

# AGENDA

FOR THE REGULAR MEETING  
OF THE CITY COUNCIL FOR  
THE CITY OF THORNE BAY, ALASKA

TUESDAY, APRIL 20, 2021

TIME: 6:30 p.m.

## LOCATION: TELECONFERENCE/VIDEO CONFERENCING LINE

Phone Number: 1-408-418-9388

### Meeting Weblink:

<https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m42b083fd76962762fbfe73f3a84b405b>

Meeting number (access code): 182 229 9375

Meeting password: D4gxVSXpz84 (34498797 from phones and video systems)

- 1) CALL TO ORDER:
- 2) PLEDGE TO FLAG:
- 3) ROLL CALL:
- 4) APPROVAL OF AGENDA:
- 5) MAYOR'S REPORT:
- 6) ADMINISTRATIVE REPORTS:
  - a) City Administrator:
  - b) City Clerk:
- 7) PUBLIC COMMENTS:
- 8) COUNCIL COMMENTS:
- 9) CONSENT AGENDA
  - a) MINUTES:

1. Approving the Minutes from the Regular City Council Meeting of April 6<sup>th</sup>, discussion and action item:
2. Approving the Minutes of the Special City Council Meeting April 13<sup>th</sup>, 2021

### 10) NEW BUSINESS:

- a) Discussion of allowing free dumping of vehicles at the City Landfill for one week, discussion and action item:

### 11) CONTINUING BUSINESS:

- b) **Resolution 21-04-20-01**: authorizing the renewal of the lease agreement between the City of Thorne Bay and Tongass Federal Credit Union, discussion and action item:
- c) **Resolution 21-04-20-02**, authorizing the renewal of the lease agreement between the City of Thorne Bay and SEARHC Clinic, discussion and action item:

### 12) ORDINANCE FOR INTRODUCTION:

- a) **Ordinance 21-05-04-01**, amending Title 2-Administration and Personnel, Chapter 2.24-Officers and Employees, Section 2.24.030 EMPLOYMENT, Subsection (a)(2) Part-

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### Join by video system

Dial 1822299375@webex.com

You can also dial 173.243.2.68 and enter your meeting number.

### Join by phone

+1-408-418-9388 United States Toll

Access code: **182 229 9375**

Password: **D4gxVSXpz84 (34498797 from phones and video systems)**

Time, discussion and action item:

13) EXPENDITURES EXCEEDING \$2,000.00:

- a) Authorizing the expenditure of \$2504.00, plus shipping, to Pioneer Supply for repairs to the Wire Tie machine at the Solid Waste Facility, discussion and action item:

14) EXECUTIVE SESSION:

- a) The Council may adjourn to an Executive Session

15) CONTINUATION OF PUBLIC COMMENT:

16) CONTINUATION OF COUNCIL COMMENT:

17) ADJOURNMENT:

## HOW TO PARTICIPATE:

### City Council Meeting

Tuesday, April 20, 2021 6:30 pm | 2 hours | (UTC-09:00) Alaska

#### Meeting link:

<https://cityofthornebay.my.webex.com/cityofthornebay.my/j.php?MTID=m42b083fd76962762fbfe73f3a84b405b>

Meeting number: 182 229 9375

Password: D4gxVSXpz84 (34498797 from phones and video systems)

#### Join by video system

Dial 1823383373@webex.com

You can also dial 173.243.2.68 and enter your meeting number: 182 229 9375

#### Join by phone

Call: 1-408-418-9388

Access code: 182 229 9375

POSTED: April 16, 2021

**MINUTES**  
FOR THE REGULAR MEETING  
OF THE CITY COUNCIL FOR  
THE CITY OF THORNE BAY, ALASKA  
**TUESDAY**, APRIL 6, 2021  
TIME: 6:30 p.m.

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1) **CALL TO ORDER:**

Mayor Edenfield called the meeting to order at 6:30 p.m.

2) **PLEDGE TO FLAG:**

The council and audience pledged to the flag.

3) **ROLL CALL:**

Those in attendance were: Edenfield, Rhodes, Burger, Kerkof, Cunningham & Craske  
Stram joined after approval of the agenda.

4) **APPROVAL OF AGENDA:**

Edenfield moved to approve the agenda. Burger seconded the motion. There was no further discussion.

MOTION: Move to approve the agenda

F/S: Edenfield / Burger

YEAS: Edenfield, Craske, Rhodes, Cunningham, Kerkof & Burger

NAYS: None

STATUS: Motion Passed.

(Stram was not present for vote on the agenda)

5) **MAYOR'S REPORT:**

Mayor Edenfield reported the following:

- Requested the City Council do their Mile of the "Adopt a Highway" on April 22<sup>nd</sup> which is Earth Day. City Council-TB Bridge to the Goose Creek turnoff.

6) **ADMINISTRATIVE REPORTS:**

**a) City Administrator:**

Meetings Attended and Updates:

- A. On March 18th I met with Steve Grandorff from Viking Lumber to establish a line of contact if there are any issues with the crews doing work on the Bay View Timber sale. Steve said that the logging trucks will be using the Bypass Rd. route and he has committed to improving and maintaining the road during the course of their work. I expressed my concerns regarding the logging traffic and our community members that like to walk the area. Steve said that he will make sure the drivers are safe and if we have any issues at all to let him know.
- B. The City received confirmation that we were not selected for the CDBG grant for FY22. We were also informed that if there are funds available or left over from FY19 or FY20 they would move forward to award those funds to our new firehall project. As we were not selected, I have proactively submitted a brief to Senator Murkowski's office for legislative appropriations consideration to fund the project.

## Tasks and Projects:

- A. Village Safe Water (VSW) and the City are working on an update to our Intrusion and Infiltration (I&I) grant seeking additional funds to address our excessive outflow to the Wastewater Treatment Facility. On the agenda tonight is a request for a resolution approving the visit of the engineering team. This is a “new” requirement for visits from VSW team members that took Doug Pogue and I by surprise. If this resolution is passed, the VSW team will schedule their visit ASAP.
- B. FEMA / CARES grant funding realignment is in the process of being applied for. The City has had five “Recovery Scoping Meeting follow up” meetings with FEMA. We are nearing the completion of the application with FEMA/State staff oversight and are hopeful to get it submitted soon.
- C. The Seaplane Base Transfer is in progress. The process to officially transfer the Seaplane Base at the harbor to City management is underway with Alaska Department of Transportation (AKDOT) and the Federal Aviation Administration (FAA). We are currently working with the AKDOT and FAA team members to facilitate the transfer. The State is currently reviewing our submissions of their requested forms.
- D. ACS Broadband deployment for the North Side of town has been completed. With the Telco equipment upgrade having been completed, ACS is now offering broadband internet in the area. ACS is currently working on deployment plans and funding for the South Side and is hoping to work in conjunction with OVK / City of Kasaan moving forward. You can go to <https://www.alaskacommunications.com/offer> to start the process of getting it set up.

