideline and is not inclusive of all work activities that may be required to provide for the installation of an upgraded drainage system. The original as-built record drawings have been included for reference.

- Performance requirements:
 - Prior to ordering any materials or commencing with construction, the contractor shall expose existing sewer line north of the building at SSMH #1 & SSMH #2 to determine the invert elevation and type of pipe. Estimated depth at existing main is estimated to be between 8' & 10' below grade. Provide information to Engineer prior to ordering manhole.
 - Install manholes as per Engineer's Drawings.
 - Sawcut cut slab on East side of building as needed to install Arctic Pipe.
 - South half of reinforced "hardened" concrete slab to be removed and replaced as per drawings.
 - Install trench drain and 6" arctic pipe and hardened concrete on East side of building
 - Install 4" DIP CL-52 from SSMH #1 to the baler pit.
 - Remove existing wet well, and cap existing 3" drain.
 - Install new concrete wet well and trench drain in bailer pit as per drawings.
 - Install Flygt F-3085 Fibrous Waste Chopper Pumps and peripherals or approved equivalent to manufacturer's specifications to maintain manufacturer's warranty. Provide manufacturer's warranty on pumps and all peripherals.
 - Install 32' x 12' x 8" hardened concrete slab in tipping room floor.
 - Install 4' x 14' x 8" hardened concrete slab at north entry.
 - Remove and reinstall 4 bollards at north entry.
 - Adjust all man holes and grates to ½" below finish grade.
 - Provide 8hrs of hands on operation and maintenance of pump training for 3 men.
 - Provide 2 bound copies of operation and maintenance manuals for all equipment.
 - Save removed asphalt and place in on site storage location to allow for reuse in patching asphalt.
- Products
 - General:
 - All concrete to be type AA-3 (3500 psi). Except where "hardened" wear surface is called out.
 - Replace existing 3" drain line with 6" x 12" Arctic Pipe. Install Heat Trace Cable with thermostat control. Connect heat trace to existing electrical panel. (Complete kit): Raychem HBTV, Self-Limiting, 8 Watts per foot or approved equal.
 - Install trench drain with sloping floor (2.0%). As manufactured by Trenchdrain Supply or approved equal, Model CPS300 with ductile iron frame & ductile iron grate rated for H2O traffic loads. End section to have bottom 6" bottom outlet, or approved equal. Center trench drain on door.

EXHIBIT C

- All Sanitary sewer manholes be Type 'A'.
- All bedding material shall be Type 'E'
- Contractor to provide 2" hardened wear surface on top of 6" base concrete slab. Place in accordance with Manufacturers Recommendations. Contractor Provide submittal for approval by engineer prior to commencing with construction. Manufacture: Daytoni Superior Corporation (877-416-3439, ext 25108)
- Mechanical:
 - All pipes in pit shall be flanged ductile iron pipe, Class 52
 - Mount pipe to wall of pit with stainless steel hangar & bolts.
 - All bends shall be "long radius".
 - All pipe buried beneath tipping room floor slab shall be 4" DIP CL52, Bell and Spigot.
 - Provide insulation over the top of pipe if 8' of cover cannot be maintained. Insulation shall be 2" high density polystyrene. Lap all joints.
- Wet Well:
 - Seal joint with elastomeric compound, sealant shall conform to ASTM C-920.
 - Trench drain -12" wide (inside dimension) with sloping floor.
Supplier: Trenchdrain Supply or approved equal.
Product: Pro Plus 300
Model: CPS-300 with ductile iron "frame & grate". Grate to have 1" maximum opening.
 - Duplex Flygt Fibrous Waste Chopper Pumps Model F-3085 and peripherals (see "Flygt Engineering Submittal") or approved equivalent.
- Work will be completed within 60 days of the notice to proceed.
- Project will be subject to Title 36 of the Alaska Statutes which requires payment of AKDOL Filing fees, filing of certified payroll with AKDOL, and related reporting. AKDOL LSS Portal can be found at <https://myalaska.state.ak.us/certpay/portal.aspx>.
- Project is also subject to current prevailing wage rates (found at www.labor.state.ak.us/lss/pamp600.htm (Pamphlet No. 600 issue 27) and www.wdol.gov). The applicable wage rates are provided at Tab IV of the bid packet.

In accordance with 40 C.F.R. Part 33, this project is subject to a Disadvantaged Business Enterprise ("DBE") program. Each contractor with whom the City of Cordova enters into a contract for the completion of this Project is required to (1) complete the DBE forms found at Tab III of this Request for Proposals packet, and (2) comply with the wage rate requirements set out in Attachment 6 (Tab II) and the applicable wage rate determinations (Tab IV).

Contractor shall possess and keep in force all licenses, business permits and other permits required to perform the services of this Agreement. Work shall be completed no later than 60 days from notice to proceed.

IV. SUBMITTAL REQUIREMENTS

EXHIBIT C

Each Vendor shall submit two (2) original signed copies of its proposal. The proposal shall be submitted in the following manner:

1. Contractor Description. Provide a description and history of the Contractor emphasizing the Contractor's resources and expertise in the area(s) relevant to this RFP. In addition, identify the person(s) who has decision-making authority for the Contractor; and who will be the Contractor's primary contact person(s) with the City.
2. Proposals
 - Clearly state the total cost to the City for completion of all work.
 - Provide evidence of liability insurance, and worker's compensation insurance if applicable

V. SELECTION CRITERIA

Each proposal shall be evaluated based on the following criteria based on the following sections of Cordova Municipal Code (CMC):

1. Total cost of Proposal to the City (CMC 5.12.120(A));
2. Contractor's qualifications and responsibility (CMC 5.12.170):
 - a. The skill and experience demonstrated by the bidder in performing contracts of a similar nature;
 - b. The bidder's record for honesty and integrity;
 - c. The bidder's capacity to perform in terms of facilities, equipment, personnel and financing;
 - d. The past and present compliance by the bidder with laws and ordinances related to its performance under the contract;
 - e. The bidder's past performance under city contracts. If the bidder has failed in any material way to perform its obligations under any contract with the city, the city manager may consider the bidder to be not responsible; and
 - f. The bidder's past performance of financial obligations to the city. If at the time of award the bidder is delinquent, overdue or in default on the payment of any money, debt or liability to the city, the city manager shall consider the bidder not to be responsible.

Proposals will be opened at the front desk in City Hall on February 10, 2014 at approximately 2:05 P.M. A contract may be awarded by City Council on February 19, 2014 if recommended by City Manager. The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to make such investigation as it deems necessary to evaluate Contractor's qualifications, to accept any proposal that may be deemed in the best interest of the City and to negotiate terms and conditions of any proposal leading to acceptance and final execution of a contract for services.



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

February 12, 2014

Memo to City Council

Re: Mt Eccles Emergency Shelter Generator Installation Project 3-14

CMC 5.12.040 "Council approval of contracts" says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

A total of (4) proposals were received in response to RFP 03-14. Premier Electric had the lowest price and is qualified to perform the work scope. See attached RFP summary sheet (Exhibit A). The project is funded by the 2012 Homeland Security Grant 2012 SHSP, EMW-2012-55-00127 State Grant No: 12SHSP-GR34077. See the attached Emergency Generator Budget (Exhibit B)

I recommend the city enter into a contract with Premier Electric of Wasilla, Alaska, to perform the installation and connection of the 320kw mobile generator at the Mt Eccles Emergency Shelter (Mt Eccles Elementary School) as set forth in the attached Request for proposal #03-14. (Exhibit C)

The total contract price is not to exceed One Hundred and Sixty Seven Thousand and Eighty Two Dollars (\$167,082.00).

A summary of the nature and quantity of the performance the city shall receive is set forth in the attached Request for proposal #03-14 (Exhibit C). The contractor will have 90 days to complete the work from the date of the Notice to Proceed.

Recommended action: Voice Vote.

I move to direct the City Manager to enter into a contract with Premier Electric of Wasilla, Alaska, to perform the installation and connection of the 320kw mobile generator at the Mt Eccles Emergency Shelter (Mt Eccles Elementary School) for a sum of One Hundred and Sixty Seven Thousand and Eighty Two Dollars (\$167,082.00).

Thank you,
Randy Robertson
City Manager

EXHIBIT A

ITB SUMMARY
City of Cordova
Mt Eccles Emergency Generator 03-14
Cordova, Alaska

Date: 2/7/14

Time: 2:00pm

Location: City Hall

PRESENT: ~~Barbara Kempe~~, Barb Webber, Josh Hallgren

4 proposal(S) RECEIVED:

Name:	AMOUNT:
Wolverine Supply	\$ 177,000
Northern Lights Elec.	\$ 179,340 ⁰⁰
Little Susitna Construction	\$ 272,128 ⁰⁰
* Premier Electric	\$ 168,082 ⁰⁰

Check for
Pre Bid!

Witness

Barbara E. Webber

Witness

Witness

EXHIBIT B

Emergency Generator Budget	Budgeted Cost	Projected Cost	Actual Cost	AEL#	Notes
Emergency Managemetn Grant #	\$186,000.00	\$186,000.00	\$186,000.00		
Grant Increase		\$97,000.00	\$97,000.00		
Generator, Mobile Enclosure, Power Transfer Switch	-\$155,500.00			10-GE-00-GENR	
Generator		-\$75,000.00	-\$75,000.00		
Pacific Power/COC Acceptance Inspection		-\$2,453.14	-\$2,453.14		
Mobile Enclosure					
Power Transfer Switch					
Engineering Services (Haight & Assoc)	-\$5,000.00	-\$5,000.00	-\$5,000.00	21GN-00-CNST	
Submittal Review		-\$2,000.00			Haight and Associates add cost estimate
Installation	-\$20,000.00	-\$167,082.00	-\$167,082.00	21GN-00-INST	Premier Electrcri Bid
Shipping (Move from Airport to Mt Eccles)	-\$5,500.00	-\$500.00	-\$500.00	21-GN-00-SHIP	
Total Funds Remaining	\$0.00	\$30,964.86	\$32,964.86		

EXHIBIT C

City of Cordova
Cordova, Alaska
Mt Eccles Elementary School
Request for Proposal # 03-14
Mt Eccles Emergency Shelter Generator Installation Project

The City of Cordova is requesting written proposals from qualified Electrical Contractors interested in providing the necessary labor and material to install and connect an Emergency Generator at the Mt Eccles Elementary School/Emergency Shelter. Sealed proposals, plainly marked, "RFP #03-14 – Mt Eccles Emergency Shelter Generator Installation Project" addressed to the City Manager, City of Cordova, P.O. Box 1210, Cordova, AK 99574 will be accepted until 2:00 p.m. February 07, 2014. PROPOSALS RECEIVED AFTER 2:00 P.M. WILL NOT BE CONSIDERED.

Copies of this RFP may be obtained from Josh Hallquist at Cordova City Hall, or by calling 424-6231. A mandatory pre-bid meeting will be held at 10:00am on 1-27-14 at the Mt Eccles Elementary School. The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to accept any proposal that is in the best interest of the City, and to negotiate the terms and conditions of any proposal leading to acceptance and final execution of a contract for services.

If you have any questions pertaining to the submittal and review process of City bids please contact the Public Works Director at 907-424-6231.

I. INTENT OF SOLICITATION

The City of Cordova (City) is soliciting competitive proposals from qualified Electrical Contractors interested in providing the necessary labor and material to install and connect an Emergency Generator at the Mt Eccles Elementary School/Emergency Shelter. Additional service requirements will be found in SECTION III, SCOPE OF WORK.

II. BACKGROUND

The City of Cordova received a Grant from the Division of Homeland Security (Grant #EMW-2012-SS-00127) in 2012 to purchase and install an emergency generator at the Mt Eccles School/Emergency Shelter. A 320kw mobile generator was purchased from Cordova Electric Cooperative (CEC) and moved to Mt Eccles School this past summer. The City contracted with Haight and Associates to engineer the connection of the generator to the Mt Eccles School electrical system and develop a set of plans and specs to be used as the basis of a Request for proposals. Determining the most efficient layout of the new equipment and conduit runs inside the Mt Eccles School will be the responsibility of the contractor to identify in their proposal. The Grant funding will expire June 30th this year mandating the completion of the project this spring. This scope of work is schedule to be complete by 5-30-14.

The School will remain in operation during construction and any necessary shutdown of the electrical system will need to be coordinated with and approved by the School District to avoid impacting normally scheduled classes or public events. It is anticipated that any shut-downs of the electrical system would occur between 4-12-14 and 4-20-14 during spring break. The City of Cordova Project Manager will administer the project and coordinate any and all activities with the Cordova School District. The School is a secure facility that must remain so during construction. The work area will need to be delineated and any possible hazard positively protected with barriers and fencings as required to prevent harm to the general public and students.

EXHIBIT C

III. SCOPE OF WORK

Provide the necessary material, equipment, and labor to perform the following scope of work: The following work scope is provided as a minimum guideline and is not inclusive of all work activities that may be required to provide for the installation and connection of the emergency generator to the existing Mt Eccles Elementary School electrical system.

- Preform all work identified in the attached project drawings and specs
 - Haight and associates drawings and specifications – sheets E1 thru E8.
 - Hawthorne Power Systems CAT Generator Drawings sheets 1-8.
- Provide a plan drawing for owner approval that indicates the proposed location of the ATS and routing of the related conduit runs identified in the Haight and Associates Drawings.
- Modify bus compartment door to be lockable and allow power cables to enter the unit.
 - Protect edges to avoid damage to cable jacketing
 - See Hawthorne Power Systems 300KW Switchboard outlet diagram (sheet #1) for bus compartment door being referenced.
- Provide a custom aluminum ships ladder per attached conceptual sketch L-1
- Provide all necessary site grading to provide a level pad for the generator to sit on.
- Provide all necessary trenching.
 - Place backfill in lifts no greater than 12" and compact to 95% Dry Density.
 - Bed conduit in 6" sand above and below.
 - Install continuous detectable danger tape 6" to 8" below surface above all buried conduit and com lines.
 - Owner sign off required on compaction of each lift prior to placement of subsequent lifts.
 - Provide 24 hour notice of backfill and compaction activities.
- Provide 4 hours of operations and maintenance training for a 6 person group.
 - Trainees will include Cordova School District and City of Cordova Public Works personnel.
- Provide all submittals as identified in the Haight and associates drawings and specifications – sheets E1 thru E8
- Provide shop drawing of ships ladder for owner approval prior to fabrication.
- RFP documents:
 - Haight & Associates drawings and specifications sheets E1 thru E8
 - Hawthorne Power Systems Drawings 1-8
 - SK-L1 (Ships Ladder)
- Project will be subject to Title 36 of the Alaska Statutes which requires payment of AKDOL Filing fees, filing of certified payroll with AKDOL, and related reporting. AKDOL LSS Portal can be found at <https://myalaska.state.ak.us/certpay/portal.aspx>.
- Project is also subject to current prevailing wage rates (found at www.labor.state.ak.us/lss/pamp600.htm (Pamphlet No. 600) and www.wdol.gov). The applicable wage rates are provided at Tab IV of the bid packet.
- A performance and payment bond is required per AS 36.25.010

EXHIBIT C

- The city of Cordova will obtain the building permit.
- This project is Tax Exempt.
- Successful bidder must poses (or obtain) a City of Cordova business license.
- The concrete pad and bollards shown on the drawings are not required as part of this contract.
- The ATS and 1200A breaker identified on Note 2/E3 are contractor provided.
- The dimensions provided in "Grounding Electrodes" note 1.3/A/1 are correct.
- Note 3/E1 says to install the generator feeder "in a manner to allow an easy disconnect from this facility." The City needs to be able to disconnect this generator module and move it if required for an emergency situation. However, sleeve type connectors are not required. It is necessary to configure the circuit such that it can be disconnected and removed for such a situation. This means use of flexible conduit and mechanical lugs for the conductors inside the control board.
- Sheet E3 references a 3/0 ground ring for the generator. Only a ground ring is illustrated here. There is no objection of the inclusion of rods with the ring, if desired. The installation needs to comply with the NEC.
- Pages 3, 4, and 8 of the CAT (Hawthorne) drawings indicate modifications to the internal wiring of the generator. These modifications are part of this contract. Confirmation of the present conditions are suggested.
- The generator commissioning is not part of the Contract. However the commissioning of the ATS, and its integrated control with the generator are required.
- The city will be responsible for compaction testing and will be available at the contractor's leisure to inspect compaction.
- Will you require the new 1200a breaker to be field listed or installed by a SQD factory rep? Unless I am notified otherwise, I will assume that a journeyman electrician is qualified to change out the breaker.
- The 1200 ampere circuit breaker in the service switchboard is existing - the settings only need to be adjusted per note 2 on E3.
- Locates are the contractor's responsibility
- Badging of all on-site personnel will be required and provided by CDVSD.
- Daily check-in of on-site personnel will be required at the front desk.
- The Cordova School District School Calendar is attached for your use.
- It is anticipated any necessary electrical shut down will be schedule to occur during the planned 4-12-14 thru 4-20-14 school break (Spring Break).
- Provide an additive alternate price to run temporary heat for the Mt Eccles Elementary School during the Spring Break shut-down if below freezing temps should occur. This is to include temporary power to the boilers and circulating system to maintain the building systems above freezing. It is the contractor's sole responsibility to operate and manage these temporary systems and make whatever repairs are necessary in the event they damage the existing control system.

EXHIBIT C

Contractor shall possess and keep in force all licenses, business permits and other permits required to perform the services of this Agreement. Work shall be completed no later than 90 days from notice to proceed.

IV. SUBMITTAL REQUIREMENTS

Each Vendor shall submit two (2) original signed copies of its proposal. The proposal shall be submitted in the following manner:

1. Contractor Description. Provide a description and history of the Contractor emphasizing the Contractor's resources and expertise in the area(s) relevant to this RFP. In addition, identify the person(s) who has decision-making authority for the Contractor; and who will be the Contractor's primary contact person(s) with the City.
2. Proposals
 - Clearly state the total cost to the City for completion of all work.
 - Provide a plan drawing that indicates the proposed location of the ATS and routing of the related conduit runs identified in the Haight and Associates Drawings.
 - Provide evidence of liability insurance, and worker's compensation insurance.
 - A bid bond is not required.

V. SELECTION CRITERIA

Each proposal shall be evaluated based on the following criteria based on the following sections of Cordova Municipal Code (CMC):

1. Total cost of Proposal to the City (CMC 5.12.120(A));
2. Contractor's qualifications and responsibility (CMC 5.12.170):
 - a. The skill and experience demonstrated by the bidder in performing contracts of a similar nature;
 - b. The bidder's record for honesty and integrity;
 - c. The bidder's capacity to perform in terms of facilities, equipment, personnel and financing;
 - d. The past and present compliance by the bidder with laws and ordinances related to its performance under the contract;
 - e. The bidder's past performance under city contracts. If the bidder has failed in any material way to perform its obligations under any contract with the city, the city manager may consider the bidder to be not responsible; and
 - f. The bidder's past performance of financial obligations to the city. If at the time of award the bidder is delinquent, overdue or in default on the payment of any money, debt or liability to the city, the city manager shall consider the bidder not to be responsible.

Proposals will be opened at the front desk in City Hall on February 7, 2014 at approximately 2:05 P.M. A contract may be awarded by City Council on February 20, 2014 if recommended by City Manager. The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to make such investigation as it deems necessary to evaluate Contractor's qualifications, to accept any proposal that may be deemed in the best interest of the City and to negotiate terms and conditions of any proposal leading to acceptance and final execution of a contract for services.

12 FEB 2014

Mayor & Councilors:

The purpose of this paper is to provide you a brief overview of activities planned for your 19 February 2014 Council meeting.

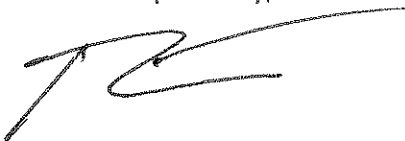
As you may recall, during the FY14 budget preparation, a conscious decision was made to withhold any financial obligations to line 101-603-55025, Chip Sealing Maintenance, found at page 33 of the FY2014 Operating Budget. Historically, chip sealing has been a funded line item, used as part of the city's overall "tool kit" to maintain streets and roads. As our elected leaders and as long time residents, you are keenly aware of the poor, and progressively deteriorating conditions of Cordova's roadways. Most city streets have not been completely paved with new asphalt in over two decades, yet the American Society for Testing and Materials (ASTM), the industry standard-bearer, recommends repaving between 9 to 11 years in comparable climates. Chip-seal has been the preferred short term approach given its relatively low cost, ease of applicability with in-house personnel, and our short, seasonal outdoor work period.

Our goal for the 19 February Council meeting is to provide you with the latest information available regarding the possibility of chip-seal funding (i.e., especially the "Snow-pocalypse" dollars) as well as discuss the possibility of future asphaltting initiatives. We also plan to use this opportunity for a broader conversation regarding the activities of Public Works. Topics we hope to cover include:

- *An overview of challenges and opportunities within the Public Works Department;
- *PW budgeting and personnel data;
- *Possible long term goals;
- *Alternative/supplemental technology for street patching, costs and possible funding methodology;
- *Water capacity issues/concerns;
- *LT2 Update;
- *Baler update; and
- *Refuse/recycling initiatives

In advance, I wish to thank the men and women of the Public Works Department for their diligence and professionalism. They have exceptional challenging jobs and they are truly dedicated to serving the public to the best of their ability. We hope you find these discussions informative, and look forward to your thoughts and guidance.

Most Respectfully,

A handwritten signature in black ink, appearing to be 'JR' or similar, with a long horizontal stroke extending to the right.



UBS Financial Services Inc.