## Expenditures over \$2000 .

- A. \$3500.00 Alaska Pump & Supply. This is for the purchase of 2 new water pumps for the Wastewater Treatment facility. These pumps control the water pressure inside the building for the mechanical room, including the boiler, water faucets, shower, and outside water spigots. The existing pump began leaking in October and it was shut down to transition to the second pump (both pumps are always installed for redundancy). The second pump began leaking immediately. It would appear that the last time a pump failed (long before our current staff were hired), they did not pull and replace it, just transitioned to the backup pump.

### **b) City Clerk:**

- Regarding the FEMA Grant that was submitted, the total amount requested was for \$298k.
- There are openings for the Planning Commission Members. Looking for two people who would be interested in serving as a planning and zoning commission member. To be qualified to apply for a Board or Commission, you must be a registered voter who has been a City resident for at least one year. Applications available online, or for pickup at City Hall. Contact City Clerk at 907-828-3380 or email [cityclerk@thornebay-ak.gov](mailto:cityclerk@thornebay-ak.gov)
- Next Planning Commission meeting will be held via Webex on Monday, May 3<sup>rd</sup>, for purposes of holding a Public Hearing on Conditional Use permit to operate a small sawmill on Lot 51, Block 4, South Thorne Bay Subdivision, AKA 451 Harbor Road, South Thorne Bay Subdivision.

➤ Financial Balances:

Tongass Federal Credit Union:

OCCUPANCY GEN.	\$2,077.20	
OCC TAX EMS/FIR	\$15,831.38	
OCC TAX TOURISM	\$10,082.61	
OCC TAX PARKS	\$10,333.60	
OCC TAX HARBOR	\$22,516.73	\$60,841.52
<hr/>		
WATER UTL R&R	\$16,298.35	
SEWER UTL R&R	\$14,654.70	
SOLID WASTE R&R	\$13,987.73	
HARBOR	\$90,106.80	\$90,047.58
<hr/>		
COMM CENTER	\$7,500.49	\$7,500.49
<hr/>		
HEALTH PREMIUM	\$15,068.20	\$15,068.20
<hr/>		
CHECKING	\$14,113.70	\$14,113.70
<hr/>		
60% SALES TAX	\$115,850.24	
40% SALES TAX	\$124,898.15	\$240,748.39
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Total Tongass:		\$ 428,303.75
First Bank Checking	\$ 19,132.22	
Wells Fargo	\$1,016,038.20	

7) PUBLIC COMMENTS:

**Karen Petersen provided the following comments:**

- Update on the Library – Moving forward with construction portion of project which will happen over the summer. Waiting for fire marshal permit, cannot start anything until then.
- Invited by Rasmussen foundation to submit application for Tier II grant. Will not know until June whether received or not.
- Friends will be kicking off their fund raising this month. Currently \$25,000 under funded for the new Library construction. Will see raffle tickets and bake sales.
- Jim Nieland passed away. We have been receiving number of donations from people coming in donating in his memory.

**Jason Clowar, submitted the following written comments:**

- Thank you for adding our annual request for boat slips at the city dock to the agenda for this meeting. This year, we need to request 13 boat slips for the summer, to meet the demand for our business. Unfortunately, we could not make it to call in, because we are traveling back from Seattle at the time of this meeting. We have been South preparing supplies in anticipation of another successful and productive year of business in Thorne Bay.  
As most of you know, these boat slips are an integral part of our business, and we hope that there will be no issues in reserving them once again.  
Thank you again, from the entire team of locals at Adventure Alaska Southeast, for taking the time to review this request.

**Doug Black, submitted the following written comments:**

- In regard to Wes Craske's sponsored Ordinance 21-04-06-04, to stop the shooting of rock or rock pits in the Thorne Bay Southside.

To stop the shooting of rock on the Southside would make nearly every undeveloped lot, undevelopable. This is steep hill sides with thin soils and beneath "hard rock". Excavators, Drills and dynamite are required to carve out our driveways and building sites. If a neighbor while developing his driveway and building site has extra rock, it can benefit another neighbor who may not have the rock. Every developed lot strengthens the City. This is a large subdivision.

Many City Roads are not put in yet. Many of the city roads were put in by southside lot owners. I myself had to build 1150 feet of road to access my building site. I used 100 yards of my own rock on this section of road. I paid City Sales tax on this construction four other lots along that road were developed almost immediately.

IT BENEFITS THE CITY.

Just this month, extra rock from my properties was used to build City road. Paid for by a southside property owner why would the City of Thorne bay put a stop to this?

Now before anyone else thinks this rock makes a big profit, that not so. It still cost me over \$4,000.00, on this drilling, Shooting and shovel work. Not many people would want to move here if they had to walk a muddy path to their hobbit shack in the trees, let us open up our properties.

Harley (Doug) Black

Lots 1, 2, 5, 6 & 7, Choker Setter Subdivision, Thorne Bay South Side.

**David Egelston submitted the following written comments:**

- Submitted for the for the first Public Comment for the April 6, 2021 City Council Meeting  
Mayor Edenfield and the City Council of Thorne Bay,

I listened to the city council meeting on March 16, 2021 and was extremely disappointed in the way it appeared Councilman Craske used his office to attempt to harm a city resident financially for personal reasons. The ordinance he proposed to stop blasting would have stopped the contractor/resident from developing a property. His proposed ordinance would have also harmed many other landowners in the south-side subdivision with a need to blast to develop their properties. I expect much better from our elected officials. Mr. Craske used his position as a City Council member to try to stop one of our local businessmen from working. It seems that the councilman singled out the local contractor for reasons that sounded like a personal vendetta. Not only did he publicly malign the contractor, but also his wife.

In my opinion, there are no finer people in this city than the two he attacked. For a councilman to use his position in such a way is extremely disappointing at the least. He has left the city in a precarious position, vulnerable to a lawsuit for his actions and words as an elected official. Whatever his mental state or purpose, his actions were undefendable and an embarrassment to those of us who love this city.

It is my recommendation that the city council move to relieve Councilman Craske from the City Council if he does not do the right thing and resign immediately. This city deserves much better. Tim and Teresa Lindseth deserve a sincere apology.

**Sean Kaer provided the following comments.**

- Was not present for the last meeting when Councilmember Craske spoke, but stated that Craske was elected to serve the Community and he was not trying to stop development, only asking for people to follow rules.

8) **COUNCIL COMMENTS:**

**Mayor Edenfield commented on the following:**

- I was approached by multiple councilmembers regarding the actions of one councilmember at the March 16<sup>th</sup> Regular City Council meeting and was asked to address these as the Mayor. At the last City Council Meeting held March 16<sup>th</sup>, Councilmember Craske introduced a non-code ordinance placing a 180-day moratorium on blasting within the South Thorne Bay Subdivision with the justification of safety and compliance with appropriate permits.

As the meeting progressed it became apparent that Councilman Craske's true motivation was to inflict damage to a particular city resident, and his business as a result of personal feelings against this resident based on past history he had with them approximately 30 years ago.