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Anchorage, Alaska 99503

Buck Adams, CFP®, CIMA®, ChFC®
Senior Vice President – Investments
Senior Managed Accounts Consultant
buck.adams@ubs.com
Direct: (907) 261-5944

January 28, 2014

City Council Members and Staff
City of Cordova, Alaska
602 Railroad Avenue
Cordova, Alaska 99574

Dear Council Members and Staff,

Thank you for allowing me to personally attend the council meeting in October. During that trip I had the pleasure of meeting directly with Mr. Robertson and Mr. Stavig. This meeting afforded an excellent opportunity to review Cordova's current investments, as well as recommendations for repositioning the portfolio. The combined risk of a rising interest rate environment, as well as the potential for increased stock market volatility, made it prudent to make adjustments to the investment portfolio. I am pleased to report that in October and November we were able to implement the recommendations. I plan to review the current portfolio plan and positioning in detail during my remarks at the February 5th meeting.

The City of Cordova had a total of **\$14,912,254** (including accrued interest), on deposit with UBS, distributed among six funded accounts as of January 7, 2014. Four of these accounts are under active investment management utilizing the UBS Portfolio Management Program (three within the Permanent Fund portfolio and one in Central Treasury). Both the Permanent Fund and Central Treasury also have an additional account primarily used for cash management purposes.

Through 12/31/2013 the total net return for the consolidated portfolio was +3.61%.

The 2013 total net return for the Permanent Fund was +5.52%.

Central Treasury's 2013 net return was slightly negative at -.32%.

As discussed in prior council meetings, rising interest rates have an adverse effect on existing bond prices. As a point of reference, the Barclay's Aggregate Bond Index was down -2.02% in 2013, while the Barclay's US Aggregate 10 year+ bond index was off -8.62%!

The primary drivers of the overall portfolio performance, a positive 2.09%, in the fourth quarter of 2013 were the equity investments held in the Permanent Fund accounts, as well as the repositioning of the fixed income accounts in both Central Treasury and the Permanent Fund during the last quarter of the year.

The current balance on the Securities Based Lending credit line is \$0 (as of January 28, 2014).

In addition to three year-end performance reports, I have attached a color copy of a spreadsheet, which outlines the combined allocations for the actively managed Permanent Fund and Central Treasury accounts. I plan to review this during the meeting. Also attached is an interesting research piece from Lord Abbett (one of the portfolio's bond managers) which discusses how different areas of the bond market have reacted during periods of rising interest rates in the past. As always, thank you for the opportunity to assist Cordova.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®



Branch office:
3000 "a" Street
Suite 100
Anchorage, AK 995034040

Financial Advisor:
KEYSTONE WEALTH MANAGEMENT
GRO
9072615900

UBS Client Review

as of January 7, 2014

Prepared for

City of Cordova - Total

Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542 ^	• CT	• Business Service Account
UC 03543	• BSA - Cash	• Business Service Account
UC 03544	• Mkt. Linked CD	• Business Service Account
UC 03545 ^	• Tact. Inc. Bldr	• Portfolio Management Program
UC 03546	• Global Income	• Portfolio Management Program
UC 04046	• Quality Income	• Portfolio Management Program
UC 04047 ^	• PF	• Basic Investment Account - Business
UC 05458	• Aurora	• Portfolio Management Program

What's inside

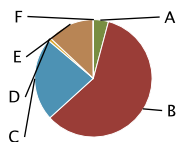
Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	9

Executive summary

as of January 7, 2014

Asset allocation summary

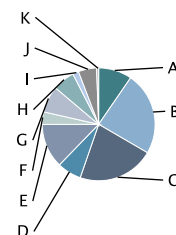
	Value on 01/07/2014 (\$)	% of portfolio
A Cash	619,646.63	4.16
Cash	619,646.63	4.16
B Fixed Income	8,815,024.55	59.11
US	5,007,690.57	33.58
Global	3,781,265.55	25.36
International	26,068.43	0.17
C Equity	3,413,546.69	22.89
US	2,389,343.65	16.02
International	1,024,203.04	6.87
D Commodities	123,846.81	0.83
Commodities	123,846.81	0.83
E Non-Traditional	1,930,637.25	12.95
Non-Traditional	1,930,637.25	12.95
F Other	9,552.11	0.06
Other	9,552.11	0.06
Total Portfolio	\$14,912,254.05	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Equity sector analysis

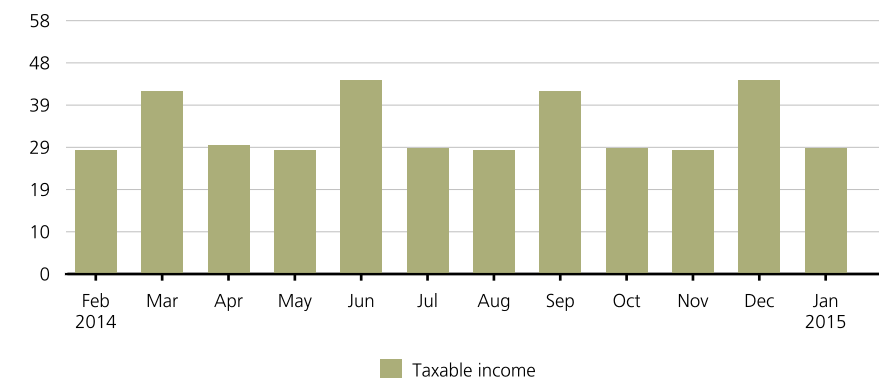
	Value on 01/07/2014 (\$)	% of equity
A Consumer discretionary	326,931.01	9.58
B Energy	812,893.40	23.81
C Finance	748,238.20	21.92
D Health care	236,787.82	6.94
E Industrials	434,206.96	12.72
F Materials	122,391.61	3.59
G Staples	259,667.69	7.61
H Technology	215,389.27	6.31
I Telecommunications	58,449.66	1.71
J Utilities	178,530.48	5.23
K Unclassified securities	20,060.59	0.59
Total equity	\$3,413,546.69	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Expected cash flow

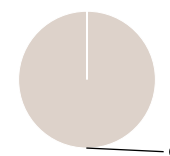
\$ Thousands


Total expected cash flow: \$402,286.09

Cash flows displayed account for known events such as maturities and mandatory puts.

Credit quality of bond holdings

Effective credit rating	Issues	Value on 01/07/2014 (\$)	% of port.
A Aaa/AAA/AAA	0	0.00	0.00
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	1	231,650.00	100.00
Total	1	\$231,650.00	100%

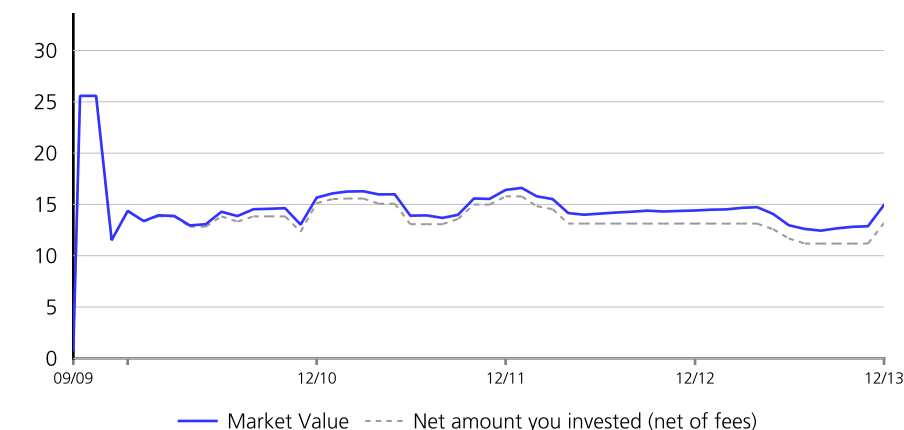


Performance review

as of December 31, 2013

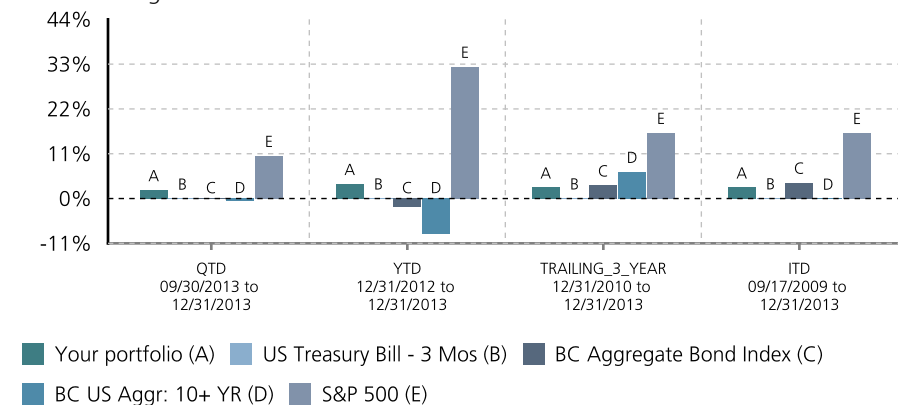
Sources of portfolio value

\$ Millions



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
Opening value	12,659,047.72	14,405,260.91	15,657,354.56	800,000.00
Net deposits/withdrawals	1,974,244.99	-38,224.50	-2,189,341.79	12,076,921.40
Div./interest income	126,907.40	324,494.69	883,586.22	1,168,079.33
Change in accr. interest	-24,816.10	-34,790.99	-35,930.76	0.00
Change in value	213,873.79	292,517.68	633,589.56	904,257.06
Closing value	14,949,257.80	14,949,257.80	14,949,257.80	14,949,257.80
Net Time-weighted ROR	2.09	3.61	2.74	2.75

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
Your portfolio(%)	2.09	3.61	2.74	2.75
US Treasury Bill - 3 Mos	0.01	0.05	0.06	0.08
BC Aggregate Bond Index	-0.14	-2.02	3.26	3.93
BC US Aggr: 10+ YR	-0.54	-8.62	6.58	N/A
S&P 500	10.51	32.39	16.16	16.13

Performance by account

as of December 31, 2013

Summary of performance by account

					Performance returns (annualized > 1 year)			
					QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
UC	Account Description	Performance start date	Value on 12/31/2013 (\$)	% of portfolio				
UC 03542	CT•Business Service Account Risk profile: Conservative Return objective: Current Income	Dec 05, 2013	0.00	0.00%	Net time-weighted	N/A	N/A	N/A
UC 03543	BSA - Cash•Business Service Account Risk profile: Conservative Return objective: Current Income	Sep 17, 2009	1,255,470.36	8.40%	Net time-weighted	-0.08%	-0.05%	0.66%
UC 03544	Mkt. Linked CD•Business Service Account Risk profile: Conservative Return objective: Current Income	Sep 21, 2009	232,861.91	1.56%	Net time-weighted	0.00%	-1.45%	-0.33%
UC 03545	Tact. Inc. Bldr•Portfolio Management Program•Keystone Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 21, 2012	1,847,255.53	12.36%	Net time-weighted	6.45%	23.06%	N/A
UC 03546	Global Income•Portfolio Management Program•Keystone Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 05, 2009	6,766,070.40	45.26%	Net time-weighted	1.47%	0.13%	2.58%
UC 04046	Quality Income•Portfolio Management Program•Keystone Wealth Management Risk profile: Conservative Return objective: Current Income and Capital Appreciation	Feb 08, 2011	3,834,072.86	25.65%	Net time-weighted	0.62%	-0.03%	N/A
UC 04047	PF•Basic Investment Account - Business Risk profile: Moderate Return objective: Capital Appreciation	Dec 05, 2013	0.00	0.00%	Net time-weighted	N/A	N/A	N/A
UC 05458	Aurora•Portfolio Management Program•Keystone Wealth Management Risk profile: Aggressive/Speculative Return objective: Capital Appreciation	Oct 29, 2013	1,013,526.74	6.78%	Net time-weighted	N/A	N/A	N/A
Total Portfolio		Sep 17, 2009	\$14,949,257.80	100%	Net time-weighted	2.09%	3.61%	2.74%
								2.75%

Past performance does not guarantee future results and current performance may be lower/higher than past data presented.

Performance by account - as of December 31, 2013 (continued)

	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
Benchmarks - Annualized time-weighted returns				
US Treasury Bill - 3 Mos	0.01%	0.05%	0.06%	0.08%
BC Aggregate Bond Index	-0.14%	-2.02%	3.26%	3.93%
BC US Aggr: 10+ YR	-0.54%	-8.62%	6.58%	N/A
S&P 500	10.51%	32.39%	16.16%	16.13%

Performance by account - as of December 31, 2013 (continued)

Details of performance by account

Quarter to Date - 09/30/2013 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 03543	255,987.37	999,850.00	633.26	0.00	-1,000.27	1,255,470.36	8.40%	-0.08%
UC 03544	893,438.55	-663,290.32	303.84	0.00	2,409.83	232,861.91	1.56%	0.00%
UC 03545	3,201,948.43	-1,528,586.84	9,420.79	0.00	164,473.15	1,847,255.53	12.36%	6.45%
UC 03546	2,937,257.96	3,744,291.69	70,526.15	-13,270.59	27,265.19	6,766,070.40	45.26%	1.47%
UC 04046	1,344,182.62	2,476,983.58	37,282.92	-6,602.52	-17,773.75	3,834,072.86	25.65%	0.62%
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	6.78%	N/A
Total Portfolio	\$12,659,047.72	\$1,974,244.99	\$126,907.40	\$-24,816.10	\$213,873.79	\$14,949,257.80	100%	2.09%

Year to Date - 12/31/2012 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 03543	255,946.93	999,800.00	723.70	0.00	-1,000.27	1,255,470.36	8.40%	-0.05%
UC 03544	906,581.85	-663,290.32	3,034.70	0.00	-13,464.33	232,861.91	1.56%	-1.45%
UC 03545	2,769,669.54	-1,547,286.58	42,872.77	0.00	581,999.80	1,847,255.53	12.36%	23.06%
UC 03546	2,976,549.55	3,727,436.69	122,959.17	-14,846.14	-46,028.86	6,766,070.40	45.26%	0.13%
UC 04046	2,811,631.61	1,020,179.39	80,919.69	-13,472.49	-65,185.34	3,834,072.86	25.65%	-0.03%
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	6.78%	N/A
Total Portfolio	\$14,405,260.91	\$-38,224.50	\$324,494.69	\$-34,790.99	\$292,517.68	\$14,949,257.80	100%	3.61%

Performance by account - as of December 31, 2013 (continued)

3 Years - 12/31/2010 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%		N/A
UC 03543	3,798,040.98	-2,547,025.06	5,454.71	0.00	-1,000.27	1,255,470.36	8.40%		0.66%
UC 03544	997,294.64	-762,128.70	10,306.43	0.00	-12,610.46	232,861.91	1.56%		-0.33%
UC 03545		1,150,301.64	75,265.41	0.00	621,688.48	1,847,255.53	12.36%		N/A
UC 03546	2,761,056.11	3,676,344.21	275,992.26	-17,465.46	70,143.28	6,766,070.40	45.26%		2.58%
UC 04046		3,602,890.68	181,334.75	-11,035.91	60,883.34	3,834,072.86	25.65%		N/A
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%		N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	6.78%		N/A
Total Portfolio	\$15,657,354.56	\$-2,189,341.79	\$883,586.22	\$-35,930.76	\$633,589.56	\$14,949,257.80	100%		2.74%

Performance by account - as of December 31, 2013 (continued)

Inception to Date - 09/17/2009 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year) Net time- weighted returns
UC 03542 12/05/2013	0.45	-0.45	0.00	0.00	0.00	0.00	0.00%	N/A
UC 03543 09/17/2009	800,000.00	450,120.10	6,350.53	0.00	-1,000.27	1,255,470.36	8.40%	-6.77%
UC 03544 09/21/2009	1,250,948.90	-1,016,342.32	10,865.79	0.00	-12,610.46	232,861.91	1.56%	-3.09%
UC 03545 11/21/2012	2,700,000.00	-1,549,698.36	75,265.41	0.00	621,688.48	1,847,255.53	12.36%	23.36%
UC 03546 11/05/2009	4,494,891.70	1,565,179.32	438,069.88	0.00	267,929.50	6,766,070.40	45.26%	2.85%
UC 04046 02/08/2011	1,665,442.71	1,937,447.97	181,334.75	-11,035.91	60,883.34	3,834,072.86	25.65%	3.23%
UC 04047 12/05/2013	0.75	-0.75	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458 10/29/2013	1,000,000.00	-3,397.26	3,796.38	0.00	13,127.62	1,013,526.74	6.78%	1.35%
Total Portfolio	\$800,000.00	\$12,076,921.40	\$1,168,079.33	\$0.00	\$904,257.06	\$14,949,257.80	100%	2.75%



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a

primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods

greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program

fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and **6/7** show



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of

ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Variable Annuity Asset Allocation: If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

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Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.



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GRO
9072615900

UBS Client Review

as of January 7, 2014

Prepared for

City of Cordova - CT

Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542 ^	• CT	• Business Service Account
UC 03543	• BSA - Cash	• Business Service Account
UC 04046	• Quality Income	• Portfolio Management Program

What's inside

Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	7

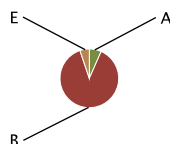
Executive summary

as of January 7, 2014

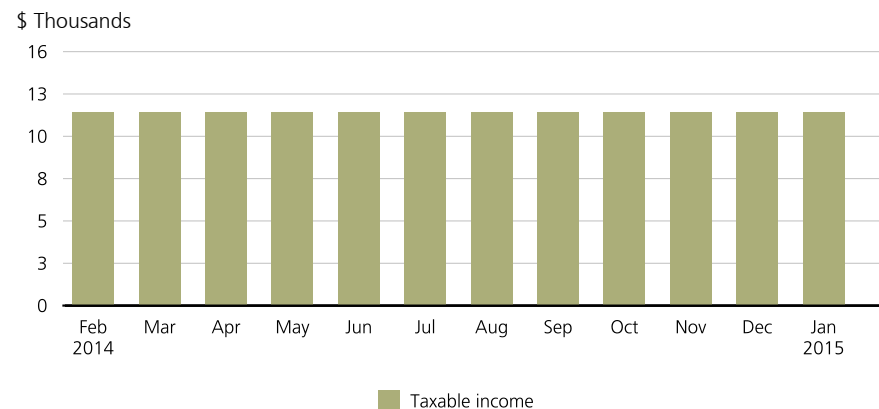
Asset allocation summary

	Value on 01/07/2014 (\$)	% of portfolio
A Cash	336,688.67	6.61
Cash	336,688.67	6.61
B Fixed Income	4,494,639.34	88.21
US	3,025,255.85	59.37
Global	1,469,383.49	28.84
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	263,968.35	5.18
Non-Traditional	263,968.35	5.18
F Other	0.00	0.00
Total Portfolio	\$5,095,296.36	100%

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Expected cash flow



Total expected cash flow: \$142,327.57

Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

Portfolio does not contain applicable holdings - exhibit intentionally left blank.

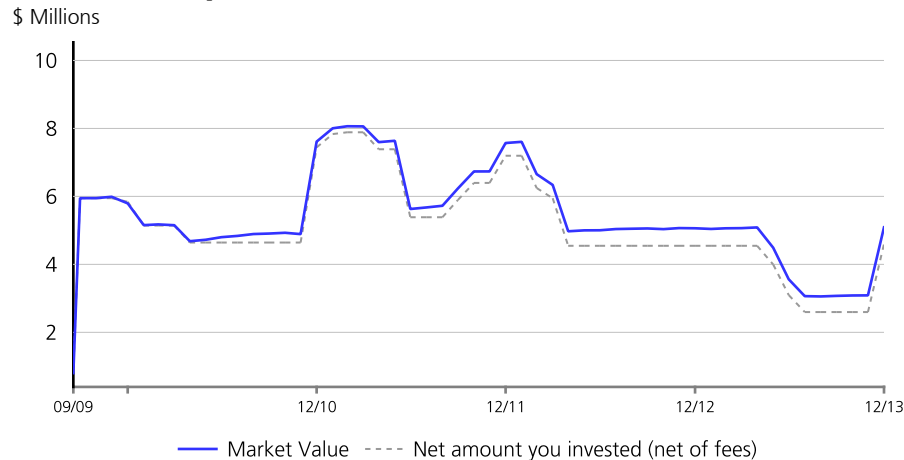
Credit quality of bond holdings

Portfolio does not contain applicable holdings - exhibit intentionally left blank.

Performance review

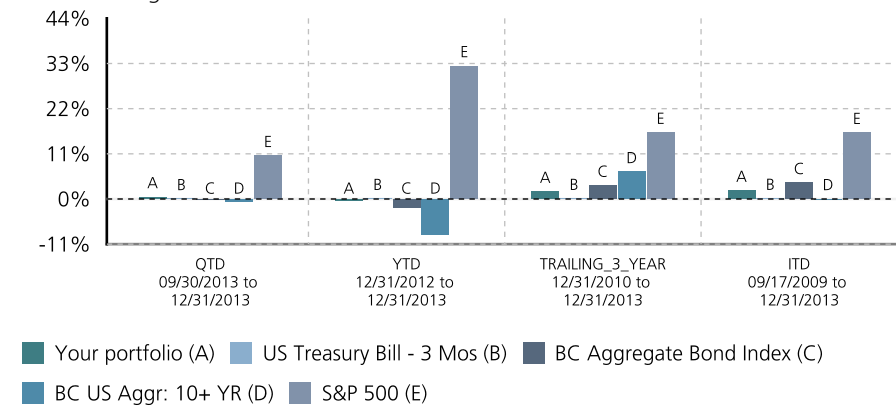
as of December 31, 2013

Sources of portfolio value



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
Opening value	3,072,465.42	5,061,769.65	7,612,402.78	800,000.00
Net deposits/withdrawals	1,996,949.47	34,278.63	-2,898,652.22	3,720,703.57
Div./interest income	38,367.38	100,298.88	296,388.35	405,308.48
Change in accr. interest	-11,545.51	-19,944.84	-18,465.30	0.00
Change in value	-6,693.55	-86,859.10	97,869.61	163,531.16
Closing value	5,089,543.21	5,089,543.21	5,089,543.21	5,089,543.21
Net Time-weighted ROR	0.48	-0.32	1.78	2.02

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/17/2009 to 12/31/2013
Your portfolio(%)	0.48	-0.32	1.78	2.02
US Treasury Bill - 3 Mos	0.01	0.05	0.06	0.08
BC Aggregate Bond Index	-0.14	-2.02	3.26	3.93
BC US Aggr: 10+ YR	-0.54	-8.62	6.58	N/A
S&P 500	10.51	32.39	16.16	16.13

Performance by account

as of December 31, 2013

Summary of performance by account

					Performance returns (annualized > 1 year)			
					QTD	YTD	3 Years	ITD
					09/30/2013 to 12/31/2013	12/31/2012 to 12/31/2013	12/31/2010 to 12/31/2013	09/17/2009 to 12/31/2013
UC 03542	CT•Business Service Account	Performance start date	Value on 12/31/2013 (\$)	% of portfolio				
	Risk profile: Conservative	Dec 05, 2013	0.00	0.00%	Net time-weighted	N/A	N/A	N/A
	Return objective: Current Income							
UC 03543	BSA - Cash•Business Service Account	Sep 17, 2009	1,255,470.36	24.67%	Net time-weighted	-0.08%	-0.05%	0.66%
	Risk profile: Conservative							-6.77%
	Return objective: Current Income							
UC 04046	Quality Income•Portfolio Management Program•Keystone Wealth Management	Feb 08, 2011	3,834,072.86	75.33%	Net time-weighted	0.62%	-0.03%	N/A
	Risk profile: Conservative							3.23%
	Return objective: Current Income and Capital Appreciation							
Total Portfolio		Sep 17, 2009	\$5,089,543.21	100%	Net time-weighted	0.48%	-0.32%	1.78%
								2.02%

					QTD	YTD	3 Years	ITD
					09/30/2013 to 12/31/2013	12/31/2012 to 12/31/2013	12/31/2010 to 12/31/2013	09/17/2009 to 12/31/2013
Benchmarks - Annualized time-weighted returns								
US Treasury Bill - 3 Mos					0.01%	0.05%	0.06%	0.08%
BC Aggregate Bond Index					-0.14%	-2.02%	3.26%	3.93%
BC US Aggr: 10+ YR					-0.54%	-8.62%	6.58%	N/A
S&P 500					10.51%	32.39%	16.16%	16.13%

Performance by account - as of December 31, 2013 (continued)

Details of performance by account

Quarter to Date - 09/30/2013 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 03543	255,987.37	999,850.00	633.26	0.00	-1,000.27	1,255,470.36	24.67%	-0.08%
UC 04046	1,344,182.62	2,476,983.58	37,282.92	-6,602.52	-17,773.75	3,834,072.86	75.33%	0.62%
Total Portfolio	\$3,072,465.42	\$1,996,949.47	\$38,367.38	\$-11,545.51	\$-6,693.55	\$5,089,543.21	100%	0.48%

Year to Date - 12/31/2012 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 03543	255,946.93	999,800.00	723.70	0.00	-1,000.27	1,255,470.36	24.67%	-0.05%
UC 04046	2,811,631.61	1,020,179.39	80,919.69	-13,472.49	-65,185.34	3,834,072.86	75.33%	-0.03%
Total Portfolio	\$5,061,769.65	\$34,278.63	\$100,298.88	\$-19,944.84	\$-86,859.10	\$5,089,543.21	100%	-0.32%

Performance by account - as of December 31, 2013 (continued)

3 Years - 12/31/2010 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	Net time- weighted returns
UC 03542		0.00	0.00	0.00	0.00	0.00	0.00%		N/A
UC 03543	3,798,040.98	-2,547,025.06	5,454.71	0.00	-1,000.27	1,255,470.36	24.67%		0.66%
UC 04046		3,602,890.68	181,334.75	-11,035.91	60,883.34	3,834,072.86	75.33%		N/A
Total Portfolio	\$7,612,402.78	\$-2,898,652.22	\$296,388.35	\$-18,465.30	\$97,869.61	\$5,089,543.21	100%		1.78%

Inception to Date - 09/17/2009 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)	Net time- weighted returns
UC 03542 12/05/2013	0.45	-0.45	0.00	0.00	0.00	0.00	0.00%		N/A
UC 03543 09/17/2009	800,000.00	450,120.10	6,350.53	0.00	-1,000.27	1,255,470.36	24.67%		-6.77%
UC 04046 02/08/2011	1,665,442.71	1,937,447.97	181,334.75	-11,035.91	60,883.34	3,834,072.86	75.33%		3.23%
Total Portfolio	\$800,000.00	\$3,720,703.57	\$405,308.48	\$0.00	\$163,531.16	\$5,089,543.21	100%		2.02%



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a

primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods

greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program

fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and **76** show



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

performance and activity information from the earliest available inception date. The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of

ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Variable Annuity Asset Allocation: If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

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Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.



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Financial Advisor:
KEYSTONE WEALTH MANAGEMENT
GRO
9072615900

UBS Client Review

as of January 7, 2014

Prepared for

City of Cordova - PF

Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03544	• Mkt. Linked CD	• Business Service Account
UC 03545 ^	• Tact. Inc. Bldr	• Portfolio Management Program
UC 03546	• Global Income	• Portfolio Management Program
UC 04047 ^	• PF	• Basic Investment Account - Business
UC 05458	• Aurora	• Portfolio Management Program

What's inside

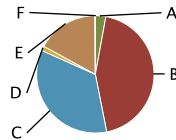
Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	7

Executive summary

as of January 7, 2014

Asset allocation summary

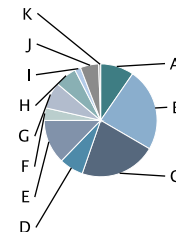
	Value on 01/07/2014 (\$)	% of portfolio
A Cash	282,957.96	2.88
Cash	282,957.96	2.88
B Fixed Income	4,320,385.22	44.01
US	1,982,434.73	20.19
Global	2,311,882.06	23.55
International	26,068.43	0.27
C Equity	3,413,546.69	34.77
US	2,389,343.65	24.34
International	1,024,203.04	10.43
D Commodities	123,846.81	1.26
Commodities	123,846.81	1.26
E Non-Traditional	1,666,668.90	16.98
Non-Traditional	1,666,668.90	16.98
F Other	9,552.11	0.10
Other	9,552.11	0.10
Total Portfolio	\$9,816,957.69	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Equity sector analysis

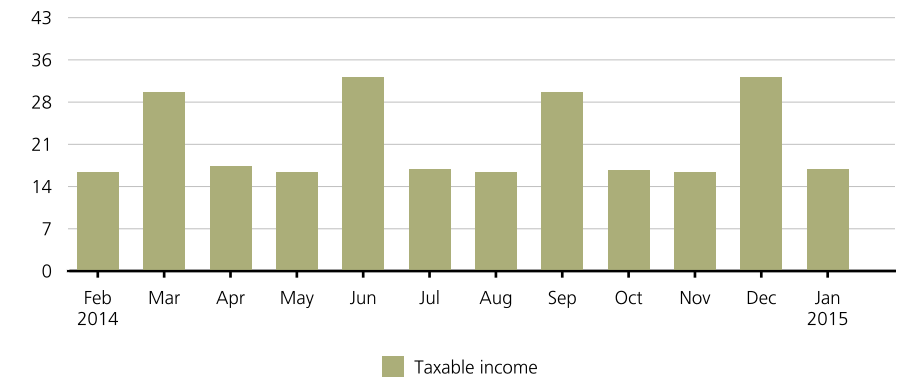
	Value on 01/07/2014 (\$)	% of equity
A Consumer discretionary	326,931.01	9.58
B Energy	812,893.40	23.81
C Finance	748,238.20	21.92
D Health care	236,787.82	6.94
E Industrials	434,206.96	12.72
F Materials	122,391.61	3.59
G Staples	259,667.69	7.61
H Technology	215,389.27	6.31
I Telecommunications	58,449.66	1.71
J Utilities	178,530.48	5.23
K Unclassified securities	20,060.59	0.59
Total equity	\$3,413,546.69	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Expected cash flow

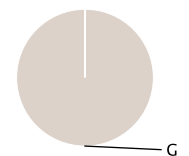
\$ Thousands


Total expected cash flow: \$259,958.52

Cash flows displayed account for known events such as maturities and mandatory puts.

Credit quality of bond holdings

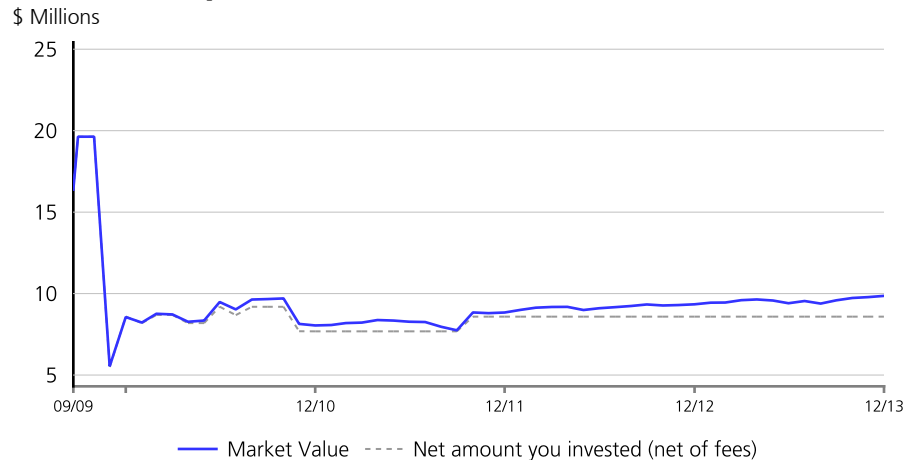
Effective credit rating	Issues	Value on 01/07/2014 (\$)	% of port.
A Aaa/AAA/AAA	0	0.00	0.00
B Aa/AA/AA	0	0.00	0.00
C A/A/A	0	0.00	0.00
D Baa/BBB/BBB	0	0.00	0.00
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	1	231,650.00	100.00
Total	1	\$231,650.00	100%



Performance review

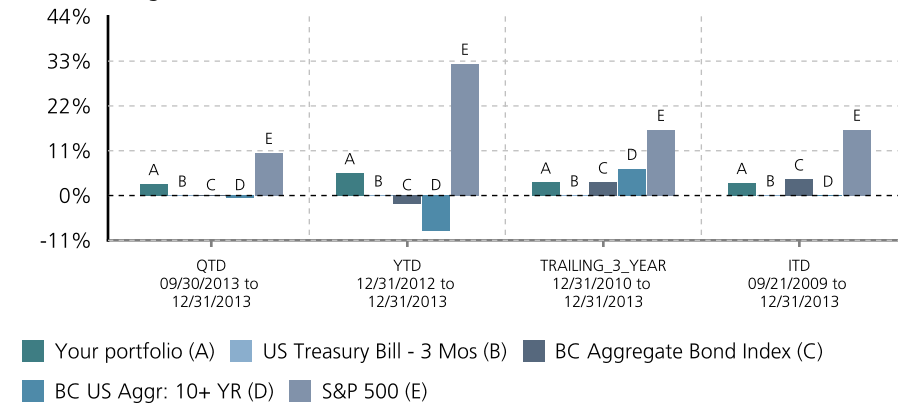
as of December 31, 2013

Sources of portfolio value



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/21/2009 to 12/31/2013
Opening value	9,586,582.29	9,343,491.25	8,044,951.78	16,384,107.34
Net deposits/withdrawals	-22,704.48	-72,503.13	709,310.43	-8,027,889.51
Div./interest income	88,540.02	224,195.81	587,197.87	762,770.85
Change in accr. interest	-13,270.59	-14,846.14	-17,465.46	0.00
Change in value	220,567.34	379,376.79	535,719.96	740,725.90
Closing value	9,859,714.58	9,859,714.58	9,859,714.58	9,859,714.58
Net Time-weighted ROR	2.85	5.52	3.22	3.12

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	QTD 09/30/2013 to 12/31/2013	YTD 12/31/2012 to 12/31/2013	3 Years 12/31/2010 to 12/31/2013	ITD 09/21/2009 to 12/31/2013
Your portfolio(%)	2.85	5.52	3.22	3.12
US Treasury Bill - 3 Mos	0.01	0.05	0.06	0.08
BC Aggregate Bond Index	-0.14	-2.02	3.26	4.01
BC US Aggr: 10+ YR	-0.54	-8.62	6.58	N/A
S&P 500	10.51	32.39	16.16	16.19

Performance by account

as of December 31, 2013

Summary of performance by account

						Performance returns (annualized > 1 year)			
						QTD	YTD	3 Years	ITD
						09/30/2013 to 12/31/2013	12/31/2012 to 12/31/2013	12/31/2010 to 12/31/2013	09/21/2009 to 12/31/2013
Performance start date	Value on 12/31/2013 (\$)	% of portfolio							
UC 03544 Mkt. Linked CD•Business Service Account Risk profile: Conservative Return objective: Current Income	Sep 21, 2009	232,861.91	2.36%	Net time-weighted		0.00%	-1.45%	-0.33%	-3.09%
UC 03545 Tact. Inc. Bldr•Portfolio Management Program•Keystone Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 21, 2012	1,847,255.53	18.74%	Net time-weighted		6.45%	23.06%	N/A	23.36%
UC 03546 Global Income•Portfolio Management Program•Keystone Wealth Management Risk profile: Moderate Return objective: Capital Appreciation	Nov 05, 2009	6,766,070.40	68.62%	Net time-weighted		1.47%	0.13%	2.58%	2.85%
UC 04047 PF•Basic Investment Account - Business Risk profile: Moderate Return objective: Capital Appreciation	Dec 05, 2013	0.00	0.00%	Net time-weighted		N/A	N/A	N/A	N/A
UC 05458 Aurora•Portfolio Management Program•Keystone Wealth Management Risk profile: Aggressive/Speculative Return objective: Capital Appreciation	Oct 29, 2013	1,013,526.74	10.28%	Net time-weighted		N/A	N/A	N/A	1.35%
Total Portfolio	Sep 21, 2009	\$9,859,714.58	100%	Net time-weighted		2.85%	5.52%	3.22%	3.12%

	QTD	YTD	3 Years	ITD
	09/30/2013 to 12/31/2013	12/31/2012 to 12/31/2013	12/31/2010 to 12/31/2013	09/21/2009 to 12/31/2013
Benchmarks - Annualized time-weighted returns				
US Treasury Bill - 3 Mos	0.01%	0.05%	0.06%	0.08%
BC Aggregate Bond Index	-0.14%	-2.02%	3.26%	4.01%
BC US Aggr: 10+ YR	-0.54%	-8.62%	6.58%	N/A
S&P 500	10.51%	32.39%	16.16%	16.19%

Performance by account - as of December 31, 2013 (continued)

Details of performance by account

Quarter to Date - 09/30/2013 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03544	893,438.55	-663,290.32	303.84	0.00	2,409.83	232,861.91	2.36%	0.00%
UC 03545	3,201,948.43	-1,528,586.84	9,420.79	0.00	164,473.15	1,847,255.53	18.74%	6.45%
UC 03546	2,937,257.96	3,744,291.69	70,526.15	-13,270.59	27,265.19	6,766,070.40	68.62%	1.47%
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	10.28%	N/A
Total Portfolio	\$9,586,582.29	\$-22,704.48	\$88,540.02	\$-13,270.59	\$220,567.34	\$9,859,714.58	100%	2.85%

Year to Date - 12/31/2012 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year)
								Net time- weighted returns
UC 03544	906,581.85	-663,290.32	3,034.70	0.00	-13,464.33	232,861.91	2.36%	-1.45%
UC 03545	2,769,669.54	-1,547,286.58	42,872.77	0.00	581,999.80	1,847,255.53	18.74%	23.06%
UC 03546	2,976,549.55	3,727,436.69	122,959.17	-14,846.14	-46,028.86	6,766,070.40	68.62%	0.13%
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	10.28%	N/A
Total Portfolio	\$9,343,491.25	\$-72,503.13	\$224,195.81	\$-14,846.14	\$379,376.79	\$9,859,714.58	100%	5.52%

Performance by account - as of December 31, 2013 (continued)

3 Years - 12/31/2010 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year) Net time- weighted returns
UC 03544	997,294.64	-762,128.70	10,306.43	0.00	-12,610.46	232,861.91	2.36%	-0.33%
UC 03545		1,150,301.64	75,265.41	0.00	621,688.48	1,847,255.53	18.74%	N/A
UC 03546	2,761,056.11	3,676,344.21	275,992.26	-17,465.46	70,143.28	6,766,070.40	68.62%	2.58%
UC 04047		0.00	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458		996,602.74	3,796.38	0.00	13,127.62	1,013,526.74	10.28%	N/A
Total Portfolio	\$8,044,951.78	\$709,310.43	\$587,197.87	\$-17,465.46	\$535,719.96	\$9,859,714.58	100%	3.22%

Inception to Date - 09/21/2009 to 12/31/2013

	Opening portfolio value (\$)	Net deposits and withdrawals (\$)	Dividend and interest income (\$)	Change in accrued interest (\$)	Change in value (\$)	Closing portfolio value (\$)	% of portfolio	Performance returns (annualized > 1 year) Net time- weighted returns
UC 03544 09/21/2009	1,250,948.90	-1,016,342.32	10,865.79	0.00	-12,610.46	232,861.91	2.36%	-3.09%
UC 03545 11/21/2012	2,700,000.00	-1,549,698.36	75,265.41	0.00	621,688.48	1,847,255.53	18.74%	23.36%
UC 03546 11/05/2009	4,494,891.70	1,565,179.32	438,069.88	0.00	267,929.50	6,766,070.40	68.62%	2.85%
UC 04047 12/05/2013	0.75	-0.75	0.00	0.00	0.00	0.00	0.00%	N/A
UC 05458 10/29/2013	1,000,000.00	-3,397.26	3,796.38	0.00	13,127.62	1,013,526.74	10.28%	1.35%
Total Portfolio	\$16,384,107.34	\$-8,027,889.51	\$762,770.85	\$0.00	\$740,725.90	\$9,859,714.58	100%	3.12%



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS FS accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provides detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a

primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. For consolidated reports, the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/ Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

Annualized Performance: All performance periods

greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program

fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS FS price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Change in Accrued Interest: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS FS. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS FS recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and **85** show



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Account Performance: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Portfolio: For purposes of this report "portfolio" is defined as all of the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS FS or elsewhere.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated. Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of

ownership. Such deposits are not guaranteed by UBS FS. More information is available upon request.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS FS based on data supplied by the fund which may not be current. Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Equity Style: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Equity Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Variable Annuity Asset Allocation: If the option to unbundle a variable annuity is selected and if a variable annuity's holdings data is available, variable annuities will be classified by the asset class, subclass, and style breakdown for their underlying holdings. Where a variable annuity contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the variable annuity to those sectors measured as a percentage of the total variable annuity's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a weekly basis to UBS FS based on data supplied by the variable annuity which may not be current. Portfolio holdings of variable annuities change on a regular (often daily) basis. Accordingly, any analysis that includes



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

variable annuities may not accurately reflect the current composition of these variable annuities. If a variable annuity's underlying holding data is not available, it will remain classified as an annuity. All data is as of the date indicated in the report.

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Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change any investment restrictions on your account.

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

Keystone Wealth Management: Consolidated Liquid Portfolio Strategies

Tactical Income Builder		
Global Dividend Growth		Tactical Global Overlay
Aflac	Northeast Utilities	US Large Cap Value(FVD)
Air Products and Chemi.	Occidental Petroleum	
Boeing	Stanley Black & Decker	US Large Cap Growth ... (FTC) ...
Coca-Cola	Raytheon	
Colgate - Palmolive	United Parcel Service	Canada (EWC)
Emerson Electric	United Technologies	
CSX	VF Corp	Developed Europe(VGK)
Clorox	Yum Brands	
Illinois Tool Works	British American Tobacco	Japan... (EWJ)
Intel	Diageo	
Johnson & Johnson	Novartis	Asia Ex. Japan ... (EPP)
Medtronic Inc.	Pearson	
NextEra Energy	Sanofi-Aventis	US Mid Cap(FNX)
Nordstrom	Unilever	
US Mid Cap Dividend (DON)		US Small Cap(FYX)
US Small Cap Dividend (DES)		Emerging Asia(GMF)
Emerging Markets Dividend (DEM)		Emerging Eastern Europe (ESR)
		Emerging Latin America (GML)
* Data is as 01/17/2014.		

Aurora		
<div><div>Newfound Research / Keystone Market Radar</div><div></div></div>		
<div>Equities</div> <div>SPLV - S&P 500 Low Volatility SPHB - S&P 500 High Beta SCHA - US Small Cao SCHM - US Mid Cap PFF - US Preferreds MLPN - Master Limited Partnerships VNQ - US Real Estate VNQI - Intl. Real Estate VGK - Dev. Europe EWC - Canada EPP - Japan IPFF - Intl. Preferreds IGF - Global Infrastructure</div>	<div>Commodities</div> <div>JJS - Softs DBB - Base Metals UNG - Natural Gas DBP - Precious Metals DBO - Oil JJG - Grains NIB - Cocoa COW - Livestock</div>	<div>Fixed-Income</div> <div>UDN - Bearish US Dollar FLOT - Floating Rate SHY - S/T US Treasury TLT - 20 Yr US Treasury VCSH - S/T US Corporates VCLT - L/T US Corporates GHYG - Global High Yield VMBS - Mortgage Backs SCHP - US TIPS WIP - Intl. TIPS BWZ - Intl. S/T Treasuries BWX - Intl. Treasuries EMLC - Emerging Market Debt</div>

Global Dynamic Income	
Core Bond	
Style	Current Manager
Core Mutli-Sector	Delaware Diversified Income
Global Sovereign	Templeton Global Bond
Government Obligations	Eaton Vance
Mortgage Backs	JP Morgan
Investment Grade	Loomis Sayles
Global High Income	AllianceBern. High Income
S/T High Yield	Wells Fargo S/T High Yield
Floating Rate	Lord Abbet Floating Rate
Strategic Income	
Style	Current Manager
Strategic Opportunities	JP Morgan Strategic Opps.
Strategic Income	Goldman Sachs Strat Income
Global L/S Credit	BlackRock Global Credit L/S
Equity Income	
Style	Current Manager
Master Limited Partnerships	CenterCoast MLP Fund
Global Real Estate High Income	Invesco Global Real Estate Income Fund
Alternatives	
Style	Current Manager
Managed Futures (Multi-Manager)	Altegris Managed Futures
Managed Futures (Single Manager)	Natixis ASG Managed Futures

Using proprietary algorithms, the Radar chart measures the Relative Strength (RS) between all securities in the Aurora strategy on a scale of 0-100%. The higher the RS score the better. Assets are grouped and colored by type to help visualize momentum.