Use of the City Council position to initiate actions meant to harm a city resident is a blatant misuse of the Council's authority and the slanderous comments made by this councilmember, could possibly lead to a legal challenge against the city causing financial harm.

It is my recommendation that the City Council hold an executive session at the next City Council meeting to discuss actions that may be taken to mitigate the damage to both the city and the resident, and to add definitive Council rules to avoid this sort of problem in the future.

At this time we have found that there are no code violations. Thank you.

**Cunningham commented on the following:**

- Commented he was having phone issues and requested clarification of what the Mayor is requesting on April 22<sup>nd</sup>.
  - Mayor explained mile cleanup
- Inquiry to Les-When speaking to Viking, did you mention maintenance to Kasaan Road?
  - Administrator explained Viking was NOT the company performing the logging out South Thorne Bay Road. It is actually PAPAC contracting with Alcan.
  - Reached out to PAPAC requesting them to do roadwork. PAPAC representative told us that they were told specifically not to do any work on that road.
- Update on lights at Davidson Landing?
  - Administrator stated that the lights had arrived yesterday in Thorne Bay and were originally ordered back in December

**Kerkof commented on the following:**

- Requested an update on having the Council meetings opened to the public again?
  - Clerk responded that she reached out to the City's Local Government Specialist and he stated that he did not know of any communities that have opened back up.
  - Administrator stated there was still health mandate limiting public gatherings

## 9) CONSENT AGENDA

### d) MINUTES:

1. Approving the Minutes from the Regular City Council Meeting of March 2, 2021, discussion and action item:

e) Resolution 21-04-06-01: Supporting the Thorne Bay Watch Timber Sale aka Overlook Sale, discussion and action item:

f) Resolution 21-04-06-02: authorizing the renewal of the lease agreement between the City of Thorne Bay and Tongass Federal Credit Union, discussion and action item:

g) Resolution 21-04-06-03, authorizing the renewal of the lease agreement between the City of Thorne Bay and SEARHC Clinic, discussion and action item:

h) Resolution 21-04-06-04: Amending Resolution 20-06-16-01 & 18-09-18-01, City Fee and Rate Schedule, discussion and action item:

i) Resolution 21-04-06-05: authorizing VSW project team to travel to Thorne Bay for the purpose inspecting and evaluating infiltration mitigation measures.

Edenfield moved to approve the consent agenda consisting of the Minutes for the March 2, 2021, Council Meeting and Resolutions 21-04-06-01, 02, 03, 04 & 05. Kerkof seconded the motion.

MOTION: Move to approve the consent agenda consisting of the Minutes for the March 2, 2021, Council Meeting and Resolutions 21-04-06-01, 02, 03, 04 & 05

F/S: Edenfield/Kerkof

YEAS: Craske, Rhodes, Cunningham, Kerkof, Burger & Edenfield

NAYS: None

STATUS: Motion Passed. (Stram had phone issues and unable to vote)

## 10) CONTINUING BUSINESS:

a) North Road Bridge installation update and information, discussion and possible action item:

Cunningham moved to direct City Administrator to place a Request for Proposal moving forward on North Road Bridge Project. Rhodes seconded the motion.

Burger inquired if the City Administrator had any knowledge of why the North Road Bridge had not been completed? Administrator responded that he did not have information. This is the first he had seen of a culvert type bridge. Is unaware of funding that exists. Rhodes commented that there are timbers buried in the Sort Yard and may not be salvageable at this point. If continued stalling, the price will not get cheaper.

MOTION: Move to direct City Administrator to place a Request for Proposal moving forward on North Road Bridge Project

F/S: Cunningham/Rhodes

YEAS: Stram, Edenfield, Craske, Rhodes, Cunningham, Kerkof & Burger

NAYS: None

STATUS: Motion Passed.

b) Accepting the resignation of Jim Silverthorn as Fire Chief for the City of Thorne Bay, discussion and action item:

Edenfield moved to accept the resignation of Jim Silverthorn as the Fire Chief for the City of Thorne Bay. Burger seconded the motion.

Kerkof stated that when the issue of appointing the new VPSO as a Fire Chief, he was reluctant, but it seemed that Chief Silverthorn was amenable to sticking around and training the new VPSO. Kerkof stated he was concerned that the new Fire Chief is not familiar with the community and locations, and Silverthorn as a longtime resident was. Kerkof expressed that he was not happy with how the transition happened. Burger concurred with Kerkof's comments.

Cunningham inquired if the City still had the assistant chief?

Mayor responded that the Assistant Chief also resigned, and the City needed to appoint a new one.

Discussions included the need to appoint an assistant chief.

Rhodes commented that Kerkof's point of needing a better way to identify locations was a very valid point. Rhodes suggested a Fire and EMS map showing areas that are easily identified. Example that a resident place a flag along their property to assist in identifying.

Mayor Edenfield stated there were maps in the Fire Truck and Ambulances that have color coded maps showing lot and block numbers.

Edenfield stated it would be nice to have the public assist with putting out flags or a marker for their property identifying the Lot and Block number or name.

Kerkof stated that GPS in the fire and ambulance vehicles.

MOTION: Move to accept the resignation of Jim Silverthorn as the Fire Chief for the City of Thorne Bay

F/S: Edenfield/Burger

YEAS: Craske, Rhodes, Cunningham, Burger & Stram

NAYS: Kerkof & Edenfield

STATUS: Motion Passed.

c) Appointment of Matthew McGinnis as the Fire Chief for the City of Thorne Bay, discussion and action item:

Edenfield moved to appoint Matthew McGinnis as the Fire Chief for the City of Thorne Bay.

Rhodes seconded the motion. There was no further discussion.

MOTION: Move to appoint Matthew McGinnis as the Fire Chief for the City of Thorne Bay

F/S: Edenfield/Rhodes

YEAS: Cunningham, Rhodes & Stram

NAYS: Kerkof, Craske, Burger, Edenfield

STATUS: Motion Failed.

d) Authorizing the rental of 13 boat stalls on a monthly basis to Adventure Alaska, discussion and action item:

Edenfield moved to authorize the rental of 13 harbor stalls to Adventure Alaska. Burger seconded the motion. Cunningham inquired if the stalls were on the main side of Thorne Bay. Mayor stated they were in the main harbor. Cunningham inquired if the City had a waiting list of locals who may need those

stalls. Harbormaster Cross stated that there were stalls available.

Rhodes stated there was an annual grant opportunity with Alaska Department of Transportation and Public Facilities that the City had been discussing applying for and encouraged the City to do so..

MOTION: Move to authorize the rental of 13 harbor stalls to Adventure Alaska  
F/S: Edenfield/Burger  
YEAS: Kerkof, Cunningham, Craske, Rhodes, Burger, Stram & Edenfield  
NAYS: None  
STATUS: Motion Passed.

#### 11) **ORDINANCE FOR PUBLIC HEARING:**

b) **Ordinance 21-04-06-01**, amending Title 9-Public Peace, Morals and Welfare, adding Chapter 9.06-Marijuana Establishments, discussion and action item:

Edenfield moved to approve Ordinance 21-04-06-01. Burger seconded the motion.

Cunningham inquired if these were the same rules set by the marijuana control board.

#### **PUBLIC HEARING COMMENTS:**

**Sean Kaer commented on the following:**

- State and Marijuana guidelines have been thoroughly investigated and inquired if there was interest.

MOTION: Move to approve Ordinance 21-04-06-01  
F/S: Edenfield/Burger  
YEAS: Edenfield, Rhodes, Cunningham, Kerkof, Stram & Burger  
NAYS: Craske  
STATUS: Motion Passed.

c) **Ordinance 21-04-06-02**, amending Title 9-Public Peace, Morals and Welfare, adding Chapter 9.07-Controlled substances, discussion and action item:

Edenfield moved to approve Ordinance 21-04-06-02, amending Title 9-Public Peace, Morals and Welfare, adding Chapter 9.07-Controlled substances. Kerkof seconded the motion.

Mayor opened to public comments regarding this ordinance. No public comments. Cunningham inquired if these were still following state guidelines. Mayor responded they were.

MOTION: Move to Move to approve Ordinance 21-04-06-02  
F/S: Edenfield/Kerkof  
YEAS: Stram, Edenfield, Rhodes, Cunningham, Kerkof & Burger  
NAYS: Craske  
STATUS: Motion Passed.

- d) **Ordinance 21-04-06-03**, amending Title 1-General Provisions, Chapter 1.16.0.35-Minor Offense Fine Schedule, adding fines for controlled substances, discussion and action item:

Edenfield moved to approve Ordinance 21-04-06-03. Kerkof seconded the motion.

**Public Hearing comments:**

**Sean Kaer provided the following comments:**

- Inquired if the fines were in line with the State.
  - Clerk stated they were mirrored from Craig and compared to the City’s fine schedule on other matters.

MOTION: Move to Move to approve Ordinance 21-04-06-03  
F/S: Edenfield/Kerkof  
YEAS: Burger, Stram, Kerkof, Edenfield, Rhodes & Cunningham  
NAYS: Craske  
STATUS: Motion Passed.

- e) **Ordinance 21-04-06-05**, Amending Title 2 – Administration and Personnel, Chapter 2.04 – City Council, discussion and action item:

Edenfield moved to approve Ordinance 21-04-06-05. Kerkof seconded the motion.  
Mayor opened to public comments.

**Public Hearing Comments:**

Sean Kaer requested clarification of Ordinance. The City Clerk explained the ordinance restructured the order of business in council meetings.

MOTION: Move to Move to approve Ordinance 21-04-06-05  
F/S: Edenfield/Kerkof  
YEAS: Rhodes, Cunningham, Stram, Edenfield, Craske, Kerkof & Burger  
NAYS: None  
STATUS: Motion Passed.

12) **EXPENDITURES EXCEEDING \$2,000.00:**

- b) **Authorizing the expenditure of \$3500.00, plus shipping, to Alaska Pump and Supply for the purchase of two pumps, discussion and action item:**

Edenfield moved to approve the expenditure of \$3,500.00, plus shipping, to Alaska Pump and Supply for the purchase of two pumps. Burger seconded the motion. There was no further discussion.

MOTION: Move to approve the expenditure of \$3,500.00, plus shipping, to Alaska Pump and Supply for the purchase of two pumps  
F/S: Edenfield/Burger  
YEAS: Cunningham, Stram, Rhodes, Edenfield, Craske, Kerkof & Burger  
NAYS: None  
STATUS: Motion Passed.

13) CONTINUATION OF PUBLIC COMMENT:

**Sean Kaer commented on the following:**

- Would like to see meetings opened to the public, would help to find a fire chief
- GPS do not work well for where we live. There would be locations such as Jud Road, Jeep Trail, Etc. that are not currently marked. What is currently in the vehicles is perfect for what Thorne Bay has.

14) CONTINUATION OF COUNCIL COMMENT:

Cunningham commented on the following:

- Inquired if the resolutions had already been approved, he had

15) ADJOURNMENT:

Mayor Edenfield adjourned the meeting at 8:10 p.m.

ATTEST:

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Cindy Edenfield, Mayor

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Teri Feibel, CMC

MINUTES  
FOR THE SPECIAL MEETING  
OF THE CITY COUNCIL FOR THORNE BAY  
TUESDAY, APRIL 13, 2021  
TIME: 6:00 p.m.

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MEETING WAS HELD VIA-WEBEX VIDEO/TELECONFERENCING LINE

**1. CALL TO ORDER:**

Mayor Edenfield called the meeting to order at 6:01 p.m.

**2. PLEDGE TO FLAG:**

The council and audience pledged to the flag.

**3. ROLL CALL:**

Those in attendance were: All Councilmembers participated.

Edenfield, Craske, Kerkof, Cunningham, Rhodes & Stram

Not present: Burger

**4. APPROVAL OF AGENDA:**

Edenfield moved to approve the agenda. Kerkof seconded the motion. There was no further discussion.

MOTION: Move to approve the agenda

F/S: Edenfield /Kerkof

YEAS: Stram, Edenfield, Craske, Rhodes, Cunningham & Kerkof

NAYS: None

STATUS: Motion Passed.

**5. PUBLIC COMMENTS:**

Lavenia Sylvia commented on the following:

- As a second-class city, the City is responsible for providing fire coverage for the residents. The City has a poor record of providing that coverage, so the council needs to act on this.

**6. COUNCIL COMMENTS:**

Mayor Edenfield commented on the following:

1. Purpose of the meeting is to get the Fire Department back in compliance

Kerkof commented on the following:

2. Understand half a dozen people resigned from the Fire Department.
3. Would like to see a list of who we have left and their qualifications and trainings

Edenfield stated she would speak with McGinnis regarding this.

Craske commented on the following:

4. Agrees with Lavenia Sylvia.
5. Confident that a VPSO that had training in Sitka is qualified.

Administrator Carter:

- VPSO Matthew McGinnis has certifications as Fire Chief.
- Working on getting fire trainings in Thorne Bay to get all Fire Department certified. The training is a 40-hour course, which is a big commitment for those who volunteer.

Kerkof commented on the following:

- Do the City Employees know that they are a part of the Fire Department?

Administrator responded that they were aware and discussed recently when recertifying with the state and at the last two staff meetings.

Cunningham commented on the following:

- Clear a division of South and North Thorne Bay since half dozen resigned. Why did those resign? Was it laying with an individual or what?

## 7. CONTINUING BUSINESS:

Edenfield Moved to appointing Matthew McGinnis as the Fire Chief for the Thorne Bay Volunteer Fire Department, discussion and action item:

MOTION: Move to appoint Matthew McGinnis as the Fire Chief for the Thorne Bay Volunteer Fire Department

F/S: Edenfield/Kerkof

YEAS: Stram, Edenfield, Craske, Rhodes, Cunningham & Kerkof

NAYS: None

STATUS: Motion Passed.

## 8. CONTINUATION OF PUBLIC COMMENT:

No further public comments.

## 9. CONTINUATION OF COUNCIL COMMENT:

No further council comments.