A Year of Rising Rates

June 30, 2012 - June 30, 2013

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Investors should carefully consider the investment objectives, risks, charges, and expenses of the Lord Abbett Funds. This and other important information is contained in the fund's summary prospectus and/or prospectus. To obtain a prospectus or summary prospectus on any Lord Abbett mutual fund, contact your investment professional, Lord Abbett Distributor LLC at 888-522-2388, or visit us at www.lordabbett.com. Read the prospectus carefully before investing.



Important Information

The information in this presentation is only for illustrative purposes and is intended to provide general investment education and is not intended to provide legal, tax or investment advice. It is not intended to be relied upon as a forecast or research regarding a particular investment or the markets in general, nor is it intended to predict or depict performance of any investment or serve as a recommendation or offer to buy or sell securities. Indexes are unmanaged, do not reflect the deduction of fees or exposures, and are not available for direct investment.

Treasuries are debt securities issued by the U.S. government and secured by its full faith and credit. Income from Treasuries is exempt from state and local taxes.

Treasury Inflation Protected Securities (TIPS) are treasury securities that are indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed.

A Few Words About Risk

Taxable Fixed-Income – The value of an investment in fixed-income securities will change as interest rates fluctuate and in response to market movements. As interest rates fall, the prices of debt securities tend to rise. As rates rise, prices tend to fall. High-yield securities, sometimes called junk bonds, carry increased risks of price volatility, illiquidity, and the possibility of default in the timely payment of interest and principal. Longer-term debt securities are usually more sensitive to interest rates; the longer the maturity of a security, the greater the effect a change in interest rates is likely to have on its price. Moreover, the specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Convertible securities have both equity and fixed-income risk characteristics. Like all fixed-income securities, the value of convertible securities is susceptible to the risk of market losses attributable to changes in interest rates. Generally, the market value of convertible securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline.

Asset Allocation – The Lord Abbett Diversified Income Strategy Fund invests in underlying funds that may engage in a variety of investment strategies involving certain risks; this fund of funds may be subject to those particular risks of the underlying funds in proportion to which the Fund invests in them. Performance may be lower than the performance of the asset class that it was selected to represent.

International – Investing in international securities generally poses greater risk than investing in domestic securities, including greater price fluctuations and higher transaction costs. Special risks are inherent to international investing, including those related to currency fluctuations and foreign, political, and economic events. The securities markets of emerging countries tend to be less liquid, especially subject to greater price volatility, have a smaller market capitalization, have less government regulation and may not be subject to as extensive and frequent accounting, financial and other reporting requirements as securities issued in more developed countries. Further, investing in the securities of issuers located in certain emerging countries may present a greater risk of loss resulting from problems in security registration and custody or substantial economic or political disruptions. Foreign currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by supply and demand in the foreign exchange markets and relative merits of investments in different countries, actual or perceived changes in interest rates, and other complex factors. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by U.S. or foreign governments or central banks, or by currency controls or political developments.

Derivatives may involve certain costs and risks such as liquidity, market and counterparty risks, and the risk that a position could not be closed when most advantageous. Investing in derivatives could cause a Fund to lose more than the amount invested.

Equity – The value of investments in equity securities will fluctuate in response to general economic conditions and to changes in the prospects of particular companies and/or sectors in the economy.



Negative Treasury Returns When Yields Rose +100bps

Seven Periods of Greater Than 100 bps Rise in 10 Year Treasury Yield (Month-End)*
(06/30/1993 - 06/30/2013)



Although Treasury yields have been on a downward trend over the past few decades, there have been several periods of rising rates in the Treasury bond market.

Source: Bloomberg, Morningstar. Bps represents a basis point. One basis point equals 0.01%. Yield as represented by the Bloomberg Generic 10-Year United States Government Note. Returns as represented by the Citi Treasury Benchmark 10-Year Index. *Rise of 100bps must have occurred within a 16 month time period.

Past performance is no guarantee of future results. Performance during other time periods may have been different or negative. Other indexes may not have performed in the same manner under similar conditions. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

Yield to Maturity (YTM) - The rate of return anticipated on a bond if it is held until the maturity date. YTM is considered a long-term bond yield expressed as an annual rate.



Credit Historically Has Done Well When Treasury Yields Rise

Index Returns During the Seven Periods of Treasury Yield Rising Greater Than 100bps

Period	Short-Term Corporates ¹	High Yield Bonds ²	Floating Rate Loans ³	Convertible Bonds ⁴	S&P 500 ⁵
09/30/1993 – 11/30/1994	2.4%	1.4%	13.4%	-3.2%	2.2%
01/31/1996 – 08/31/1996	1.7%	3.1%	4.8%	5.4%	3.9%
09/30/1998 – 01/31/2000	5.6%	4.9%	6.6%	58.7%	39.4%
06/30/2005 – 06/30/2006	2.3%	4.7%	6.7%	9.4%	8.6%
12/31/2008 – 12/31/2009	21.3%	57.5%	44.9%	49.1%	26.5%
08/31/2010 – 03/31/2011	2.3%	10.3%	7.4%	19.2%	27.8%
07/31/2012 – 06/30/2013	2.5%	7.5%	6.6%	17.9%	19.0%

During periods of sharply rising Treasury yields, credit sensitive sectors of the bond market, such as High Yield Bonds, Floating Rate Loans, and Convertible Bonds, historically have done well.

¹BofA Merrill Lynch 1-3 Year BBB-Rated Corporate Bond Index

³Credit Suisse Leveraged Loan Index

²BofA Merrill Lynch High Yield Master II Constrained Index

⁴BofA Merrill Lynch All Convertible All Qualities Index

⁵S&P500 Index

Source: Morningstar.

Past performance is no guarantee of future results. Performance during other time periods may have been different or negative. Other indexes may not have performed in the same manner under similar conditions. Indexes are unmanaged, do not reflect the deduction of fees and expenses, and are not available for direct investment.

For illustrative purposes only and does not represent the performance of any Lord Abbett mutual fund or any particular investment.



The Rise in Interest Rates Over the Last Year

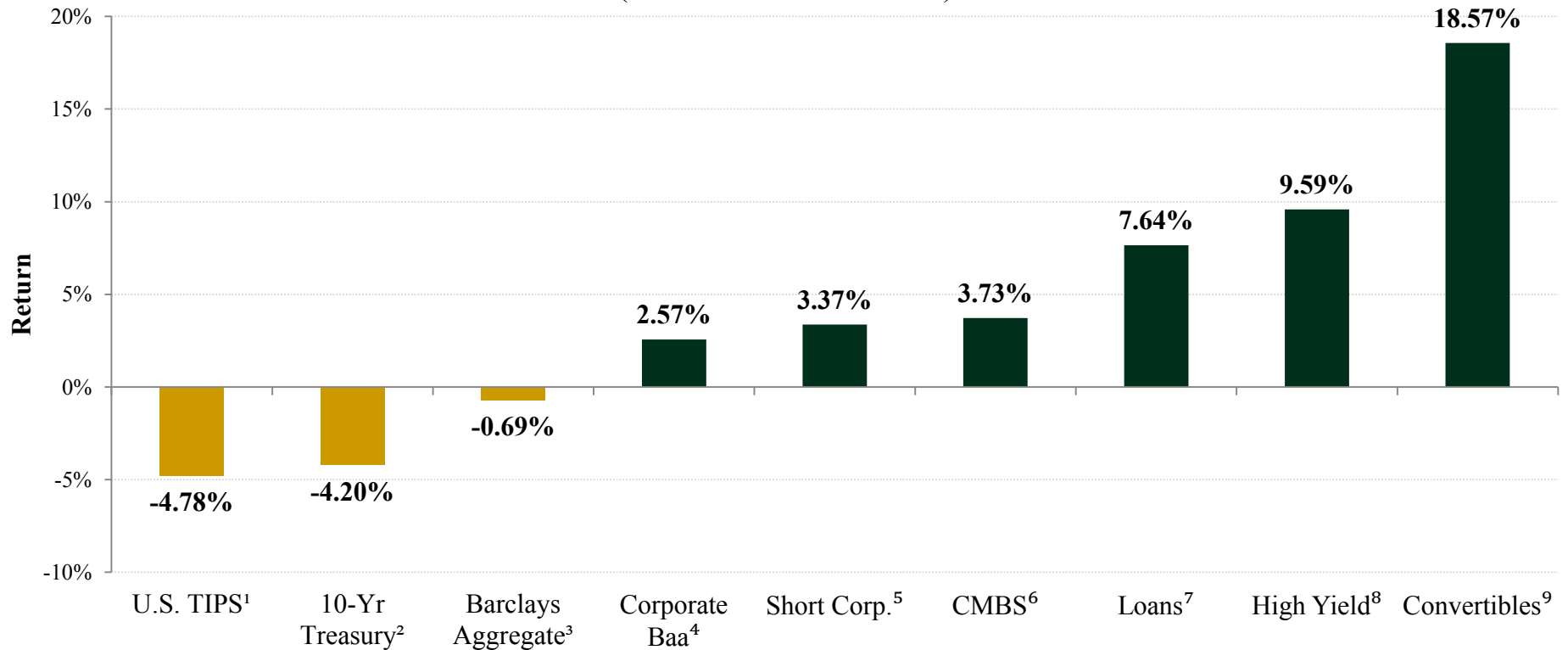
10-Year Treasury Yield (Daily)
(06/30/2012 - 06/30/2013)



Source: Bloomberg. Represented by the Bloomberg Generic 10-Year United States Government Note.
For illustrative purposes only and does not represent the performance of any Lord Abbett mutual fund and any particular investment.
Past performance is no guarantee of future results.

Credit Outperformed As Treasury Yields Rose

Index Performance During the Last Year of Rising Rates (06/30/2012 - 06/30/2013)



¹ Barclays U.S. TIPS Index

⁴ Barclays U.S. Corp Baa Index

⁷ Credit Suisse Leveraged Loan Index

² BofA ML 10-Year U.S. Treasury Index

⁵ BofAML U.S. Corporate BBB 1-3 Year Index

⁸ Credit Suisse High Yield Index

³ Barclays U.S. Aggregate Bond Index

⁶ Barclays Commercial Mortgage-Backed Securities (CMBS) Investment Grade Index

⁹ BofAML All Convertible All Qualities Index



Source: Bloomberg, BofA Merrill Lynch, Barclays, Credit Suisse, and Morningstar.

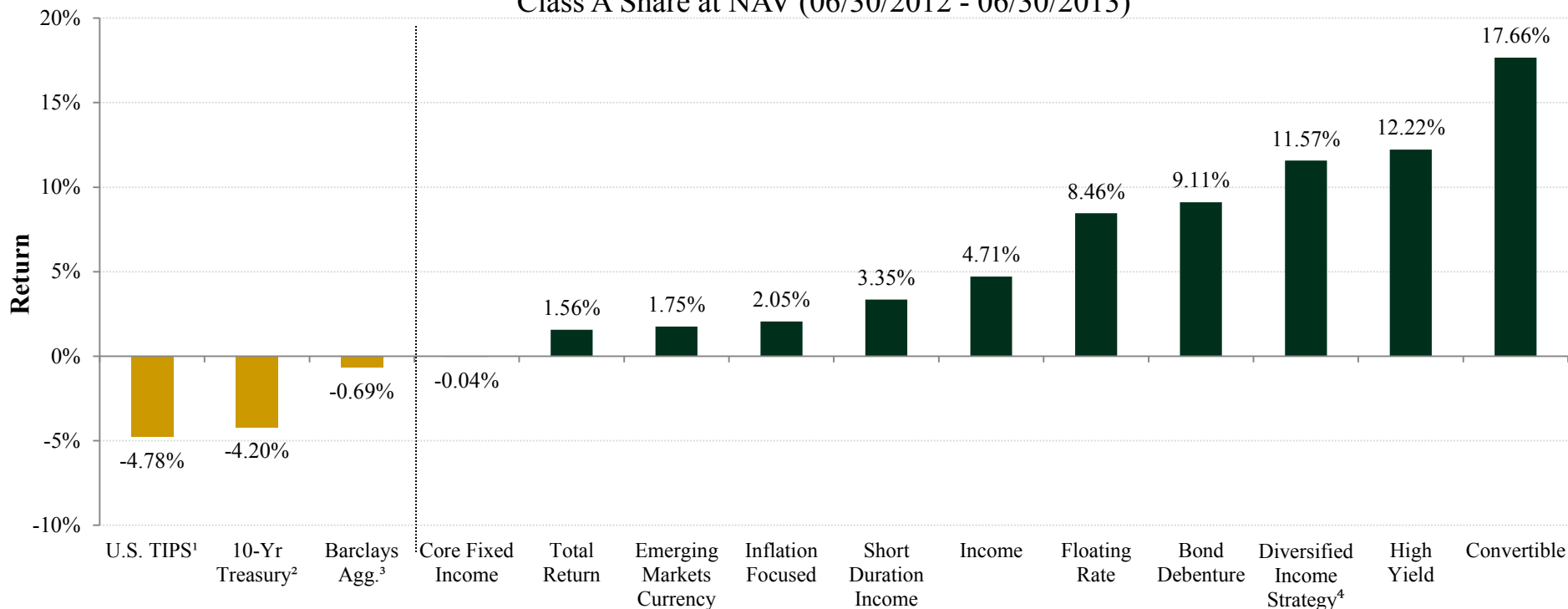
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For illustrative purposes only and does not represent the performance of any Lord Abbett mutual fund or any particular investment.

Lord Abbett Taxable Fixed Income Funds Performed Well

Fund Performance During the Period of Rising Rates

Class A Share at NAV (06/30/2012 - 06/30/2013)



¹ Barclays U.S. TIPS Index

² BofA ML 10-Year U.S. Treasury Index

³ Barclays U.S. Aggregate Bond Index

⁴ This is a fund of funds with an equity allocation range of 15%-25%.

Index data sourced from Morningstar. Indexes are unmanaged, do not reflect the deduction of fees or expenses, and are not available for direct investment. Performance during other time periods may have been different or negative. Other indexes may not have performed in the same manner under similar conditions.

The performance quoted represents past performance, which is no indication of future results. Current performance may be higher or lower than the performance data quoted. Returns are shown at net asset value with all distributions reinvested. If a sales charge had been deducted, the results would have been lower. The investment return and principal value of an investment will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than the original cost. Therefore, there can be no assurance of future results. To obtain performance data current to the most recent month-end, please visit our website at www.lordabbett.com.

96

Instances of high double digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

Please note that the chart above illustrates each Lord Abbett taxable fixed income fund available during this time period.



Average Annual Total Returns of Lord Abbett Funds

Taxable Fixed Income – Class A Share (as of 09/30/2013)				Average Annual Total Returns (%)								Expense Ratio	
Fund Name	Morningstar Category	Max. Sales Charge	Symbol		YTD	1-YR	3-YR	5-YR	10-YR	Since Inception	Inception Date		(%)
Bond Debenture	Multisector Bond	4.75%	LBNDX	NAV	4.32	6.75	8.25	10.47	7.27	8.78	04/01/1971	Gross	0.96
				MOP	-0.68	1.71	6.52	9.40	6.75	8.66		Net	0.96
Convertible	Convertibles	2.25%	LACFX	NAV	18.43	20.93	9.24	9.88	6.32	6.37	06/30/2003	Gross	1.13
				MOP	15.73	18.16	8.42	9.37	6.09	6.13		Net	1.06
Core Fixed Income	Intermediate-Term Bond	2.25%	LCRAX	NAV	-2.38	-1.82	3.11	6.20	4.68	5.72	08/31/2000	Gross	0.86
				MOP	-4.59	-4.01	2.34	5.72	4.44	5.54		Net	0.86
Diversified Income Strategy	Conservative Allocation	5.75%	ISFAX	NAV	7.03	10.25	8.29	10.13	-	6.20	06/30/2005	Gross	1.15
				MOP	0.85	3.88	6.18	8.84	-	5.44		Net	0.97
Emerging Markets Currency¹	Multicurrency	2.25%	LDMAX	NAV	-3.54	-2.16	0.25	2.33	3.18	5.34	09/30/1988	Gross	1.01
				MOP	-5.68	-4.34	-0.51	1.87	2.94	5.25		Net	1.01
Floating Rate	Bank Loan	2.25%	LFRAX	NAV	4.13	5.98	6.07	6.51	-	4.80	12/31/2007	Gross	0.81
				MOP	1.75	3.55	5.28	6.03	-	4.39		Net	0.81
High Yield	High Yield Bond	2.25%	LHYAX	NAV	5.48	9.29	9.44	12.95	8.27	7.17	12/31/1998	Gross	0.96
				MOP	3.12	6.85	8.59	12.45	8.03	7.01		Net	0.96
Income²	Intermediate-Term Bond	2.25%	LAGVX	NAV	-1.81	0.39	5.43	9.91	5.96	8.26	09/19/1932	Gross	0.87
				MOP	-4.05	-1.88	4.60	9.46	5.72	8.18		Net	0.78
Inflation Focused	Inflation-Protected Bond	2.25%	LIFAX	NAV	-1.90	0.12	-	-	-	1.65	04/29/2011	Gross	0.76
				MOP	-4.09	-2.14	-	-	-	0.68		Net	0.75
Short Duration Income³	Short-Term Bond	2.25%	LALDX	NAV	0.81	2.01	3.62	6.32	4.35	4.64	11/04/1993	Gross	0.59
				MOP	-1.52	-0.36	2.82	5.82	4.13	4.52		Net	0.59
Total Return	Intermediate-Term Bond	2.25%	LTRAX	NAV	-1.86	-0.84	3.90	7.08	5.10	6.05	08/31/2000	Gross	0.86
				MOP	-4.08	-3.05	3.12	6.59	4.86	5.87		Net	0.86

NAV indicates returns at Net Asset Value without the application of a sales charge. MOP indicates returns at Max Offering Price with maximum sales charges applied.

The performance quoted represents past performance, which is no indication of future results. Current performance may be higher or lower than the performance data quoted. The investment return and principal value of an investment will fluctuate so that shares, on any given day or when redeemed, may be worth more or less than the original cost. Therefore, there can be no assurance of future results. To obtain performance data current to the most recent month-end, please visit our website at www.lordabbett.com. See the Endnotes and Important Information for Fund expenses, risks, and other information.

Returns of Class A shares at net asset value have all distributions reinvested. If a sales charge had been deducted, the results would have been lower. MOP returns reflect the deduction of the maximum sales charge indicated in the chart above and include the reinvestment of all distributions. Returns shown at less than a year reflect aggregate total returns.



Endnotes

Performance Notes:

¹ The historical performance shown for periods prior to July 1, 2007, reflects the June 29, 2007, performance of the Fund prior to its change in investment strategy. Therefore, the performance of the Fund for periods prior to June 29, 2007, is not representative of Fund's current investment strategy. The change in investment approach may affect the Fund's performance in the future.

² Since inception performance is calculated from 1/1/1982, when the Fund changed its investment strategy. On 12/14/2007, the Fund adopted its current investment strategy.

³ Effective December 14, 2007 the Fund transitioned its investment approach from a limited duration U.S. government and government sponsored enterprises strategy to a short duration fixed-income strategy. The historical performance shown of the Fund prior to December 14, 2007 reflects periods when the Fund pursued its previous investment strategy.

Instances of high double digit returns were achieved primarily during favorable market conditions and may not be sustainable over time.

Class A Shares purchased subject to a front-end sales charge have no contingent deferred sales charge (CDSC). However, certain purchases of Class A shares made without a front-end sales charge may be subject to a CDSC of 1% if the shares are redeemed before the first day of the month in which the one year anniversary of the purchase falls. The CDSC is not reflected in the performance with maximum sales charge. If the CDSC was included, performance would be lower. Please see the prospectus for more details.

Expense Ratio Details:

Convertible Fund: The net expense ratio takes into account a contractual management fee waiver/expense reimbursement agreement that currently is scheduled to remain in place through 03/31/2014. For periods when gross expenses exceeded the cap, the Fund benefitted by not bearing certain expenses. Without such cap, performance would have been lower.

Income Fund: The net expense ratio takes into account a contractual management fee waiver/expense reimbursement agreement that is currently scheduled to remain in place through 03/31/2014. For periods when gross expenses exceeded the cap, the Fund benefitted by not bearing certain expenses. Without such cap, performance would have been lower.

Inflation Focused Fund: The net expense ratio takes into account a contractual management fee waiver/expense reimbursement agreement that is currently scheduled to remain in place through 03/31/2014. For periods when gross expenses exceeded the cap, the Fund benefitted by not bearing certain expenses. Without such cap, performance would have been lower.

Diversified Income Strategy Fund: The net expense ratio takes into account a contractual management fee waiver agreement through March 31, 2014. For periods when the waiver was in place, the Fund benefitted by not bearing these expenses. Without such fee waiver, performance would have been lower.



Glossary

Barclays U.S. TIPS Index – The Barclays U.S. Treasury Inflation Protected Securities (TIPS) Index (also known as Barclays U.S. Inflation-Linked Treasury Index) is an unmanaged index comprised of U.S. Treasury Inflation Protected Securities with at least \$1 billion in outstanding face value and a remaining term to final maturity of at least 1 year and less than 5 years.