## 10. ADJOURNMENT:

Mayor Edenfield adjourned the meeting at 6:11 p.m.

ATTEST:

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Cindy Edenfield, Mayor

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Teri Feibel, CMC



**CITY OF THORNE BAY  
RESOLUTION 21-04-20-01**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF A SHORT-TERM 24-MONTH LEASE WITH TONGASS FEDERAL CREDIT UNION FOR LEASE OF CITY OWNED FACILITY IDENTIFIED AS UNIT "A" OF THE CITY HALL BUILDING LOCATED AT 120 FREEMAN DRIVE, FOR THE PURPOSES OF OPERATING FINANCIAL CREDIT UNION

**WHEREAS**, the City Council is the governing body of the City of Thorne Bay; and

**WHEREAS**, The current lease between Tongass Federal Credit Union and the City at the is set to expire April 30, 2021; and

**WHEREAS**, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

**WHEREAS**, Tongass Federal Credit Union has been operating in Thorne Bay since 2006, and has contributed to the employment of local residents; and

**WHEREAS**, Tongass Federal Credit Union has been in good standing with the City as a yearlong tenant; and

**WHEREAS**, it is in the City's best interest to retain Tongass Federal Credit Union as a year-round, tenant until April 30, 2023.

**NOW THEREFORE, BE IT RESOLVED** that the City Council for the City of Thorne Bay hereby approves a noncompetitive 24-month short term lease, effective May 1, 2021 through April 30, 2023, for the rental of city owned facilities identified as unit "A" of the Thorne Bay City Hall building located at 120 freeman drive, for the purposes of operating financial credit union.

**PASSED AND APPROVED** this 20<sup>th</sup> day of April 2021, by a duly constituted quorum of the City Council with a vote of \_\_\_\_\_ yeas and \_\_\_\_\_ nays.

ATTEST:

\_\_\_\_\_  
Cindy Edenfield, Mayor

\_\_\_\_\_  
Teri Feibel, CMC

Attachment A: Renewed Lease Agreement – City of Thorne Bay and Tongass Federal Credit Union

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, Tongass Credit Union, (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter Unit "A" of the Thorne Bay City Hall. See Attached Exhibit A on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning May 1, 2021 and ending April 30, 2023. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision.

This Rental Agreement expires automatically on the last day of the Two (2) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement, the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of One-Hundred Dollars (\$100.00) per month rent plus utility fees of \$179.46 based on FY 19 average fees, payable in advance on the first day of each month of the Rent term. In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, late payments shall be assessed a 0.87% finance charge (10.5% ARP) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of two-year term, the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

4. **Deposits.** Renter shall deposit with the City an amount equal to  N/A . Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A", Unit "A".
5. **Use.** Renter shall use the Rented Premises for the purposed of maintaining and operating there on, Financial Services. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** The City shall provide Water, Sewer, Garbage, Heat, Electrical, snow removal service, except the walkway / stairs serving the entrance, for Unit "A". Renter shall pay the monthly utility fees as stated in Section 3. Renter shall be responsible for phone and internet service installation and monthly fees. Renter may contract with the City for minimal janitorial service.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.
9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub-Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.
11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement, the Renter shall vacate the premise immediately.

12. **Insurance.** General Liability Insurance: The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy.

City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.
14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement.

To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

15. **Removal of Renter's Property and Repair of Rented Property.** All fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all fixtures and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its fixtures, and equipment, and fails to make the necessary repairs, the City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any fixtures or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's fixtures and equipment at a price equal to or less than fair market value.
16. **Taxes.** Renter shall be solely and fully responsible for the payment of all applicable federal, state, and Thorne Bay municipal taxes including all Monthly Sales Taxes due the City (if applicable).
17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Stature 34.35.065
18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:
- (a) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
  - (b) Upon shut off of utilities;
  - (c) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

- (d) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
- (e) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
- (f) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution or liquidation of the Renter;
- (g) The making by the Renter of an assignment for the benefit of creditors;
- (h) Renter vacates or abandons the Rented Premises; and
- (i) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

**19. City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.

- (a) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
- (b) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
- (c) Declare the Term ended;
- (d) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
- (e) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
- (f) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
- (g) The City shall use reasonable diligence to relet Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.
22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.
23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.
24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651 et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect.

# RENTAL AGREEMENT

## City & Tongass Federal Credit Union

Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.

26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their “**AS IS**” condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter’s taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter’s uses under this Rent.
27. **Attorneys’ Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys’ fees and costs incurred by City in connection therewith including City’s attorneys’ fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.
28. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.
29. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter’s personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter’s sole expense.
30. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
31. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, \_\_ \_\_\_\_\_, or at such other address as either party may designate in writing to the other.
32. **City’s Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

# RENTAL AGREEMENT

City & Tongass Federal Credit Union

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

RENTER:

THE CITY OF THORNE BAY

TONGASS FEDERAL CREDIT UNION

By \_\_\_\_\_  
Cindy Edenfield, Mayor "City"

By \_\_\_\_\_  
TFCU

ATTEST:

\_\_\_\_\_  
Teri Feibel, City Clerk



**CITY OF THORNE BAY  
RESOLUTION 21-04-20-02**

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, APPROVING THE RENEWAL OF A SHORT-TERM 24-MONTH LEASE WITH SEARHC FOR LEASE OF CITY OWNED FACILITY IDENTIFIED AS UNIT "B" OF THE CITY HALL BUILDING LOCATED AT 120 FREEMAN DRIVE, FOR THE PURPOSES OF OPERATING FINANCIAL CREDIT UNION

**WHEREAS**, the City Council is the governing body of the City of Thorne Bay; and

**WHEREAS**, The current lease between SEARHC and the City is set to expire April 30, 2021; and

**WHEREAS**, the Thorne Bay Municipal Code 2.56.240-provides that negotiated leasing may be conducted with a single prospective lessee or renter through the use of resolution; and

**WHEREAS**, SEARHC has been in good standing with the City as a yearlong tenant; and

**WHEREAS**, it is in the City's best interest to retain SEARHC as a year-round, tenant until April 30, 2023.

**NOW THEREFORE, BE IT RESOLVED** that the City Council for the City of Thorne Bay hereby approves a noncompetitive 24-month short term lease, effective May 1, 2021 through April 30, 2023, for the rental of city owned facilities identified as unit "B" of the Thorne Bay City Hall building located at 120 freeman drive, for the purposes of operating a Health Clinic

**PASSED AND APPROVED** this 20<sup>th</sup> day of April 2021, by a duly constituted quorum of the City Council with a vote of \_\_\_\_\_ yeas and \_\_\_\_\_ nays.

ATTEST:

\_\_\_\_\_  
Cindy Edenfield, Mayor

\_\_\_\_\_  
Teri Feibel, CMC

Attachment A: Renewed Lease Agreement – City of Thorne Bay and SEARHC

# RENTAL AGREEMENT

## City & SEARHC Clinic

This Rental Agreement is entered into by and between the City of Thorne Bay, Alaska, P.O. Box 110, Thorne Bay, Alaska 99919 (hereinafter called the "CITY" and, SEARHC, (hereinafter called the "RENTER").

1. **Rented Premises.** The City does hereby Rent to the Renter Unit "B" of the Thorne Bay City Hall. See Attached Exhibit A on municipally owned property within the corporate boundaries of the City of Thorne Bay.

**Municipal Code, Title 2, Article III, Incorporated.** The provisions of "Title 2, Article III of the Thorne Bay Municipal Code shall apply to the terms of this Rental Agreement unless otherwise amended in this Rental Agreement.

2. **Term.** The term of this Rental Agreement shall be Two (2) year(s) beginning May 1, 2021 and ending April 30, 2023. Monthly rental payments due the City shall commence prior to use of Rented Premises and continue throughout the term of this Rental Agreement. Renter shall have the option to renew this Rent for an additional period of time subject to renegotiations of Rent terms and payments acceptable to both the City and Renter. The option to renew and Rent for the additional period can only be effective upon approval by the Thorne Bay City Council. This option to renew shall be exercised by the Renter in writing sixty (60) days prior to the expiration of the original Rent term. The option to renew is specifically waived if not exercised in full compliance with this provision. This Rental Agreement expires automatically on the last day of the Two (2) year period absent the approval of a new Rental Agreement by the Thorne Bay City Council. Absent an approved Rental Agreement, the Renter shall vacate the premise on or before the ending date of this Rental Agreement.

In addition to any rights of the City to terminate this Rental Agreement as specified in this Rental Agreement, or as specified in the Thorne Bay Municipal Code, the City shall have all rights to terminate this Rental Agreement in accordance with any provision of applicable law.

3. **Monthly Rent Payment.** Renter covenants and agrees to pay City monthly Rent payments in the sum of Ten dollars per month rent plus utility fees of \$179.46 based on FY 19 average fees payable in advance on the first day of each month of the Rent term. (utility fees to be adjusted if facility used as clinic more than one day per week). In the event any payment required to be made pursuant to this Rental Agreement is more than ten (10) days past due, late payments shall be assessed a 0.87% finance charge (10.5% ARP) per annum on such past due amount will be assessed and charged to Renter by City. At the expiration of the two-year term the monthly Rent payment shall be reviewed and adjusted in accordance with the provisions of Section 2.56.210 of Title 2, Article III of the Thorne Bay Municipal Code.
4. **Deposits.** Renter shall deposit with the City an amount equal to N/A. Upon termination of the Rental Agreement the Renter shall vacate the premise leaving it in the same clean condition as presented at the time said Rental Agreement was initiated. If the premise is in need of cleaning, repairs or the Renter is in default in payments said deposit

# RENTAL AGREEMENT

## City & SEARHC Clinic

shall be used to offset such costs. In the event the Rented Premise is clean and in need of no repairs the deposit will be refunded in full. First and last month may be waived in lieu of improvements to the Rented Premises or other City Facilities as provided by Renter per "Exhibit A", Unit "B".

5. **Use.** Renter shall use the Rented Premises for the purposed of maintaining and operating there on, Medical Services/Human Health Services. The Rented Premises shall be used for no other purposes without the prior written consent of City.
6. **Utilities and Fees.** The City will provide Water, Sewer, Garbage, Heat, Electrical, snow removal service, except for walkways accessing the entrances for Unit "B". Renter shall pay the monthly utility fees as stated in Section 3. Renter shall be responsible for phone and internet service installation and monthly fees. Renter may contract with the City for minimal janitorial service.
7. **Repairs, Maintenance and Compliance with Laws.** Renter shall maintain the Rented Premises at Renter's sole cost and expense and at all times keep the Rented Premises neat, clean and in a sanitary condition. Renter shall keep and use the Rented Premises in accordance with applicable laws, ordinances, rules, regulations and requirements of all governmental authorities. Renter shall permit no waste, damage or injury to the Rented Premises. Renter's use of the Rented Premises in violation of any law or regulation of any governmental entity related to public health or safety or environmental pollution shall be a material breach of the Rental Agreement and grounds for City's termination of the Rental Agreement. Renter is required to obtain authorization from the City for construction of any and all structures placed on or in the Rented Premises.
8. **Signs, Alterations and Improvements.** All signs or symbols placed on or about the Rented Premises shall be subject to City's prior written approval. After prior written consent of City, Renter may make alterations and improvements to the Rented Premises, at Renter's sole cost and expense. City may elect to require Renter to remove any such alterations and improvements upon termination of this Rental Agreement at Renter's sole cost and expense. Any of Renter's improvements remaining on the Rented Premises longer than thirty (30) days after Renter's possessors rights to the Rented Premises have expired shall become Rented Premises of City.
9. **Insolvency.** In the event Renter becomes insolvent, bankrupt or if a receiver, assignee or other liquidating officer is appointed for the business of Renter, City, in City's sole discretion may immediately terminate this Rental Agreement and require that Renter vacate the Rental Premises.
10. **Subletting or Assignment.** Renter shall not sublet the whole or any part of the Rented Premises nor assign this Rental Agreement without the prior written consent of City. This Rental Agreement shall not be assignable by operation of law. All terms and conditions of the Rental Agreement shall be binding upon any sub Renter or assignee of this Rental Agreement and Renter shall remain fully responsible to City for performance of this Rental Agreement.

# RENTAL AGREEMENT

## City & SEARHC Clinic

11. **Permits and Compliance with Law.** Renter shall obtain all necessary local, state and federal permits necessary for the operation of Renter's business and shall comply with all local, state and federal laws, rules and regulations.

Failure to comply with any requirements of this section shall constitute a material breach of the Rental Agreement. Failure to remedy the violation within 30 days will result in the City's termination of the Rental Agreement. Absent an approved Rental Agreement, the Renter shall vacate the premise immediately.

12. **Insurance.** General Liability Insurance: The Renter shall procure and maintain during the life of this agreement, General Liability Insurance on an "occurrence basis" with limits of liability not less than \$1,000,000 per occurrence and /or aggregate combined single limit, personal injury, bodily injury and property damage.

Proof of Insurance shall be provided to City within thirty (30) days after the parties have executed this agreement and prior to public use of said premises. City shall be notified at least thirty (30) days before the cancellation or termination of any policy. City shall be named as additional insured.

13. **Accidents and Liability.** City or its agent shall not be liable for any injury or damage to the persons or property sustained by Renter or others, in and about the Rented Premises.

14. **Indemnification and Waiver of Subrogation.** To the fullest extent permitted by law, the Renter agrees to defend, indemnify and hold harmless the City, its elected and appointed officials, employees and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with this agreement.

To the extent permitted by law, the Renter hereby re-Rents the City, its elected and appointed officials, employees and volunteers from any and all liability or responsibility to the Renter or anyone claiming through or under the Renter by way of subrogation or otherwise, for any loss or damage to the property caused by fire or any other casualty, even if such fire or other casualty shall have been caused by the fault or negligence of the City, its elected or appointed officials, employees or volunteers. This provision shall be applicable and in full force and effect only with respect to loss or damage occurring during the time of the Renter's occupancy or use.