BofA ML 10-Year U.S. Treasury Index - The BofA Merrill Lynch Current 10-Year U.S. Treasury Index is a subset of the BofA Merrill Lynch US Treasury and Agency Index including all securities with a remaining term to final maturity of 10 years.

Barclays U.S. Aggregate Bond Index - The Barclays U.S. Aggregate Bond Index is an unmanaged index composed of securities from the Barclays Government/Corporate Bond Index, Mortgage-Backed Securities Index and the Asset-Backed Securities Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are rebalanced monthly by market capitalization.

Barclays U.S. Corp Baa Index -The Barclays U.S. Baa Bond Index is a subset of the Barclays Aggregate Bond Index, which includes only corporate bonds with a rating of Baa1, Baa2, or Baa3.

BofA ML U.S. Corporate BBB 1-3Year Index The BofA Merrill Lynch 1-3 year U.S. Corporate Index is an unmanaged index comprised of U.S. dollar denominated investment grade corporate debt securities publicly issued in the U.S. domestic market with between one and three year remaining to final maturity.

Barclays CMBS Investment Grade Index - The Barclays CMBS Investment Grade Index is a subset of the Barclays CMBS Index, a broad-based index that has been designed to measure the performance of the commercial mortgage-backed securities (CMBS) market. The CMBS Investment Grade Index measures return for investment grade commercial mortgage-backed securities only.

Credit Suisse Leveraged Loan Index - The Credit Suisse Leveraged Loan Index is designed to mirror the investable universe of the U.S. dollar-denominated leveraged loan market. The CS Leveraged Loan Index is an unmanaged, trader-priced index that tracks leveraged loans. The CS Leveraged Loan Index, which includes reinvested dividends, has been taken from published sources.

Credit Suisse High Yield Index The Credit Suisse High Yield Index is an unmanaged, trader-priced index constructed to mirror the characteristics of the high-yield market. The index includes issues rated BB and below by S&P or Moody's, with par amounts greater than \$75 million.

BofA ML All Convertibles All Qualities Index - The BofA Merrill Lynch All Convertibles All Qualities Index contains issues that have a greater than \$50 million aggregate market value. The issues are U.S. dollar-denominated, sold into the U.S. market and publicly traded in the United States.

BofA Merrill Lynch High Yield Master II Constrained Index - The BofA Merrill Lynch High Yield Master II Constrained Index is a market value-weighted index of all domestic and Yankee high-yield bonds, including deferred interest bonds and payment-in-kind securities. Issues included in the index have maturities of one year or more and have a credit rating lower than BB-/Baa3, but are not in default. The BofA Merrill Lynch U.S. High Yield Master II Constrained Index limits any individual issuer to a maximum of 2% benchmark exposure.

S&P 500 ® Index - The S&P 500® Index is widely regarded as the standard for measuring large cap U.S. stock market performance and includes a representative sample of leading companies in leading industries.

Citi Treasury Benchmark 10 year Index - The Citigroup 10 Year Treasury Bond Index is a broad measure of the performance of the medium-term U.S. Treasury securities.

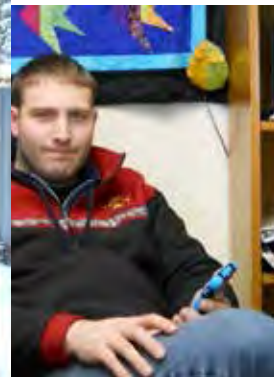
City of Cordova Public Works Overview 2014

The Public Works Department

- Departmental Composition
 - Public Works Director (Josh Hallquist)
 - § Assistant Public Works Director (Sam Greenwood)
 - Planning and Zoning (Sam Greenwood)
 - Streets and storm drainage (Bill Howard)
 - Sewer and Water (Malvin Fajardo)
 - Refuse (Brandon Dahl)
 - Facility Maintenance/Projects (Josh Hallquist)
- Budget FY14
 - Operational Budget \$3.615 Million
 - Capital/Grant Project Budget \$1.351 Million
- 2014 Priorities and Goals
 - Bring the city water system into compliance with the federal LT2 mandate by September 2016.
 - Address water rights and capacity issues and incorporate into LT2 project to the greatest extent possible.
 - § If possible work power generation into water capacity solution with CEC.
 - Develop and implement a comprehensive roads maintenance program including paving, chip seal, and patching.
 - Develop and implement a storm water system improvement program to address problem areas where storm water is being introduced into the waste water system due to lack of a storm drain system.
 - Work to make the three PW enterprise funds self-sustaining thru increases to efficiency and clearly identifying/communicating equipment and facility needs
 - Complete Cordova Center Phase I and begin Phase II (pending funding)
 - Complete and implement city wide addressing system
 - Complete comprehensive plan update
 - Work to reduce sewer system I&I
 - Update city Building, sewer, water, and storm system permitting
 - Provide City Council with complete and timely information necessary to make informed decisions and be aware of PW direction.
- 2014 Projects
 - Safe Routes To school Project
 - CCMC Pneumatic Control System
 - CCMC CT Scanner
 - CRWS Snow management study
 - Baler piping upgrade
 - Baler shell project
 - Mt Eccles Emergency Generator Installation
 - Mt Eccles covered play area
 - Cordova Center

- LT2
- Verbal Updates for 2-19-14 Regular Meeting
 - LT2, Water capacity, and water rights update
 - Waste water plant update (available loan)
 - Mt Eccles Covered Play Area update
 - SRTS update
 - CCMC Pneumatic Control System update
 - Baler project update RFP 01-14
 - MT Eccles Emergency Generator RFP 03-14
- Refuse Department presentation
 - 5-year Solid Waste Management presentation.
- Streets Presentation
 - 2014 Streets program
 - Chip seal plan
 - Ray-Tech Infrared Combination Reclaimer 7 Pavement Heater

City of Cordova Solid Waste Management Plan 2014-2019



Solid Waste Department

The Solid Waste Department is made up of 5 employees. The facilities consist of the baler/transfer site and the EVOS building located at Whitshed road, the active landfill at 17 mile and two closed landfills. The Solid Waste Department also operates multiple pieces of heavy equipment and vehicles.

The Solid Waste team is responsible for all residential and commercial trash and recycling pick up and processing. Recyclables are baled and sold, solid waste is landfilled, and household hazardous waste is processed for shipping or made safe to be landfilled. They are responsible to meet all of ADEC regulations for both the landfill and the baler while determining the most efficient use of the cell space.

Overall Goals of Solid Waste

The Solid Waste Department has not had a staff driven plan in many years, the current staff has decided to develop and implement a 5 year plan. All section's goals will move the department to reach the overarching goals of the Solid Waste Department. They have estimated time frames for the objectives and tasks, these time frames maybe shorter or longer but the department understands that this is a living document and timeframes may need to be adjusted as we move forward. This document will be reviewed at a minimum annually and as objectives are accomplished, the document will be updated. We are excited to have a starting point and start moving towards our long term goals.

These overarching goals of the Solid Waste Department are:

1. Reduce amount of trash and debris that enters the landfill
2. Provide a safe and clean working environment
3. Reduce cost of doing business
4. Provide excellent customer service in all aspects of the solid waste department
5. Increase recycling participation
6. Develop a sustainable financial & depreciation plan to help us achieve our goals and become more efficient
7. Provide cross training and SOPs for all duties

Commercial Solid Waste Goals

The commercial aspect of the solid waste department consist of dumpsters and a small number of garbage can pickups. Commercial trash doubles in the summer from 110 dumpster pickups in the winter with as many as 220 in the summer. Currently a small percentage of commercial customers participate in recycling by delivering their recyclables to designated drop off locations.

The goals for the Commercial aspect are:

1. All dumpsters will be bear proof by 2019
2. All dumpsters will be maintained and upgraded as necessary
3. Increase the commercial participation in the recycle program.

Bear Proof Dumpsters 2014-2019

Fifteen bear proof dumpster lids were purchased in 2013. The harbor and a few other locations have received dumpsters equipped with bear lids. We will be working with ADF&G to place the remaining bear proof dumpsters in areas with high bear interaction. We do not plan to purchase any addition bear proof lids in 2014 due to budget constraints but they will be included in the 2015 budget. Approximately 75 bear proof dumpsters remain to be purchased.

Bear Proof dumpster at Harbor.



Maintenance and Upgrades of Dumpsters 2014-2019

An inventory of all dumpsters and their conditions will be done. From this, a lifecycle/maintenance schedule will be developed and adopted into the annual work schedule and budget. This work will be completed and implemented in 2014. Schedules and maintenance procedures will be developed as SOPs. This lifecycle/maintenance schedule will ensure that dumpsters are in safe working condition for the public and the staff. It will also help to reduce the number of unbudgeted dumpster replacements or repairs during the year.

Dumpster painted by local artist.



Increase the participation in the Recycle Program 2015-2019

Currently only a small percentage of businesses participate in the recycle program. The refuse department will work to develop partnerships with local business to increase the participation. The variety of businesses and the recyclables produced by them will require logistical planning.

Residential Goals

The residential aspect of the solid waste department consist of two types of services curb/roadside pickups and self-serve, meaning either the resident delivers the trash to the baler or there is a dumpster for that neighborhood. The curbside/roadside pickup currently requires 5 runs per week. The number of residential trash customers fluctuates with the seasons. In the winter there is an average of 625 curbside/roadside and 110 self-serve customers. In the summer months the number of curbside/roadside increases to an average of 710 and self-serve is 120.

The current process for residential curbside trash pickup is all bags are removed from trash containers and bags of trash are thrown into the flat bed. The capacity of the flatbed truck is limited so during daily routes multiple trips back to the baler are sometimes needed to dump trash before the route can be completed. While recycling has increased the number of bags there has not been a need for additional trips to the baler. The solid waste department estimates the participation in the curbside recycle program to be approximately 30% of residents.

When trash is brought back to the baler, recyclables are pulled out and sorted, and the trashed is baled and collected until there is a load to take to the landfill.

The goals for the Residential aspect are:

1. Automate residential trash and recycle pick up
2. Automate recycle separation
3. Increase efficiency of work flows
4. Increase recycle participation

Automate Residential Trash and Recycle Pickup and Sorting

Automation will save time, labor and improve working conditions for employees. The Solid Waste Department goals are to have an automated arm, specialized trash cans and an automated recycle separator by 2019. Making all of these changes or a portion of the changes will reduce the amount of labor and time required to pick up residential trash and recyclables.

Multiple steps will be required to achieve the goals listed above. Each step will lessen the amount of time needed to pick up trash and provide employees with safer and better working conditions. The Solid Waste Department will begin this year implementing the 'Cans to Curb Campaign', the compactor truck and analyzing current routes. These three steps will greatly reduce the amount of time needed to pick up residential trash. Other steps such as new equipment will require researching grant opportunities and determining budget capabilities. See attached time line for 2014 implementation of 'Cans to Curb Campaign', the compactor truck, current route analysis and estimated time saving. Below is an outline of the steps and a description.

Bring the Can to the Curb Campaign- February 2014

Currently not all residents bring their trash cans to the road or curb on their scheduled pick up day. A large amount of time is spent by the crews retrieving and/or checking cans for trash that are not at the curb.

By not retrieving cans that are not at the curb an estimated average time saving of an hour per route per day is estimated. Eventually this time saver combined with the compactor truck will allow the department to reduce the number of days needed to pick up residential trash.

Starting in late February and into March a PR campaign will begin to introduce the idea of bringing the cans to the curb or roadside. This will include flyers (See Appendix A flyers) that will be placed in everyone's bill, advertised on GCI scanner, newspaper, city webpage and Facebook. As of March 24th if the cans are not at the curb or roadside it will be assumed that the resident has no trash for that week and will be passed by. If the cans were forgotten residents may drop trash at the baler at no charge. Special consideration will be given to the elderly and special needs residents in town.

Compactor Truck February 2014

A compactor truck is due to arrive in mid to late February, this will also reduce the amount of time per day per route by eliminating runs back to the baler to empty trash. By using this truck it is estimated that an average of ½ hour per route per day can be saved.

There will be an experimental period where crews test the truck's capacity and how it handles recycled materials before the pickup schedules can be adjusted. With these two objectives in place, it is believed that all residential pickup will be done in 4 days and potentially in less time during those 4 days. Implementing the 'Cans to Curb' and operating the new compactor truck will allow the refuse department to move towards overarching goals of cost savings, providing better working conditions, and improving and expanding the current service at the baler facility.

Specialized Cans 2015

In 2015 the solid waste department will research and budget purchasing one specialized trash can per residence compatible with the automated tipper that will be on the new compactor truck. Currently the crews take every trash bag out of the trash cans individually and throw the bags into the flat bed, cans may have 3 or more trash bags per can. This takes time and increases crew's risk to back injuries and other types of injuries. The specialized 65 gallon cans would replace two normal sized cans on average. The step of removing the bags from the cans would be eliminated. The truck can pull up next to the cans, the cans would be placed on the pedestal of the arm and the arm would automatically lift and dump the trash into the truck. While this is not a fully automated system since the employee has to place the can on the arm platform it is a step in that direction. Cans that are purchased will be compatible with an automated arm and will allow the crew to test the feasibility of a completely automated arm. The new compactor truck can be retro fitted with an automated arm in the future.

Automated Trash Pickup FY 2015-16

The final step in reducing cost, saving time and making the residential trash pickup efficient is to purchase and retro fit a totally automatic arm that will be operated from inside the truck. Drivers could pull up beside the cans that were purchased in 2015, maneuver the truck to pick up the can and dump the cans into the compactor truck without getting out of the truck, reducing time, personnel and handling of the trash by employees.

Increase Recycle Participation 2014-2019

Currently about 30% of residents participate by recycling at the curb. Paper and cardboard are the top recycled product, followed by glass and plastic, and then aluminum.

Education 2014-2019

Providing education, exposure and making it easier for the resident to recycle will increase the participation. The Solid Waste Department is working with local citizens and city staff to promote and educate people about the recycle programs. They are developing publications, tips and ideas for storing recyclables in homes, types of items that are allowed to be recycled, and advertising other drop off locations.

Gabions 2014-2019

The plastic and glass that is currently being recycled is being crushed and baled. The bales weigh approximately 1500 lbs. The bales of plastic and glass are being used as the center of the Gabions are surround by rock. (See pictures). Alaska Department of Environment and Conservation (ADEC) has approved the use of the gabions at the baler and the landfill, where they will be used to line the outside of the landfill and as a retaining wall. The staff is working with (ADEC) on determining if the gabions can be used by the public outside of the baler/landfill facilities. If permission is received from ADEC staff will pursue engineering testing and ratings for the gabions.

At the current rate of collection of glass and plastic, the need for gabions at the baler and the landfill would be meet in approximately 15 years. This provides adequate time to explore the uses of gabions further, and to research other options for glass and plastic recycling.

Picture of plastic in gabion and completed gabion.



Researching other Recycling Opportunities 2014-2019

The Solid Waste staff will continue to research other recycling opportunities and techniques to reduce the amount of trash and debris entering the landfill.

Automate Recycle Separation 2016- 2019

As commercial and residential participation in recycling increases the ultimate goal is to purchase an automated separator. This piece of equipment would be located in the baler facility and would separate and bale the recyclables. Bales could then be placed into the storage areas. This would allow customers to place all recyclables in one receptacle, further increasing participation. It would also eliminate manual sorting by staff and reduce the cost of recycling improving profitability of the recycle program. This is a long term goal requiring detail planning to occur prior to it becoming a reality.

Landfill Goals

The goals for landfill are:

1. Declassify to class 3 landfill
2. Develop a new landfill operations plan and SOPs that better reflect the current landfill operations.
3. Explore alternative uses for materials that are traditionally landfilled.

Declassify to Class 3 Landfill 2014

The city landfill is currently classified as a type 2 landfill. We are required to deposit annually \$50,000 to be used for closure of the landfill. Staff has been researching and compiling data to approach DEC to become a class 3 landfill. The rules for closing the landfill as a class 3 are not as stringent as the current requirements. A portion of the money that has been set aside will still be needed to close the landfill as a class 3 although the cost should be less.

Operations Plan and SOPS 2014

The current landfill operations plan required by DEC is outdated and does not reflect the current operations at the landfill. Staff needs to spend time updating and developing an efficient plan to meet DEC requirements. Training, organizing and SOPs need to be put in place so that crews have a clear understanding of the plan and what needs to be done to implement it.

Research and Explore Reducing Landfill Material

Staff will continue to research and explore alternative uses, recycling options, and other methods to reduce traditionally landfilled materials and debris.

Facilities

The goals for facilities are:

1. Maintain and continue to improve all facilities.
2. Provide safer, cleaner and healthier working environments

Repair of the Baler Building 2014

To address the disrepair of the Baler facility, the City has pursued renovating the baler facility with loans and grants. We will soon see progress made from these efforts. The Baler building shell and drains are currently out for RFP with renovation schedule to be completed by June 2014. The Baler building interior renovations are expected to be completed by September 2014 - pending funding.

EVOS Building

This a concrete building used to house and process hazard waste. The building is spilt in two areas, the harbor uses one side to decant water out of the waste oil. The other half houses the household hazard waste. Staff is currently revamping the household waste program to make it more efficient and safe. The waste is process for shipment or disposal. This process is currently underway and will completed in 2014.

Landfill Building

The current building is a 2 bay metal building. A generator provides electric to run tools and lights and equipment is stored inside the building.

Develop Regular Maintenance Schedules for the Facilities 2014-2019

In 2014 focus will be on the renovations of the baler building. During the next 5 years all buildings maintenance schedules and plans will be developed for all buildings.

Financial

The financial goals for are:

1. To produce a financial plan and objectives for the implementation of the 5 year plan.
2. Develop depreciation schedule that reflect current equipment conditions
3. To make operational revenue equal operational expense

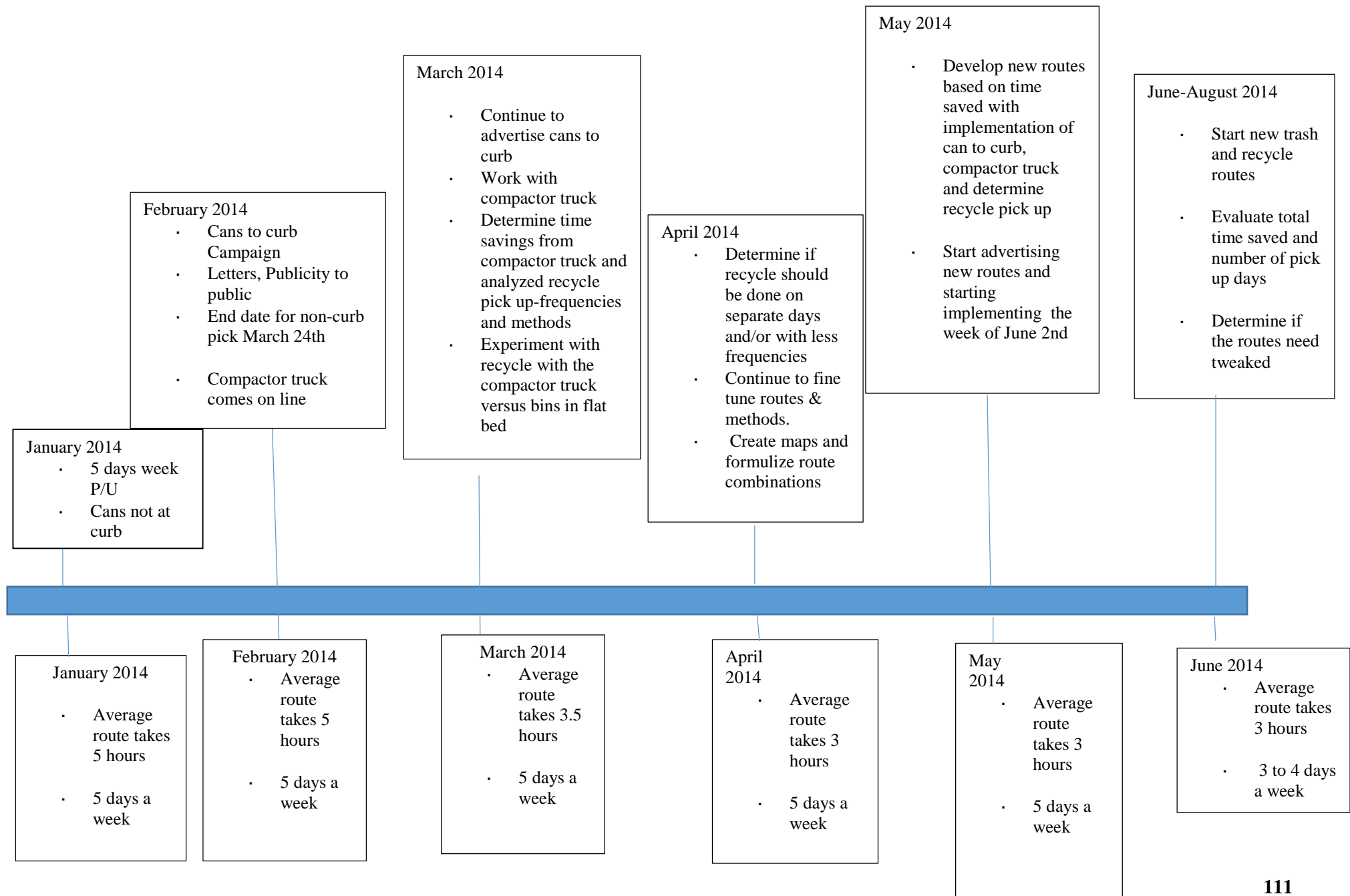
Budgets, Depreciation and Equipment

Prior to the 2015 budget workshops, staff will work towards planning and developing a budget that encompasses 2015 while considering the goals of the next 5 years.

Equipment Needs and Depreciation 2014-2015

The equipment used by the Solid Waste Department is aging and needs to be upgraded. Replacement and maintenance of these assets have been deferred in the past. While every effort is now made to keep these assets running at top performance, we are in desperate need of new equipment. Staff will evaluate the needs and the current amount being deposited into the deprecation fund to determine if it is realistic for replacement. If it is not realistic, a plan will be developed that is.

Implementation of New and Improved Residential Trash Pick UP



Dear Cordova Citizen

Let's Talk Trash! The City is asking all residents to place their trash can at curb or roadside on their pick-up day. When a can is placed at the curb the crew knows that trash needs to be picked up and also decreases the amount of time required to do the route.



What does helping the refuse crew by bringing your cans to the curb/roadside do for YOU? It will reduce the amount of time on routes and enable the crews to provide better service at the Baler facility, improve and fully implement recycling efforts and offer possible expansion of the current service provided by the refuse department. Prioritize chip seal plan



If you do not already do so, please begin to bring trash cans to the curb/road edge. Beginning March 24th, 2014 trash cans not placed curbside will be passed by and not emptied. Thanks for your support and help with this effort. We look forward to providing you the best service possible.

WE NEED YOUR HELP

Streets Department Manhour Evaluation											
	# OF MEN	Work Days	Hours Per Day	Total Hours	Sick Days	Hours Per Day	Total Sick hours	Vacation Days	Hours Per Day	Total Vacation Hours	Total hours available
Streets Superinten	1	260	8	2080	14	8	112	30	8	240	1728
Operators	4	260	8	8320	14	8	448	21	8	672	7200
Mechanics	2	260	8	4160	14	8	224	14	8	224	3712
				14560							12640

Schedule of 2014 Work										
Activities	Location	Description of Activity	days	# of people	Hours per day	Total Hours	Equipment rental	Budgeted/funding	Ordered	Type
Storm Drainage Projects										
Finish Upper Council	council to ski hill drainage	Alley to Cheshire catchments and culverts	10	2	8	160	Yes- excavator with hammer	Streets Maintenance	Purchased 2013	Drainage Project
Railroad Avenue	puddle below Adams ROW	Place culvert through Thomas Property to drain low spot on Railroad Ave	4	2	8	64	no	Streets Maintenance	Purchased 2013	Drainage Project
7th Street	capture Coast Guard housing water	Two catchments and culvert	3	2	8	48	no	Streets Maintenance	Purchased 2013	Drainage Project
Drainage at AML	corner of Sorrel and Sweetbrier	place catchment and culvert	2	2	8	32	no	Streets Maintenance	Purchased 2013	Drainage Project
Cedar Street		Culvert	3	2	8	48	no	Streets Maintenance	Purchased 2013	Drainage Project
Spruce Street		placing catchment	3	2	8	48	no	Streets Maintenance	Purchased 2013	Drainage Project
Prince William Marina	state	3 catchment and culvert	5	2	8	80	no	Streets Maintenance	Purchased 2013	Drainage Project
8th Street		developing plan	3	2	8	48	no	Streets Maintenance	Purchased 2013	Drainage Project
Highland Drive		clean and reroute ditches, place culvert	5	2	8	80	no	Streets Maintenance	Purchased 2013	Drainage Project
Eccles Estates		clean the ditch	2	2	8	32	no	Streets Maintenance	Purchased 2013	Drainage Project
Second Street drainage	address the lack of storm drains	drainage plan and implement drainage improvements where	10	4	8	320	no	Streets Maintenance /CIP	No	Drainage Project
Annual, weekly, daily Activities										
Street Painting	City wide	Crosswalks, curbs, schools, harbor handicap, parking	21	2	8	336	no	Streets Maintenance	N/A	Maintenance
Snow Removal Nov, 15 thru March,	City wide	General Snow Clearing and sanding	72	4	8	2304	no	Snow Removal	N/A	Maintenance
Signs	city wide	repair, maintain and replace	24	1	8	192	no	Streets Maintenance	N/A	Maintenance
Right of way maintenance	city wide	brush cutting and debris clean up-through year	30	2	8	480	no	Streets Maintenance	N/A	Maintenance
Spring Street sweeping	City Wide	Initial Cleaning in spring	15	2	8	240	sweeper	Streets Maintenance	N/A	Maintenance
Spring Street washing & Hosing	City Wide	Initial Cleaning in spring	14	2	8	224	no	Streets Maintenance	N/A	Maintenance
Spring Drain Cleaning	City Wide	Initial Cleaning in spring	14	2	8	224	no	Streets Maintenance	N/A	Maintenance
Filling pot holes	city wide	filling potholes-year around summer 2xweek, winter 2 days month	60	2	8	960	New Ray-Tech Patching	Streets Maintenance	Pending City Council Approval	Maintenance
Weekly Street sweeping	City Wide	regular street sweeping - 2 days a week for summer (Approximately May 15 -	25	1	8	200	no	Streets Maintenance	N/A	Maintenance
Weekly Grading	City wide	regular graded roads - 2 days a week for summer (Approximately May 15 -	25	1	8	200	no	Streets Maintenance	N/A	Maintenance
Weekly Drain Cleaning	City Wide	as needed estimating once a month for summer	4	2	8	64	no	Streets Maintenance	N/A	Maintenance
Burn Pile Daily	New England Cannery Road	Clean and push back debris /haul ash	52	2	4	416	no	Streets Maintenance	N/A	Maintenance
Grading and finishing	Baler	finishing leveling gravel area	2	2	8	32	no	Streets Maintenance	N/A	Maintenance
Grave preparation	City Cemetery	maintenance & grave precreation	6	2	8	96	no	Cemetery Maintenance	N/A	Community Service
Daily Maintenance of Vehicles & Equipment	shop	cleaning and checking of vehicles and equipment daily	260	4	0.5	520	no	Streets Maintenance	N/A	Maintenance
Assisting other Departments	City Wide	Estimating number of days - 6 days a month	30	2	8	480	Project Dependent	Streets Maintenance	N/A	Emergency
Maintain City Fleet	Equipment Shop	Maintance of All city equipment and vehicles	260	2	8	4160	no	Equipment Maintenance	N/A	Maintenance
Beatification Projects										
Lower Adams ROW	by Pool	Grade, build stairs, replace/fix guard rails /plant roses	10	2	8	160	no	no	no	Beatification Project
Snow dump behind library	behind museum/library	Line back dirt bank with gabions	15	4	8	480	Excavator/Crane	no	no	Beatification Project
reluctant Snow dump area	corner of Council and railroad	Cleanup after snow melt, trash can, bench maybe	2	2	8	32	no	no	no	Beatification Project
Trusses Area	Area below trusses fence,	never underneath and potentially put container; inside fence; fence perimeter of trusses	4	2	8	64	no	no	no	Beatification Project
Chip Seal Maintenance										
Tank #1	prep, placement and clean up	Chip seal	10	4	8	320	no	Council to Approve funding level	Order by 5-15-14	Maintenance
Tank #2	prep, placement and clean up	Chip seal	10	4	8	320	no	Council to Approve funding level	Order by 5-15-14	Maintenance
Tank #3	prep, placement and clean up	Chip seal	10	4	8	320	no	Council to Approve funding level	Order by 5-15-14	Maintenance
Tank #4	prep, placement and clean up	Chip seal	10	4	8	320	no	Council to Approve funding level	Order by 5-15-14	Maintenance
Total Man Hours Planned						14104				
Total Man Hours Available						12640				

Prioritize chip seal plan

Location	Feet	1 pass	2 passes	3 passes	4 passes	5 passes	Total	Running total	Pass is defined as a lane width
								18000	Total Feet in a tank
*Upper Council	530					2650	2650	15350	
*3rd Street	290					1450	1450	13900	
Upper Davis	500		1000				1000	12900	
Railroad F&G to North to CR Hwy	1990		3980				3980	8920	
Sorrell	825		1650				1650	7270	Cost of one tank \$25,000
Jim Poor	1500		3000				3000	4270	
Ski hill Mews to Ski hill parking	1900		3800				3800	470	
								18000	
6 & 7 and Adams	900		1800				1800	16200	
8th	300		600				600	15600	
Birch	400		800				800	14800	
Spruce	450		900				900	13900	
Center Drive	1200		2400				2400	11500	Cost of two tanks \$50,000
Whiskey Ridge	2000		4000				4000	7500	
Orca Inlet	950		1900				1900	5600	
Saddle Point	2100		4200				4200	1400	
PW Marina	850	850					850	550	
								18000	
Kimmick Way	750		1500				1500	16500	
Mt Eccles Estates	650		1300				1300	15200	
4.5 Mile	650	650					650	14550	Cost of three tanks \$75,000
Olsen Street 6 mile	600		1200				1200	13350	
BlackSheep Drive	700	700					700	12650	
Behind High School	2500		5000				5000	7650	
Railroad ROW	1005		2010				2010	5640	
5th	400		800				800	4840	
Observation	250		500				500	4340	
Water Street	650		1300				1300	3040	
Power Plant Road	650		1300				1300	1740	
2nd Council to Browning	450		900				900	840	
								18000	
Harbor Loop	1405							18000	
Eyak Drive 6.5	3100		2810				2810	15190	Cost of four tanks \$100,000
Highland	650		6200				6200	8990	
			1300				1300	7690	

Roads by priority that could be chip sealed
with One Tank of Oil



North
Fill

Ski Hill

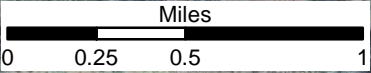
South
Fill

4.5 Mile

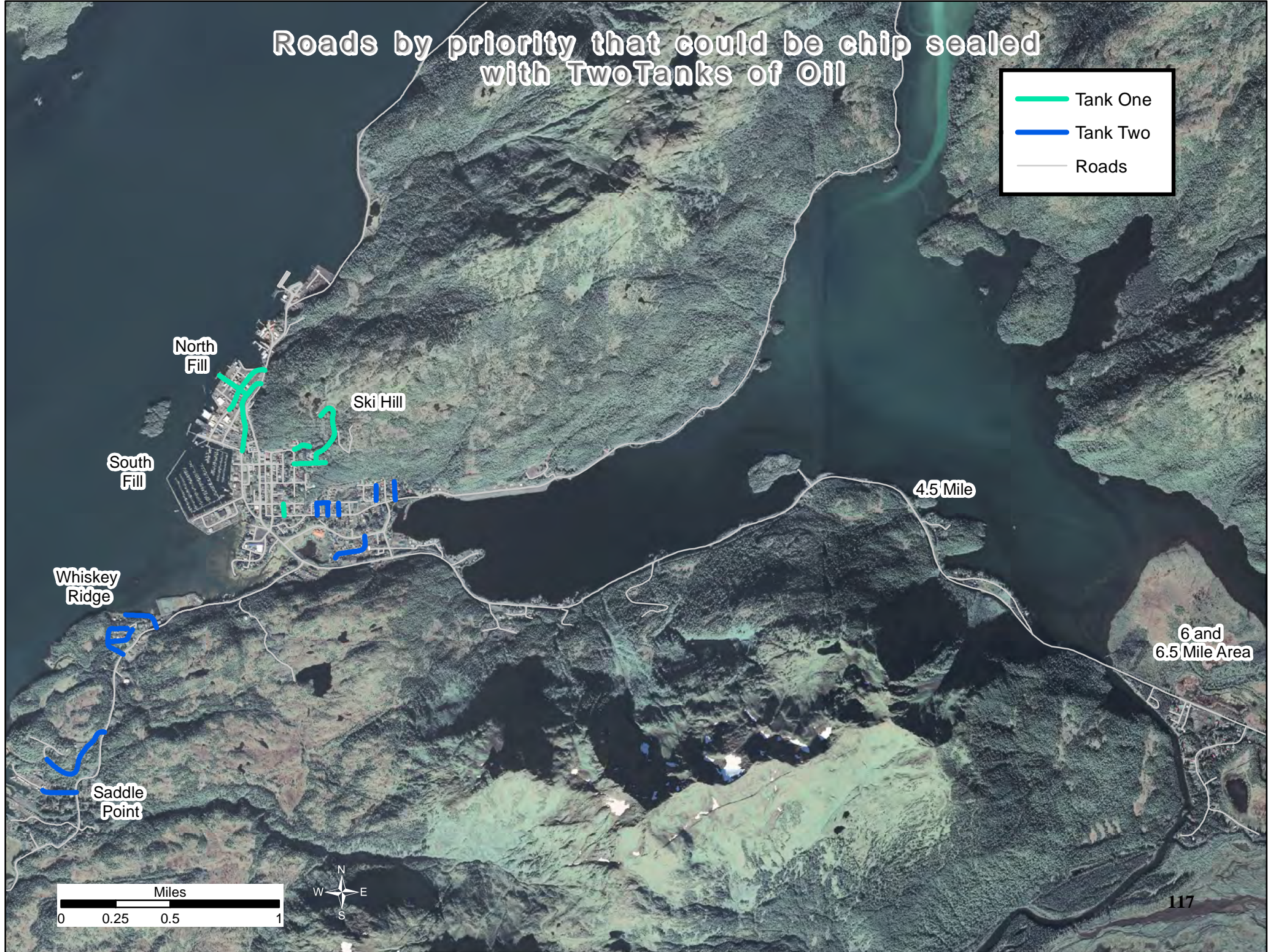
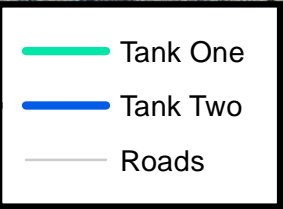
Whiskey
Ridge

6 and
6.5 Mile Area

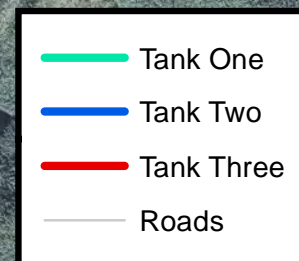
Saddle
Point



Roads by priority that could be chip sealed
with Two Tanks of Oil



Roads by priority that could be chip sealed
with three tanks of oil.



North
Fill

Ski Hill

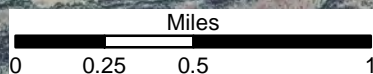
South
Fill

4.5 Mile

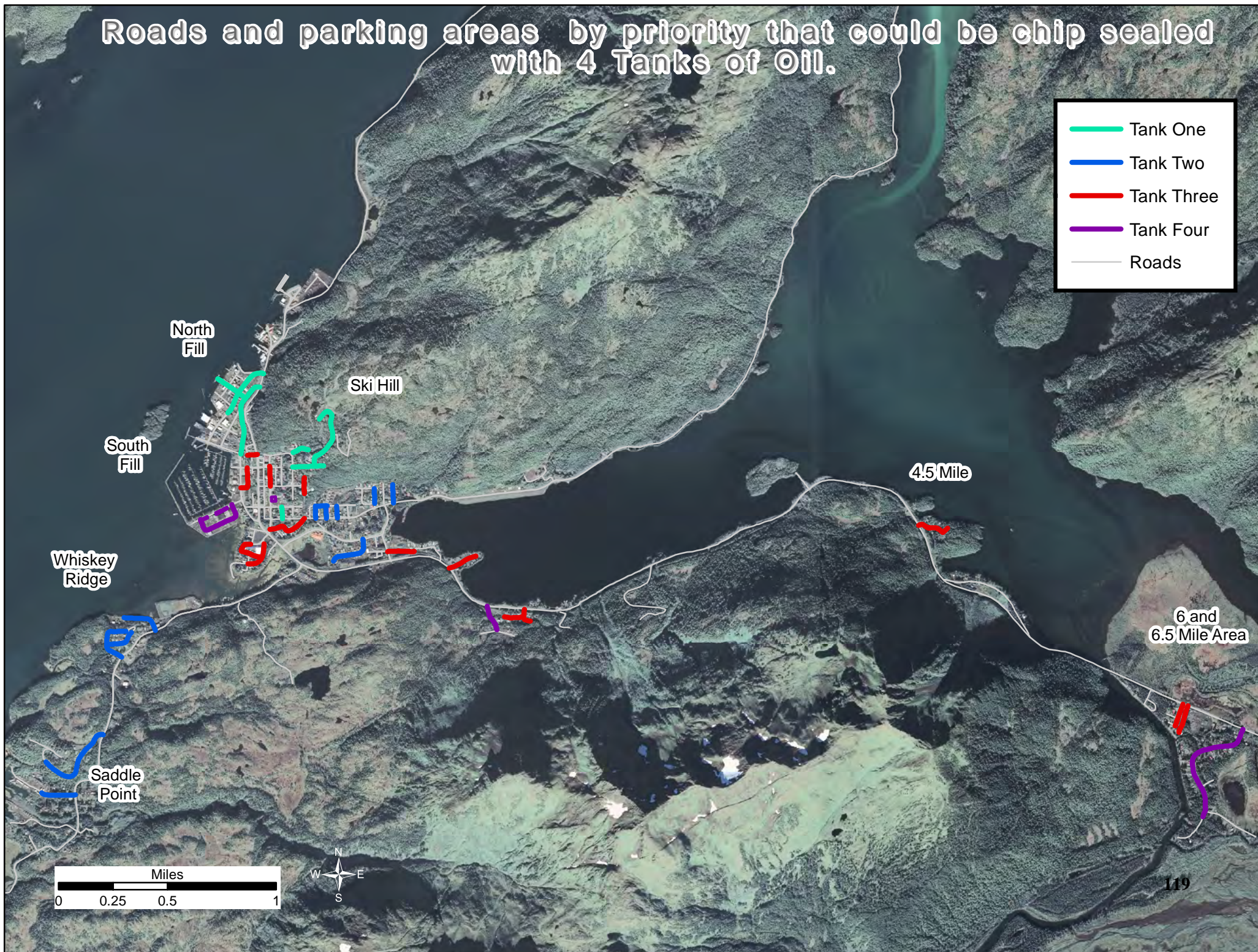
Whiskey
Ridge

6 and
6.5 Mile Area

Saddle
Point



Roads and parking areas by priority that could be chip sealed with 4 Tanks of Oil.



Cost Estimate for Asphalt Patching System	
Ray-Tech Infared 4-Ton Combination Reclaimer & Pavement Heater W/ Propane Cylinders and Arrow Board (lighted warning sign)	\$63,500.75
Shipping From New Hampshire to CDV	\$7,455.50
Wacker Neuson Double Drum Roller RD12A-90 W/Shipping	\$22,000.00
Manufactures Training on Ray-Tech 4-Ton Combo	\$1,500.00
Total Cost	\$94,456.25

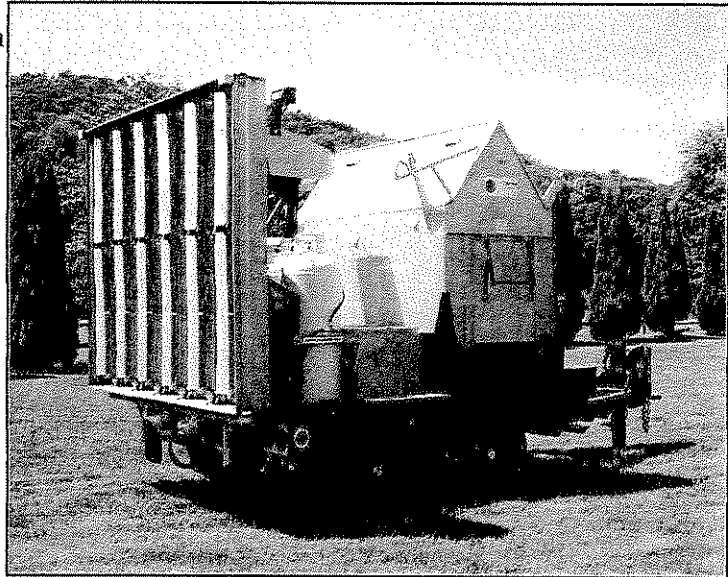
Ray-Tech Infrared Combination Reclaimer & Pavement Heater

The most efficient pavement restoration vehicle available for making complete and permanent asphalt pavement repairs.

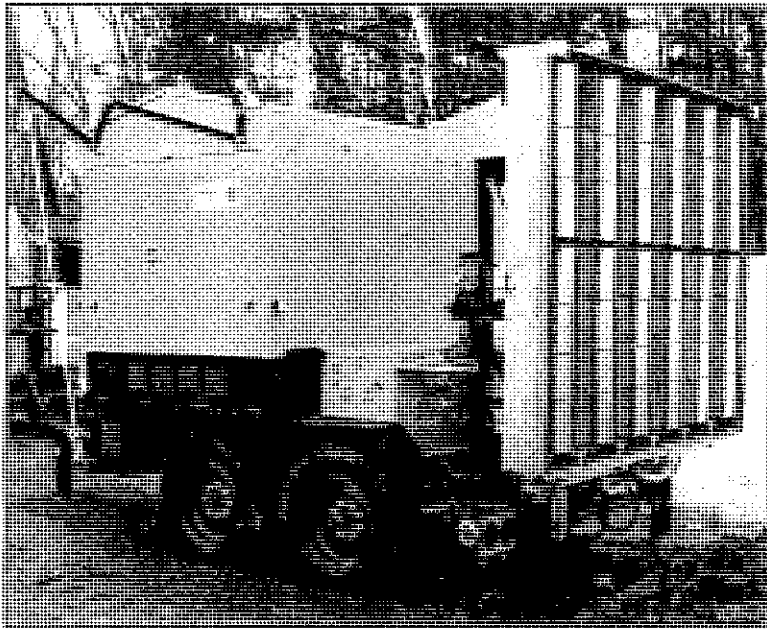
A combination Reclaimer and Infrared Pavement Heater mounted on a dual axle trailer, with selected options.

Will reclaim waste asphalt into permanent patch material, and hold fresh asphalt direct from the plant, all at the proper temperature.

The rear mounted pavement heater permits making permanent restorations, eliminating cold patch and ensuring year round production.



2-Ton Mini Combo



★ 4-Ton Combo

- Infrared provides thermal bonding for superior quality repairs. Increases production with crew of two.
- Fuel Efficient, easy to operate.
- Bonds old and new asphalt joint free.
- Low Maintenance, quality construction, proven reliability and profitability.
- Available in two and four ton reclaimer configurations.
- Excellent starter units.
- Manufactured in the USA



Ray-Tech Infrared Corp.