Renter understands that the City accepts no responsibility whatsoever for loss of, or damage to Renter's property.

15. **Removal of Renter's Property and Repair of Rented Property.** All fixtures and equipment of whatsoever nature, that Renter shall have acquired and installed upon Rented premises, whether permanently affixed or otherwise, shall continue to be the property of the Renter and must be removed by the Renter at the expiration or termination of this Rental Agreement; and at its own expense, Renter shall repair any injury to Rented Premises resulting from such removal. Renter shall remove all fixtures and equipment, and make all repairs, within thirty days of the date the Renter vacates Rented Premises. If the Renter fails to remove its, fixtures, and equipment, and fails to make the necessary repairs, the

# RENTAL AGREEMENT

## City & SEARHC Clinic

City may do so, and seek reimbursement from the Renter for the full amount of the repairs, without any deduction for the value of any, fixtures, or equipment left on the premises by the Renter. If City determines that it is in City's best interest to acquire the improvements, it may negotiate to purchase Renter's fixtures, and equipment at a price equal to or less than fair market value.

16. **Taxes.** Renter shall be solely and fully responsible for the payment of all taxes due to the Federal, State or Local Government (if applicable).
17. **Liens.** Renter shall maintain Rented Premises free of any and all liens. Renter will not permit any mechanics', laborers' or materialmen's liens to stand against the Rented Property or improvements for any labor or materials furnished to Renter or claimed to have been furnished to Renter, or to Renter's agents, contractors, or sub-Renters, in connection with work of any character performed or claimed to have been performed on Rented premises or improvements by or at the direction or sufferance of Renter; provided, however, Renter shall have the right to contest the validity or amount of any such lien or claimed lien, In the event of such contest, Renter shall give to the City such reasonable security as may be demanded by the City to insure payment of such lien or such claim of lien. Renter will immediately pay any judgment rendered with all proper costs and charges and shall have such lien re-Rented or judgment satisfied at Renter's own expense. Renter agrees to indemnify, hold harmless and to defend the City and Rented premises from such liens. Renter consents to the City's recording of and posting of a statutory notice of non-responsibility in accordance with Alaska Stature 34.35.065
18. **Default by Renter.** Each of the following shall be deemed a default by the Renter and a breach of the Rental Agreement:
  - (j) A failure to make payment of any installment, of rent or of any other sum herein specified to be paid by Renter, and Renter fails to cure such default within ten (10) days after receipt of a written notice has been received by Renter specifying such failure to make payment;
  - (k) Upon shut off of utilities;
  - (l) A default in the performance of any other covenant or condition on the part of the Renter to be performed for a period of thirty (30) days after receipt by Renter of a notice specifying the particular default or defaults;
  - (m) The filing of a petition by or against Renter for adjudication as a bankrupt, or for reorganization or arrangement within the meaning of the Bankruptcy Act;
  - (n) The dissolution or the commencement of any action or proceeding for the dissolution or liquidation of the Renter or for the appointment of a receiver or trustee of Rented Premises of the Renter;
  - (o) The taking possession of Rented Premises of the Renter by any governmental officer of agency pursuant to statutory authority for the dissolution of liquidation of the Renter;
  - (p) The making by the Renter of an assignment for the benefit of creditors;
  - (q) Renter vacates or abandons the Rented Premises; and
  - (r) A failure that continues for five (5) days or more to have the City named as an additional insured as required under paragraph 18, and Renter fails to cure such default within

# RENTAL AGREEMENT

## City & SEARHC Clinic

ten (10) days after receipt of a written notice has been received by Renter specifying such failure to name the City as an additional insured.

The specification of events constituting default by the Renter in this Section, are in addition to any defaults specified in the Thorne Bay Municipal Code.

19. **City's Remedies for Default.** In the event of any default of the Renter, the City shall have the following rights and remedies – all in addition to any rights or remedies that may be given to the City by statute, common law, or under Thorne Bay Municipal Code.
- (h) Distraint for rent due and subsequent sale of chattels so distrained. The sale of any such chattels shall be in accordance with the procedure set forth in Alaska Statutes.
  - (i) Re-enter Rented Premises and take possession thereof, remove all persons therefrom, and remove Renter's property therefrom and store it in a public warehouse or elsewhere at the cost of Renter, all without service of notice or resort to legal process (all of which Renter expressly waives) and without becoming liable for trespass, forcible entry, detainer, or other tort or for any loss or damage which may be occasioned thereby;
  - (j) Declare the Term ended;
  - (k) Re-let Rented premises in whole or in part for any period equal to or greater, or less, than the remainder of the Term for any sum which is commercially reasonable;
  - (l) Cure any such default, if possible, and demand immediate payment until all costs incurred in curing the default have been reimbursed fully, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska;
  - (m) Collect all reasonable damages, costs and expenses that the City may incur by reason of default by Renter, together with interest calculated at the rate of ten percent (10%) per annum at the then current prime rate as established by the First Bank of Alaska.
  - (n) The City shall use reasonable diligence to re-let Rented Premises in or to mitigate the City's damages, consistent with the uses of Rented Premises, and all applicable Thorne Bay code provisions related to this Rent and Rented Premises.
20. **Rights and Remedies.** Except insofar as this is inconsistent with or contrary to any provision of this Rent, no right or remedy herein conferred upon reserved to the City or Renter is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.
21. **Waiver.** Except to the extent that a party may have otherwise agreed in writing, no waiver by a party of any breach by the other party of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by a party to seek a remedy for any breach of the other party be deemed a waiver of its rights or remedies with respect to such breach.
22. **Changes.** No modifications, amendments, deletions, additions or alterations of the Rent Agreement shall be effective unless in writing and signed by all of the parties hereto and such representatives of the parties as have been duly authorized to make such changes.