Manufacturer of Infrared Road Maintenance Equipment

www.raytechinfrared.com • 1-800-884-2072

Ray-Tech Mini-Combo and Combo

At Ray-Tech Infrared we take pride in building efficient road maintenance equipment

2-TON RECLAIMER

Heating System

- **Energy Converters** – Two (2) 35,000 BTU Infrared type converters, secured in heating chamber.
- **Fuel** – Propane gas (vapor withdrawal). Two (2) 100 lb. cylinders (cylinders not included). Automatic switchover valve.
- **Tankholders** – Heavy duty hinged brackets hold cylinders.
- **Safety Controls** – 100% shutoff gas valve, controlled by electronic ignition module, with a direct spark electrode and flame sensing probe. High-pressure gas hose with reusable fittings, regulator to reduce withdrawal pressure to 11" water column. External emergency shut-off valve.

Temperature Controls

- Cold material placed in unit will be totally reclaimed within 16 hours.
- Skin temperature will not exceed 320 degrees while reclaiming.
- Controls will automatically reduce skin temperature to 300 degrees maximum after material has been reclaimed, allowing material to be held for an extended period of time (approximately 48 hours).

Construction

- **Chassis** – 5"x3½"x ¾" angle front boxed, 4"x 5.4 channel cross members. Heavy duty nose plate with nine (9) position holes.
- **Storage Bin** – Double wall to hold heated air to prevent heat loss from asphalt. 10, 12 and 16 gauge steel double and triple wall throughout.
- **Insulation** – Inside of middle wall coated with 1250 degree aluminum paint to reflect infrared evenly around inner walls. Third wall around complete unit holds 2" rigid insulation.
- **Loading Doors** – manually opened top doors form chute for loading asphalt. 12 and 16 gauge with 2"rigid insulation.
- **Shoveling Doors** – Two (2) doors, one (1) each side of unit with double action

linkage, sheer angle base for maximum positive cutoff.

Mounting

- **Type** – Dual axle trailer.
- **Axle** – 6,000 pounds each.
- **Suspension**– Torflex tandem.
- **Wheels** – Steel, 4,500 lb. rating.
- **Tires** – Four (4) R16, load range E.
- **Brakes** – Electric on all wheels with breakaway switch.
- **Fenders** – 3/16" diamond plate.
- **Lights** – 12 volt system. LED running, brake, directional and hazard lights.
- **Jack** – Heavy-duty (Nose leveling).
- **Tow Ring** – 1-5/8" steel ring with 3-inch I.D. (Two safety chains included).
- **Male 7-Pole RV style truck connector.**

Dimensions

- **Length** – 15' - 4"
- **Width** – 7' - 11"
- **Height** – 8' - 5"
- **Weight** – 5,100 lbs.
- **Gross Weight** – 9,900 lbs.

PAVEMENT HEATER

Operating Principle

- The infrared is created by premixed gas and air delivered under pressure to energy converters. Infrared does not flame or alter the binding characteristics of asphalt.
- Unit has dual systems which operate individually and will fire in any position from vertical to horizontal.
- Each system consists of three (3) high efficiency, long- life alloy converterplate.

Reflector Chamber

- Vented and reinforced 16 gauge stainless steel 8' x 6'. Support structure primed and finished with high heat aluminum paint.
- The reflector chamber is raised and lowered by a heavy duty worm drive gear reducer and a 24 volt heavy-duty motor. This custom built winch is backed by a 10 year warranty from Ray-Tech.

Maximum Fuel Input

- Each system consumes approximately 17,000 BTU's per square foot maximum.

Fuel Delivery

- Each system consists of propane gas (vapor withdrawal) fed from two (2) 100 lb. cylinders (cylinders not included) connected to high pressure gas hose with reusable fittings. Reduced to 11" water column by a 2 stage regulator. Gas passes through a 24V solenoid valve and controlled by a limiting orifice valve. High pressure gas hose with reusable fittings connects to 24V long life brushless motor/blower mixer system.

Power

- Each heavy-duty 24V system powered by four (4) 220 amp 6V batteries wired in series for deep power reserves, will assure rapid high production heating. Built-in 24V on-board battery charger.

Operating Controls

- Each system consists of a pressure switch controlling solenoid valve.
- Interior safety switches for all exterior switches, weatherproof master switch and 110VAC receptacle for charger.

Options

- Compactor platform/winch.
- Time Delay System.
- Surge hydraulic brakes.
- Solvent Storage Tank.
- 12 Volt Lighting.

4-TON RECLAIMER

Energy Converters – Four (4) 22,000 BTU.
Shoveling Doors – Four (4) doors; two/side.
Chassis – Three (3) position hole nose

Mounting

- **Axles** – 8,000 lbs. each.
- **Tires** – Four (4) 6.75 x 17.5 HD tubeless.

Dimensions

- **Length** – 17' - 0"
- **Height** – 9' - 0"
- **Weight** – 6,700 lbs.
- **Gross Weight** – 16,000 lbs.

* **Note** – All specifications pertain to both 2 and 4 ton units except those listed under 4-Ton Reclaimer above..



Ray-Tech Infrared Corp.

Manufacturer of Infrared Road Maintenance Equipment

198 Springfield Rd. · P.O. Box 1119

Charlestown, NH 03603

Phone 1-800-884-2072 FAX: 1-603-826-3447

www.raytechinfrared.com info@raytechinfrared.com

10 hrs full for 4-ton unit
~~480.00~~

7/8 gallon hour

Infrared Asphalt Systems

PO Box 91596
 Anchorage, AK 99509

Phone # 907-522-4433 infrared@alaska.net
 Fax # 907-522-4434 www.alaskainfraredasphalt.com

1/24/2014	20140115

City of Cordova Attn: Bill Howard PO Box 1210 602 Railroad Ave Cordova, Alaska 99574

Ship To See Below FOB - Charlestown, NH

We are pleased to submit the following quotation for your review and consideration.

Re: Ray-Tech Infrared Asphalt Maintenance Equipment

FOB	Quote Good For	Due Date	Rep
NH	30 Days	2/21/2014	WRT

Dual axle trailer mounted 4 ton reclaimer (8"W x 6'L) chamber (48' sq), 8,000lb axles. (See Attached)	1	65,700.00	65,700.00
Municipality Discount		-5.00%	-3,285.00
			62,415.00
Options			
Cylinder Propane Bottle 100lb	6	141.66667	850.00
Municipality Discount		-5.00%	-42.50
			807.50
Arrow Board	1	295.00	295.00
Municipality Discount		-5.00%	-14.75
			280.25
Shipping Option - Payable by City of Cordova Mercer Transportation Co (John Fyfe 800-258-8822) New Hampshire to Tacoma		5,593.00	5,593.00
Shipping Option - Payable by City of Cordova Mercer Transportation Co (John Fyfe 800-258-8822) Tacoma to Anchorage		2,333.00	2,333.00

7926.00
 63,500.75

We thank you for this opportunity to quote on your requirements and look forward to being of service to you in the near future.

Total \$71,428.75

Signature

Date

1/24/14

Infrared Asphalt Systems, Inc.
 William Tucker, PE, President



5615 W MARGINAL WAY SW
P O BOX 24348
SEATTLE, WA 98124-4348
1-800-950-4265

100 MT ROBERTS ST
JUNEAU, AK 99801
1-907-586-3790
1-800-585-6102

Rate Estimate ZP72

Page 1 of 2

Prepared For: _____ Date: January 28, 2014
Phone: _____ Origin: Charlestown NH
Fax: _____ Destination: Cordova
Email: _____ Project Name: _____
PO Number: _____
Estimated Ship Date: February 5, 2014

Prepared By: Dawn Tompkins
dawnt@lynden.com
Phone: 800 326-8346
Fax: 206 988-0021

Qty	UOM	Freight Description	Dimensions (LxWxH)	Weight	Rate	Charge
1	PC	INBOUND CHARGES				4,080.00
		MACHINERY, NOI	17' x 8' x 9'	6,700		
		RATE IS BASED ON SQUARE FEET			16.92	2,301.12
		LOADING.				208.00
		FUEL SURCHARGE			32.50 %	815.46
		TERMINAL HANDLING				37.52
		WHARFAGE CHARGE				13.40
TOTAL CHARGES:						7,455.50

NOTES: RATE IS DOOR TO DOCK AND INCLUDES A 2HR STANDBY TO LOAD AT ORIGIN. ADDITIONAL HOURS ARE \$80/HR.

RATE IS SUBJECT TO EQUIPMENT/DRIVER AVAILABILITY.

SERVICE TO CORDOVA IS EVERY WEDNESDAY; CUTOFF IS 5PM ON MONDAY. NORMAL TRANSIT TIME IS 10 DAYS. TRANSIT TIME FROM CHARLESTOWN TO SEATTLE VIA TRUCK IS APPROXIMATELY 8-10 DAYS.

THANK YOU FOR THE INQUIRY.

TERMS AND CONDITIONS:

- Rated to Alaska Marine Lines destination terminal only.
- If through no fault of carrier vehicle or machinery is received containing more than 1/4 tank of fuel, charges per Item 987 will be assessed for tank drainage.
- If through no fault of carrier vehicle or machinery is inoperable, charges per Item 987 will be assessed at origin and/or destination for loading and off-loading.

Green is good! Do your part in saving the environment by accessing documents electronically. Go to <http://www.lynden.com/sz-signup.html> and sign up for EZ Commerce, making it easier to conduct business at your fingertips. You can request pickups, generate shipping documents, track shipments, receive invoices and make payments electronically. Service is free, sign up today!

This estimate has been prepared based on information provided on this date and is valid for 30 days. Charges may differ from those contained herein due to changes in weight, dimensions, description of goods, or requested services. Fuel surcharge is estimated at the level in effect on this date, is subject to change without notice and will be billed at the level in effect in Carrier's published tariff on the date of shipment. All services are subject to the standard terms and conditions of our tariff (available at www.lynden.com/aml/100terms.htm) and the bill of lading published therein. Any bill of lading or other shipping document issued shall not be effective to the extent it conflicts with our terms and conditions. By shipping with Alaska Marine Lines, Inc., you are acknowledging acceptance of our terms and conditions.



Original: 01/28/2014

Revised: 01/28/2014

By: Dave Watkins

SHIPPING QUOTATION

Quote Number: DAV12237

Attn: Bill Howard

City of Cordova

602 Railroad Ave
Cordova, AK 99574

PHONE: (907)424-6220

FAX: (907)424-6000

EMAIL:

ORIGIN PORT: Seattle

DESTINATION PORT: Cordova

PROJECT/BID NAME:

SHIPPER/CONSIGNEE:

BOOKING NUMBER:

EST. SHIP DATE:

THIS QUOTATION HAS BEEN PREPARED BASED ON INFORMATION PROVIDED ON THIS DATE. CHARGES MAY DIFFER FROM THOSE QUOTED DUE TO CHANGES IN DIMENSIONS, WEIGHT, DESCRIPTION OF GOODS, OR SHOULD THE SHIPPING CIRCUMSTANCES VARY FROM THAT DESCRIBED HEREIN. FINAL RATE APPLICATION WILL BE BASED ON TARIFFS, CLASSIFICATIONS OR CONTRACTS IN EFFECT AT THE TIME OF SHIPMENT. THIS QUOTE IS ONLY BINDING IF YOUR ACCOUNT IS CURRENT. IF YOUR ACCOUNT IS PAST DUE, ANY PAYMENTS RECEIVED, (INCLUDING PREPAYMENTS), WILL BE APPLIED FIRST TOWARDS ANY PAST DUE BALANCES. TENDERED FREIGHT MAY BE HELD AT YOUR EXPENSE AND NOT DELIVERED UNTIL PAST DUE CHARGES ARE PAID. QUOTE VALID FOR 60 DAYS.

Description of Terms, Rates Offered, Etc.

Description of Items	Weight/ Qty	Rate	Rate Type	Totals
Asphalt Reclaimer 17'L x 8'W@6700#	1	\$2357.00	EACH	\$2,357.00
Current Fuel Surcharge	0.31	\$2357.00	PCT	\$730.67
Terminal Handling	6700	\$0.54	CWT	\$36.18
Wharfage	3.35	\$4.00	TON	\$13.40
New Hampshire 03603 to Seattle- All In	1	\$4950.00	EACH	\$4,950.00
Total:				\$8,087.25

Notes:

Rate includes receiving, securing and delivery within 2 miles of Cordova City dock.
Must have the ability to remove from truck.

Thank you

David Watkins

SEATTLE TERMINAL
6361 1st Ave South
Seattle, WA 98108

www.samsontug.com

TELEPHONE CONTACT
voice 206.767.7820
toll free 800.331.3522
facsimile 206.767.5358



Original: 01/28/2014

By: Dave Watkins

SHIPPING QUOTATION

Quote Number: DAV12237

Attn: Bill Howard

City of Cordova

602 Railroad Ave
Cordova, AK 99574

PHONE: (907)424-6220

FAX: (907)424-6000

EMAIL:

ORIGIN PORT: Seattle

DESTINATION PORT: Cordova

PROJECT/BID NAME:

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Current Fuel Surcharge	0.31	\$2357.00	PCT	\$730.67
Terminal Handling	6700	\$0.54	CWT	\$36.18
Wharfage	3.35	\$4.00	TON	\$13.40
Total:				\$3,137.25

Notes:

Rate includes receiving, securing and delivery within 2 miles of Cordova City dock.
Must have the ability to remove from truck.

Thank you

David Watkins

SEATTLE TERMINAL
6361 1st Ave South
Seattle, WA 98108

www.samsontug.com

TELEPHONE CONTACT
voice 206.767.7820
toll free 800.331.3522
facsimile 206.767.5358



**WACKER
NEUSON**



RD 12 **Ride-on Rollers**

High performance rollers offer excellent compaction results

The RD 12 one-ton roller series features dual drum drive and articulated steering for extremely accurate control. Front drum vibration with static rear drum leaves a quality asphalt finish. Outstanding overall roller performance and a high exciter frequency allows compaction at faster speeds while still delivering even coverage and excellent results.

- Easily maneuverable units provide flush compaction to curbs and obstructions.
- Pressurized water system offers consistent water flow. An eight position timer allows the operator to adjust water flow to match conditions.
- Rear platform and front hood tilt up for easy access and improve machine serviceability.
- Rollers offer reduced sound levels; units run quieter than competitive machines in the same class.



RD 12

Ride-on Rollers

Technical specifications

	RD12-90	RD12A-90
Operating data		
Operating weight w/175 lb operator lb	2,491	2,498
L x W x H in	71.8 x 40.8 x 90.6	71.8 x 40.8 x 90.6
Drum width in	35.4	35.4
Drum diameter in	22	22
Side clearance Right in	1.9	1.9
Side clearance Left in	3.9	3.5
Curb clearance Right in	15.7	15.7
Curb clearance Left in	8.2	8.2
Centrifugal force Dynamic (Front Drum) lbf	3,400	3,400
Frequency Hz	70	70
Linear force Static (Front/Rear) lb/in	28/41	28/41
Linear force Dynamic (Front) lb/in	96	96
Travel speed Forward mph	5.4	5.4
Travel speed Reverse mph	5.4	5.4
Surface capacity Area ft ² /h	84,281	84,281
Gradeability Maximum %	30	30
Turning radius Outside in	96.5	96.5
Engine / Motor		
Engine / Motor type	air-cooled, 2-cylinder, gasoline engine	air-cooled, 2-cylinder, gasoline engine
Engine / Motor manufacturer	Wacker Neuson	Honda
Displacement in ³	39.9	42
RPM / speed Operating Speed rpm	3,100	3,100
Operating performance Max Rated at 3600 rpm hp	20.5	20.3
Fuel consumption US gal/h	1.35	1.6
Tank capacity Fuel US gal	6.1	6.1
Tank capacity Water US gal	26.4	26.4



**WACKER
NEUSON**

Information on suitable accessories can be found on our website.

The right to make changes is reserved in the interests of ongoing further developments. You can find more information on the engine power in the operator's manual. The actual power output figures may vary due to specific operating conditions.

Information on suitable accessories can be found on our website. More detailed information on engine power can be found in the operator's manual; the stated power may vary due to specific operating conditions. Subject to alterations and errors excepted. Applicable also to illustrations.
Copyright © 2013 Wacker Neuson SE.

Hydrostatic Vibratory Rollers

RD 12-90

RD 12A-90

High performance rollers offer excellent compaction results

This RD 12 one-ton roller series from Wacker Neuson features dual drum drive and articulated steering for extremely accurate control. Front drum vibration with static rear drum leaves a quality asphalt finish. Outstanding overall roller performance and a high exciter frequency allows compaction at faster speeds while still delivering even coverage and excellent results.



ADDITIONAL ADVANTAGES:

- **Pressurized water system offers consistent water flow.** An eight-position timer allows the operator to adjust water flow and match conditions.
- **Overall machine design eliminates overhang of unit.** Easily maneuverable units provide flush, right up to the edge asphalt compaction.
- **Rear platform and front hood tilt up** for easy access and improved machine serviceability.
- **Rollers offer reduced sound levels;** units run quieter than competitive machines in the same class.
- **Ideally suited for a variety of compaction applications** including compaction of level sublayers and finish layers on road repairs, driveways, parking lots and any asphalt surface.



**WACKER
NEUSON**

Technical Data		RD 12-90	RD 12A-90
Dry weight	lb (kg)	2171 (1002)	2171 (1002)
Operating weight (includes 175 pound operator and half full water and fuel tanks)	lb (kg)	2490 (1130)	2490 (1130)
Weight w/ ballast in the rear drum	lb (kg)	2690 (1220)	2690 (1220)
Drum diameter	in (mm)	22 (560)	22 (560)
Drum width	in (mm)	35.4 (900)	35.4 (900)
Overall size (l x w x h) (height to top of ROPS)	in (mm)	71.8 x 40.8 x 90.6 (1825 x 1035 x 2300)	71.8 x 40.8 x 90.6 (1825 x 1035 x 2300)
Curb clearance (R and L)	in (mm)	15.7/8.2 (400/210)	15.7/8.2 (400/210)
Side clearance (R and L)	in (mm)	1.9/3.5 (45/90)	1.9/3.5 (45/90)
Water tank capacity	gal (l)	26.4 (100)	26.4 (100)
Shipping weight	lb (kg)	2230 (1012)	2230 (1012)
Shipping size (l x w x h) (with ROPS down)	in (mm)	79.8 x 42.5 x 58 (2025 x 1085 x 1470)	79.8 x 42.5 x 58 (2025 x 1085 x 1470)
Engine type		air-cooled, 4-cycle, 2-cylinder, gasoline engine WM 650 Honda GX 610	
Starting system		Electric	Electric
Displacement	in ³ (cm ³)	39.9 (653)	37.5 (614)
Max. rated power at rated speed	hp (kW) rpm	20.5 (15.3) 3600	16.6 (12.4) 3600
Power rating specification		SAE J1995	SAE J1349
Operating speed	rpm	3100	3100
Fuel consumption	gal (l)/h	1.3 (4.9)	1.3 (4.9)
Fuel tank capacity	gal (l)	6.1 (23)	6.1 (23)
Electrical system	Vdc	12	12
Number of vibrating drums		1	1
Dynamic (centrifugal) force per drum	lb (kN)	3400 (15.2)	3400 (15.2)
Frequency	vpm (Hz)	4200 (70)	3900 (65)
Static linear force (front/rear)	lb/in (kg/cm)	28/41.2 (5.0/7.4)	28/41.2 (5.1/7.4)
Dynamic linear force (front)	lb/in (N/mm)	96 (16.8)	96 (16.8)
Forward/reverse speed (infinitely variable)	mph (km/h) ft (m)/min	0-5.4 (0-8.7) 0-475 (0-145)	0-5.4 (0-8.7) 0-475 (0-145)
Maximum gradeability	%	30	30
Outside turning radius	ft (m)	8.0 (2.5)	8.0 (2.5)
Maximum area capacity	ft ³ (m ³)/h	84,100 (7800)	84,100 (7800)

Standard Package

Hydrostatic Vibratory Rollers includes operator's manual and parts book.

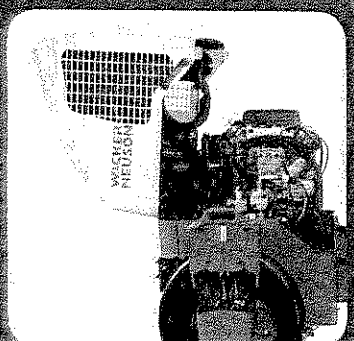
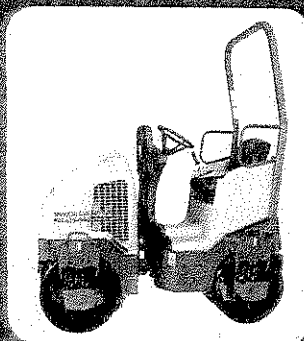
RD 12-90
RD 12A-90

Model Guide

R = Roller, D = Double Drum
12 = Weight class (kg\100)
90 = Drum width (cm), A = Honda engine

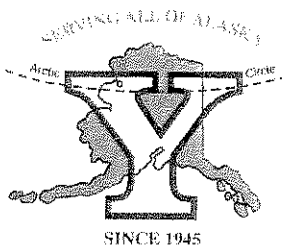
Please refer to our Price List and Ordering Guide for complete accessory information.

Specifications may change due to continuous product development. Users are advised to consult Wacker Neuson's Operator's Manual and website for specific information regarding the engine power rating. Actual power output may vary due to conditions of specific use.



0985717/Oct-2008/Layout Goes Studio/Printing Marek Group





Yukon Equipment, Inc.