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23. **Joint Product.** The language set out in this Rental Agreement represents the joint product of the parties and shall not be construed against one party in favor of the other. Each party hereto has had the option of seeking the advice of legal counsel in the drafting of this Rental Agreement, and the rule of construction favoring construction against the drafter shall not apply. Renter acknowledges and agrees that Renter has not received any legal advice from the City's attorney or from anyone associated with the City.
24. **Authority.** The parties and their undersigned representatives warrant that they have full authority to enter into this Rental Agreement and to execute this Rental Agreement.
25. **Hazardous Materials.** The Renter shall not permit, store, manufacture or dispose on Rented Premises any hazardous material or controlled substance as determined by federal, state, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation and liability Act (42 U.S.C. 9601 et seq.), the Hazardous materials Transportation Act (42 U.S.C. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C.7401 et seq.), the Toxic Substance Control Act, as amended (15 U.S.C. 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. 651et seq.), and Title 46 of the Alaska Statutes as these laws have been and may hereafter be amended or supplemented. "Hazardous Substance" means any pollutant, contaminant, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCB's or any other substance the removal of which is required, or the manufacture, preparation production, generation, use maintenance, treatment, storage, transfer, handling or ownership of which is restricted , prohibited, regulated or penalized by any and all federal, state, or municipal statutes or laws now or at any time hereafter in effect. Hazardous material shall not include cleaning supplies used in the routine daily cleaning and operation of a restaurant.
26. **Acceptance of the Rented Property by Renter.** Renter acknowledges that it has thoroughly examined Rented Premises. Renter accepts Rented Premises in their "AS IS" condition, and the City shall not be required to perform any work to prepare Rented Premises for the Renter. Renter's taking possession of Rented Premises shall be conclusive evidence against it that, at the time possession was taken, Rented Premises were in good and satisfactory condition. Renter acknowledges that, except for those representations and statements regarding the condition of Rented Premises expressly stated herein, Renter has not relied upon any representations or statements of the City or its representatives or agents regarding the condition of Rented premises or their suitability for Renter's uses under this Rent.
27. **Attorneys' Fees and Costs.** Should any dispute and/or legal action arise by reason of any default or breach on the part of Renter in the performance of any of the provisions of the Rental Agreement, Renter agrees to pay all reasonable attorneys' fees and costs incurred by City in connection therewith including City's attorneys' fees and costs incurred on appeal. It is agreed that the venue of any legal action brought under the terms of this

# RENTAL AGREEMENT

## City & SEARHC Clinic

Rental Agreement will be the First Judicial District, at Ketchikan, Alaska. Renter specifically agrees that venue for trial in any action related to this Rent shall be in Craig, Alaska.

28. **No Waiver of Covenants.** Any waiver by either party of any breach hereof by the other shall not be considered a waiver of any future or similar breach. This Rental Agreement contains all the agreements between the parties, and there shall be no modification of the agreements contained herein except by written instrument signed by both parties.
29. **Surrender of Rented Premises.** Upon termination of this Rental Agreement, Renter agrees to peacefully quit and surrender the Rented premises without notice, remove all of Renter's personal property and leave the Rented premises neat and clean. If City elects to require Renter to remove any alterations or improvements made by Renter, then Renter shall restore the Rented Premises to their previous condition, at Renter's sole expense.
30. **Binding on Heirs, Successors and Assigns.** The covenants and agreements of this Rental Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of both parties thereto, except as hereinabove provided, and as allowable by law.
31. **Notice.** Any notice required to be given by either party to the other shall be deposited in the United States mail, postage prepaid, addressed to City at P.O. Box 19110, Thorne Bay, Alaska 99919, or the Renter at, \_\_\_\_\_, or at such other address as either party may designate in writing to the other.
32. **City's Right of Entry.** The City shall have the right to enter Rented premises at all reasonable times to examine the condition of same.

IN WITNESS WHEREOF, the parties hereto have executed this Rental Agreement as of the date first set above written.

CITY:

RENTER:

THE CITY OF THORNE BAY

SEARHC Alicia Roberts Clinic

By \_\_\_\_\_  
Cindy Edenfield, Mayor "City"

By \_\_\_\_\_  
SEARHC

ATTEST:

\_\_\_\_\_  
Teri Feibel, City Clerk



CITY OF THORNE BAY  
ORDINANCE 21-05-04-01

AN ORDINANCE OF THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA, AMENDING TITLE 2-ADMINISTRATION AND PERSONNEL, CHAPTER 2.24-OFFICERS AND EMPLOYEES, SECTIONS:

BE IT ENACTED BY THE CITY COUNCIL FOR THE CITY OF THORNE BAY, ALASKA

- Section 1. Classification. This ordinance is of a general and permanent nature, the chapter and section hereby amended shall be added to the Thorne Bay Municipal Code.
- Section 2. Severability. If any provisions of this ordinance or any application thereof to any person or circumstances is held invalid, the circumstances shall not be affected thereby.
- Section 3. Amendment of Section. The title and chapter of Title 2-Administration and Personnel, Chapter 2.24-Officers and Employees, Amending Section 2.24.030-Employment, is hereby amended and added to the Thorne Bay City Code and shall read as follows:

**2.24.030 (A)(2)**

**Part-time.** Where the work is done during a portion of a workday, work week, or work year, and totals at least ~~twenty hours~~ **FIFTEEN HOURS** but less than forty hours a week on a regular basis;

- Section 4. Effective Date. This ordinance shall become effective upon adoption.

PASSED AND APPROVED May 4, 2021

\_\_\_\_\_  
Cindy Edenfield, Mayor

ATTEST:

\_\_\_\_\_  
Teri Feibel, CMC

[Introduction: April 20, 2021]  
[Public Hearing: May 4, 2021]

### 2.24.030 EMPLOYMENT.

- A. **Permanent Employees.** Permanent appointments are made to positions which are considered to be part of the regular complement work force needed to perform municipal services.
1. **Full-time.** Where the work week is forty hours on a regular basis;
  2. **Part-time.** Where the work is done during a portion of a workday, work week, or work year, and totals at least ~~twenty hours~~ **FIFTEEN HOURS** but less than forty hours a week on a regular basis;
  3. **Short-hours employee.** Where the work is done on a predetermined schedule of less than fourteen (14) hours per week on a regular basis.
- B. **Temporary Employees.** Temporary employees are employees hired on an interim replacement basis, or for temporary work, on a predetermined work schedule with a termination date established upon hire. A temporary employee may be separated from city service demoted or suspended without cause in the full discretion of the mayor or the city administrator. If employees hired on a temporary basis become permanent employees, they are entitled to sick leave and annual leave accruals retroactive to their date of hire.
- C. **Probationary Employees.** A probationary employee is an employee that is considered a part of the complement needed for performing city services but without permanent status. All appointments and promotions to positions in the city, as well as former employees who are rehired, shall be on a probationary basis of six months. During the probationary period, an employee may be terminated, and a promoted employee returned to the previously held position from which he was promoted, or an equivalent one, at the discretion of the mayor. The employee may be dismissed or demoted during this period of probation at any time without right of appeal or hearing. Probationary employees shall not be entitled to benefits, including but not limited to annual leave, health insurance, life insurance, or the city's retirement program. Upon successful completion of probationary period (six months) full benefits will be available. (Ord. 10-01-19-02)
- D. **Project Employees.** Project employees are employees hired, appointed or who volunteer for a specific project or position which is not considered to be part of the regular complement work force needed to perform municipal services. Project employees shall be hired and operate pursuant to terms and conditions approved by the mayor. Project employees may be separated from city service, demoted or suspended without cause in the full discretion of the mayor or the city administrator without right of appeal or hearing. The provisions of Section 2.24.080 do not apply to project employees. Project employees shall not be entitled to benefits, including but not limited to annual leave, sick leave, holidays, health insurance, life insurance, or the city's retirement program. Project employees shall be entitled to benefits required by State or Federal law including Worker's Compensation, Unemployment Insurance, Medicaid and Social Security withholding. Project employees shall not be considered for hire, appointment or volunteer until the person's accounts with the city are made current. The City Council will consider financial or other hardships.