450 E. Railroad Ave
Wasilla, AK 99654
(907)-376-1541
www.yukoneq.com

Quote Date: 01/29/14
Prepared By: Jim Lackey
Direct Line: (907) 376-1541
Cell: (907) 841-9999
Email: jamesl@yukoneq.com

QUOTE FOR: City of Cordova
CONTACT: Bill Howard
PHONE: 907-253-6336
EMAIL: ccshop@cityofcordova.net

QUOTATION
VALID FOR 30 DAYS

**2012 Wacker Neuson RD12A-90 Double Drum, Ride-On Roller
With 341 hours**

Specifications:

- 22" Diameter, 35.4" Wide Drums
- Honda Engine: Air-Cooled, 2-Cylinder, Gasoline
- 3,100 rpm Operating Speed, Maximum 3,600 rpm / 20.3 hp
- Travel Speed: 5.4 mph in Forward & Reverse
- Tank Capacity: Fuel: 6.1 gallons
Water: 26.4 gallons
- Fuel Consumption: 1.6 gallons per hour

(New 2014 model **\$18,890.00** est. 4 week delivery)

FOB Anchorage, Unit # U12006 currently in stock

\$14,889.00

Accepted: _____ Date: _____

Pavement Repair in Cordova

By Bill Howard

History:

In 1986 the City of Cordova purchased a portable asphalt recycler to repair potholes and street openings. Over the years this machine was christened Little Willy by the streets crew.

The process to repair potholes using little Willie is a two part process. The first part of the process is to prepare the pothole. This prep process begins by squaring off the hole and cleaning loose debris then compacting. This typically involves 2 men, a pick-up, shovels, picks and cutoff saw. The next step is to place the asphalt in the prepared hole and compact it. This activity involves 2 men and little Willy. Using little Willy involves heating up the machine using propane, loading up the hopper with used asphalt letting it heat and mix to around 350 degrees, then dumping the mix (3-4 wheelbarrows full equals 1 batch) into the prepared hole, raking it out, compacting, moving to the next hole, and/or mixing another batch which takes 30 minutes to an hour. The plus side is the used asphalt is free so our cost is labor and fuel. Down side is that it is labor intensive and you need at least 65-75 degree temperature to make a good patch.

This system has worked well for a lot of years, however it has become old technology. About 10 years ago a public works director thought it was taking too much time so He tried to auction off Little Willy. Nobody bought the machine so it sat out to the land fill for several years, in the meantime he ordered in some cold mix asphalt and we tried that for several summers without much luck. The Patch would blow out each time it rained. Which was about like filling the potholes with road topping only much more expensive with buying the mix and then having it shipped here. After a couple years we resurrected Little Willy and have been using him ever since.

Today:

We now get to the heart of the problem; The paved city streets in Cordova are at least 20 years old and as a result are getting down to less than an inch thick in many places and many are becoming deeply rutted (Harbor Loop and Railroad). We continue to experience more potholes each year as the asphalt loses thickness and strength. Re-paving the roads is the ultimate solution, and that solution is currently in the planning and funding phase, however the cost to do so is large and even after re-paving we will still need to maintain them. 10 years ago we would fire Little Willy up for a week maybe once in the spring and once in the fall, and make a special patch for utility road crossings once in a while. This past summer we mixed over forty yards of used asphalt patching well over 100 potholes.....with at least that many that didn't get patched. We wore out the cast mixing paddles on Little Willy and parts are no longer manufactured. At this point we need to have some new paddles custom fabricated or find a new way to repair our aging asphalt roads.

Future:

Faced with the realities of aging asphalt roads & patching equipment coupled with an ever increasing number of potholes and damaged roads we have spent considerable time researching what would best fit our needs. We have identified the Ray-Tech Infrared 4-Ton Combination Reclaimer and Pavement heater with a double drum roller as the best fit for Cordova. The major advantages of this system over our existing system are as follows:

1. No cold Joints
 - a. The machine mends the asphalt with no seams, it literally melts it all back together.
2. Longer lasting patches as a result of no cold joints.
3. Labor/time savings
 - a. Saw cutting of asphalt not required for patching prep.
 - b. 3 man crew ~VS~ 4 man crew
4. The Infrared heater can be used down to zero degrees with good results. So we can patch virtually year round.
5. High efficiency reclaimer use less propane than little Willie.
6. 4-Ton capacity reclaimer hopper allowing more patches per load.
7. Permanent repair of utility cuts.
8. Manhole cover elevation adjustment and repair.
9. Water Valve adjustment and repair.
10. Rut repair
11. Crack Repair
12. Shoulder Repair
13. Birdbath Repair



City of Cordova,
Office of the City Clerk
Cordova, AK 99574
602 Railroad Avenue * PO Box 1210

Phone: 907.424.6248
Fax: 907.424.6000
Cell: 907.253.6248
E-mail: cityclerk@cityofcordova.net

CITY CLERK'S REPORT TO COUNCIL

February 19, 2014 Regular Council Meeting

Date of Report: February 12, 2014

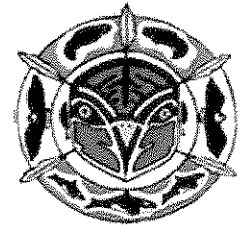
Things I need feedback on or am reporting to Council on:

- I am still advertising for 2 Parks and Rec seats – please talk to your constituents and drum up interest in serving on this important City commission

Things the Clerk's Office has been working on:

- 2014 Election prep and advertising is still underway; in 2014 we will be electing 2 Council members (seats B & C – currently **Joyce** and **Allison**) and 1 school board member (currently **Morse**), and voting on 1 ballot prop, the **initiated ordinance regarding trapping**; mark your calendars, **Election Day is Tuesday March 4, 2014**
- So far, declared candidates are: Seat B: **Tim Joyce** and **Moose Henrichs**; Seat C: **Tom Bailer**; School Board: **David Allison, Sheryl Glasen**; declaration of candidacy is closed but a candidate can declare as a write-in up until 5pm on March 3, 2014.
- Signed paychecks/other AP checks
- Prepared agenda and packet for special meeting 2-7-14 and regular mtg on 2-19-14
- Attended Department Head meetings on February 11
- Catching up on minutes
- Deputy Clerk is diligently entering all the changes for 2014 tax roll, working closely with the City Assessor on changes and updates; approving new and reviewing existing senior citizen exemption applications; assessment notices will be mailed on March 7
- Deputy Clerk is also receiving payments from delinquent notices to 2013 taxpayers who are late on payments to the City in preparation for foreclosures – hoping to keep that list very short
- Working with Police Chief, Lead Dispatcher and a paralegal at the City Attorney's office on a complicated and possibly expensive, time-consuming and on-going records request
- Working with City Attorney on an election question regarding Council members' ability to be compensated by/ ability to contract with the City
- Assisted newspaper editor regarding an election article she is preparing – answered election procedural questions
- Worked with Fisheries Advisory Committee chair to quickly schedule/notice meeting and edited and assisted with the resolution they put forward to Council tonight (Sub Res 02-14-10)

Native Village of Eyak
110 Nicholoff Way
P.O. Box 1388
Cordova, Alaska 99574-1388
P (907) 424-7738 * F (907) 424-7739
www.eyak-nsn.gov



10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

January 14, 2014

Jim Kacsh, Mayor
City of Cordova
PO Box 1210
Cordova, AK 99574

RECEIVED
JAN 29 2014
City of Cordova

Dear Jim,

On behalf of the Native Village of Eyak, we would like to thank you for your donation to the 20th Annual Sobriety Celebration!

The 20th Annual Sobriety Celebration would not be possible without the continuing support of you and our local businesses, individuals, and corporate sponsors. We appreciate your donation in helping with this important event and hope to see you at the 21st Annual Sobriety Celebration November 14th-16, 2014. **Please check out Native Village of Eyak's website www.eyak-nsn.gov. Under "Visitors", you will find Sobriety Celebration.** There you will find a list of our supporters for this year's Sobriety Celebration, as well as information on the *Exploring Alaska Native Voices* TV show, which will air statewide on Sunday ABC as well as YouTube. If you would like more information on our 21st Annual Sobriety Celebration November 14th-16 2014, please contact Belen Cook, Special Events Coordinator @ NVE 907-424-7738 or Belen.Cook@eyak-nsn.gov.

Thank you,

Jim Thanks for your help
Belen

Robert J. Henrichs
Tribal Council President



Mt. St. Elias Dancers
Yakutat

20th Annual Sobriety Celebration Dancers

Yees Ku Oo Dancers
Juneau

Nanwalek Seal Dancers
Nanwalek

Cordova Ikumat Native Dancers
Cordova

Tatitlek Alutiiq Dancers
Tatitlek

Kodiak Island Drummers
Kodiak

Carol Cozzens Upper Copper River
Dance Group
Copper Canyon

Ke ex' Kwaan Dancers
Kake

Director's Office
PO Box 110017
Juneau, Alaska 99811-0017
907.465.4611 907.465.3203 FAX
elections@alaska.gov



Regional Offices
Anchorage 907.522.8683
Fairbanks 907.451.2835
Juneau 907.465.3021
Nome 907.443.5285

STATE OF ALASKA
Division of Elections
Office of the Lieutenant Governor

Notice of Precinct Boundary Changes

On July 14, 2013, the Alaska Redistricting Board adopted new boundaries for the Alaska legislative house and senate districts. Although the Division of Elections is not involved in the redistricting process, we do make adjustments to the boundaries of existing voting precincts if the precinct boundary is affected by a change to the legislative district boundary.

The division has recently finalized the adjustments to the precinct boundaries in those areas affected by legislative district boundary changes made by the Alaska Redistricting Board and have adopted proposed regulations. Although many of the precinct boundaries in the state did not change, the house district number and precinct numbers were changed due to the redistricting process.

The proposed regulations provide a description of all voting precinct boundaries in the state. The proposed regulations and maps of the precincts are posted on the division's website at: <http://www.elections.alaska.gov>.

The public comment period for the proposed regulations is now open. Attached is a copy of the public notice for the proposed precinct boundary regulations. The public notice provides information on how to submit comments if you so desire. Once the public comment period is closed, the division will finalize and adopt the regulations. New voter identification cards listing the new district and precinct designations will be mailed to all registered voters in March.

If you have questions regarding the precinct boundaries, please contact the appropriate regional office listed below.

Region I – Juneau

House Districts 29-36
(907) 465-3021
Toll Free 1-866-948-8683

Region II - Anchorage

House Districts 7-8, 10-28
(907) 522-8683
Toll Free 1-866-958-8683

Region III – Fairbanks

House Districts 1-6, 9
(907) 451-2835
Toll Free 1-866-959-8683

Region IV – Nome

House Districts 37-40
(907) 443-5285
Toll Free 1-866-953-8683

NOTICE OF PROPOSED CHANGES IN THE
REGULATIONS OF THE DIVISION OF ELECTIONS
OFFICE OF THE GOVERNOR

BRIEF DESCRIPTION

The Division of Elections proposes to repeal a number of obsolete and superseded regulations and set out new descriptions relating to precinct boundaries due to redistricting.

The Division of Elections proposes to adopt regulation changes in Title 6 of the Alaska Administrative Code, dealing with precinct boundary descriptions, including the following:

- (1) 6 AAC 300.010; 6 AAC 300.020; 6 AAC 301.446 – 6 AAC 340.330 which sets out new precinct boundary descriptions due to redistricting, was added.
- (2) 6 AAC 200.010; 6 AAC 200.020; and 6 AAC 201.135 – 6 AAC 240.040 which were the current election district precincts, are repealed. The effect of the repeal is to adopt new descriptions due to redistrict.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Becky Weimer at P.O. Box 110017 Juneau, AK 99811. Additionally, the Division of Elections will accept comments by facsimile at 907-465-3203 and by electronic mail at becky.weimer@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System, by accessing this notice on the system and using the "comment" link. The comments must be received no later than 4:00pm. on March 3, 2014.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Becky Weimer at 907-465-2874 no later than February 24, 2014 to ensure that any necessary accommodations can be provided.

For a copy of the proposed regulation changes, contact Becky Weimer at P.O. Box 110017, Juneau, AK 99811, phone 907-465-2874, email becky.weimer@alaska.gov or go to www.elections.alaska.gov.

After the public comment period ends, the Division of Elections will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulations may be different from that of the proposed regulations. **You should comment during the time allowed if your interests could be affected.**

Statutory Authority: AS 15.10.020; AS 15.15.010

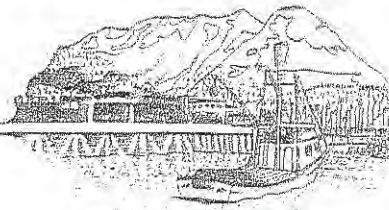
Statutes Being Implemented, Interpreted, or Made Specific: AS 15.10.020; AS 15.10.050; AS 15.10.090

Fiscal Information: The proposed regulation changes are not expected to require an increased appropriation.

DATE: 1/21/14


Gail Fenumiai, Director, Division of Elections

CITY OF CORDOVA



Commander (DRM)
Attn: LTJG James Nunez
17th Coast Guard District
P.O. Box 25517
Juneau, AK 99802-5517

February 7, 2014

SUBJECT: Proposed Revisions to the 1989 Oil Dispersant Guidelines

Dear LTJG Nunez:

This is a joint letter from the Mayor and Council of the City of Cordova.

Thank you for the opportunity to comment on revisions currently being proposed by the Alaska Regional Response Team. Revision of the oil spill dispersant use guidelines for Alaska is long overdue. Twenty-five years after the Exxon Valdez Oil Spill (EVOS), the residents of Cordova as well as those across Prince William Sound are reminded on a nearly daily basis of the continuing, unprecedented impacts from EVOS, particularly on our herring fishery.

The City of Cordova is a member of Prince William Sound Regional Citizens Advisory Council (PWSRCAC) and fully endorses the more detailed comments they are submitting to you. We are also home to two other stakeholders for this region, the (federally recognized tribe) Native Village of Eyak and Cordova District Fishermen United. Their interests strongly overlap with ours and we encourage full consideration of their concerns on the proposed revisions.

The City of Cordova:

- **Strongly supports the revision deleting all pre-authorization areas inside any part of Prince William Sound.**
- Opposes the use of dispersants.
- Applauds the recognition that seasonal variable conditions such as salinity, water temperature and mixing energy (waves and wind) are critical impacts for the efficacy of dispersants.
- Remains deeply concerned about the impacts of any spill response on fishery resources, as well as impacts to the beaches and the people who will be responding to a spill.
- Endorses prevention of oil spills as the best measure. Mechanical response remains the best alternative and we are pleased these revised guidelines continue to state it will be the "primary method."
- Encourages stronger emphasis placed on the use of local, institutional knowledge and consultation with stakeholders in the decision-making process.

The debate surrounding the use of dispersants focuses on "trade-offs." What's worse, letting the oil hit beaches or dispersing it so that it becomes smaller, less visible and, possibly, more easily degraded? Since 1989, we have learned volumes about the water currents of Prince William Sound. That knowledge indicates it is highly likely that dispersed oil will not sink to the bottom or degrade but will, instead, circulate at various depths within the Sound for months or, perhaps, years. This makes the

impact of dispersed oil on fishery and other marine resources dramatically more complicated. In our view, there remain too many unknowns about dispersed oil impacts over the long term.

On Page F-13 of the proposed revised guidelines, one of the decision-making factors refers to avoiding use of dispersants within 500 meters of swarming fish. While we appreciate recognizing that fish and other marine resources are given consideration; we also believe it is important to clearly state that avoiding these species at or near the surface does not protect them, as this recommendation implies.

In closing, we want to emphasize the importance of federal and state agency trustees to consult with local residents and stakeholders during any spill events. Since 1989, communications are much more open and transparent among industry leaders, state and federal regulators and local communities. However, as time passes and staffs change there is sometimes a decrease in the reliance on local knowledge by some regulators and/or spill drill authorities. We strongly endorse recommendations by PWSRCAC suggesting that more specifics be added to the revised dispersant guidelines to describe how stakeholder groups are included in a spill response process. It is our backyard . . . we deserve a chance to provide our knowledge and advice.

Thank you again for this opportunity to comment.

Most Respectfully,



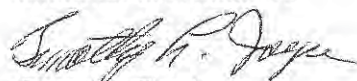
Mayor Jim Kasch



Councilor E.J. Cheshier



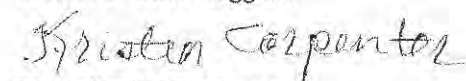
Councilor Bret Bradford



Councilor Tim Joyce



Councilor Dave Reggiani



Councilor K. Carpenter

CF:

Mr. Mark Swanson, PWSRCAC
Mr. Joel Azure, NVE
Ms. K. Appleton, CDFU
Mrs. Bourgeois, City Clerk

**CITY OF CORDOVA, ALASKA
RESOLUTION 02-14-12**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY CORDOVA, ALASKA
AUTHORIZING THE APPROPRIATION OF \$170,000 FROM THE RECEIPT OF MONEY
PREVIOUSLY OBLIGATED AND SPENT IN SUPPORT OF THE 2012 SNOW EMERGENCY
FOR THE ACQUISITION AND USE OF CHIP SEAL OIL AND AN INFRARED ASPHALT
PATCHING APPARATUS TO FULFILL THE CITY'S ROAD MAINTENANCE PROGRAM
FOR FISCAL YEAR 2014 AND INTO THE FUTURE**

WHEREAS, in 2012 there was a significant snow event that caused the City leaders of Cordova to spend several hundreds of thousands of dollars to remove snow and support the citizens of this community; and

WHEREAS, the Office of Homeland Security for the State of Alaska has advised that approximately \$300,000 has been earmarked to reimburse the City for said expenditures; and

WHEREAS, in the budget meetings in preparation for the FY14 City Budget, discussions amongst the City Council centered on not funding any chip and seal initiative in FY14 until better confidence was secured regarding the snow funding that might be secured from the state; and

WHEREAS, the Raytech Dual Axle Mounted Reclaimer is a time-tested, proven apparatus that will provide the City with road repair and patching capability it currently does not possess, especially in inclement weather; and

WHEREAS, the staff of the City recommends that the City Council approve and appropriate \$170,000 from snow event money prior to the remainder being placed in the City's permanent fund account.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Cordova, Alaska does hereby approve and appropriate \$170,000 from the receipt of the 2012 snow event reimbursement for the acquisition and use of chip seal oil and an infrared asphalt road maintenance and repair machine.

PASSED AND APPROVED THIS 19th DAY OF FEBRUARY, 2014

James Kacsh, Mayor

Attest:

Susan Bourgeois, CMC, City Clerk

Pending agenda:

Capital Priorities List Meeting - **Mar 5, 2014; June 4, 2014; Sep 3, 2014; Dec 3, 2014**

HSB Quarterly regular meetings **Apr 2, 2014; July 2, 2014; Oct 1, 2014; Jan 7, 2015**

Staff quarterly reports in packets: **Apr 16, 2014; July 16, 2014; Oct 15, 2014; Jan 21, 2014**

Committees:

Cordova Center Committee: Tim Joyce, Sylvia Lange, Randy Robertson, Kristin Carpenter, Native Village of Eyak Representative, Chamber of Commerce Representative, Business Community Representative, PWSSC Representative, Stage of the Tides Representative.

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; John Bocci; and Jeremy Botz, ADF&G

Cordova Trails Committee: Elizabeth Seneer, VACANCY, Jim Kallander, Toni Godes, and David Zastrow

Calendars:

3 months of calendars are attached hereto
Feb 2014; Mar 2014; Apr 2014

February 2014

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library						1
2 Superbowl Sunday	3	4 6:30 P&Z LMR	5 7:15 pub hrg LMR 7:30 reg mtg LMR	6 Iceworm Festival	7 Iceworm Festival	8 Iceworm Festival
9 Iceworm Festival	10	11	12 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	13	14	15
16	17 Presidents' Day City Hall Offices Closed	18 Absentee voting at City Hall	19 HSB spec 6:00 pm 7:30 reg mtg LMR _____	20 7:00 Sch Bd HSL Absentee voting at City Hall	21 _____	22
23	24 Absentee voting at City Hall	25 _____	26 Absentee voting at City Hall	27 _____	28 Absentee voting at City Hall	Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library 143

March 2014

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
Location Legend CH-City Hall Confer- ence Room LMR-Library Mtg Rm						<i>1</i>
<i>2</i>	<i>3</i> Absentee voting at City Hall	<i>4</i> Cordova Regular Election Polls open 7am—8pm LMR	<i>5</i> 7:30 reg mtg LMR	<i>6</i> District Tournament Basketball in Cordova	<i>7</i> District Tournament Basketball in Cordova	<i>8</i> District Tournament Basketball in Cordova
<i>9</i>	<i>10</i>	<i>11</i> 6:30 P&Z LMR	<i>12</i> 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	<i>13</i> Spec Mtg to certify Election time (tba)	<i>14</i>	<i>15</i>
<i>16</i>	<i>17</i>	<i>18</i>	<i>19</i> 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	<i>20</i>	<i>21</i>	<i>22</i>
<i>23</i>	<i>24</i>	<i>25</i>	<i>26</i>	<i>27</i>	<i>28</i> Alaska Shield Exer- cise	<i>29</i> Alaska Shield Exer- cise
<i>30</i>	<i>31</i> Seward's Day City Hall Offices Closed					Location Legend HSL-High School Li- brary

April 2014

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library		<i>1</i>	<i>2</i> 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	<i>3</i>	<i>4</i>	<i>5</i>
<i>6</i>	<i>7</i>	<i>8</i> 6:30 P&Z LMR	<i>9</i> 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	<i>10</i>	<i>11</i>	<i>12</i>
<i>13</i>	<i>14</i> CSD—spring break	<i>15</i> CSD—spring break	<i>16</i> CSD—spring break 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	<i>17</i> CSD—spring break	<i>18</i> CSD—spring break	<i>19</i>
<i>20</i> Easter Sunday	<i>21</i> BOE Hearing 7pm	<i>22</i>	<i>23</i>	<i>24</i>	<i>25</i>	<i>26</i>
<i>27</i>	<i>28</i>	<i>29</i>	<i>30</i>			Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library