

# CITY OF KOTZEBUE NOTICE

## Regular City Council Meeting Agenda

December 18, 2025 at 5:15 PM

City Hall Chambers – 258 A Third Avenue

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### THE PUBLIC IS ENCOURAGED TO ATTEND

For residents who want to participate telephonically call: **1-800-315-6338**; access code:  
**49401**

- I. Call to Order**
- II. Roll Call**
- III. Invocation / Moment of Silence**
- IV. Pledge of Allegiance**
- V. Introduction of Staff & Guests**
- VI. Adoption of The Agenda**
- VII. Adoption of Minutes**
- VIII. Citizen Comments**
- IX. Correspondence**
- X. Unfinished Business**
- XI. New Business**

**a) RESOLUTION 25-69**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE APPROVING A CONTRACT FOR CY2026 WITH CROWLEY FUELS, LLC FOR HEATING FUEL, ULTRA LOW SULFUR DIESEL AND GASOLINE."

**b) RESOLUTION 25-70**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ALTMAN, ROGERS & COMPANY, CPAs ("ALTMAN, ROGERS") TO PROVIDE CHIEF FINANCIAL OFFICER ("CFO") SERVICES/FINANCIAL DIRECTOR SERVICES VIRTUALLY AND IN-PERSON FOR CY2026."

**c) RESOLUTION 25-71**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING AND ADDING THE CITY MANAGER RONALD JOHNSON AND FINANCE DIRECTOR MICHAEL WETZEL AS AUTHORIZED

SIGNERS ON ALL OF THE CITY'S ACCOUNTS WITH FIRST NATIONAL BANK OF ALASKA AND CREDIT CARD ACCOUNTS."

**d) RESOLUTION 25-72**, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING AND ADDING THE FINANCE DIRECTOR MICHAEL WETZEL AS AUTHORIZED SIGNER ON ALL OF THE CITY'S ACCOUNTS WITH KEY BANK."

**e)** Appointment of City Manager Ronald Johnson

## **XII. Council Members Comments**

Seat B: Derek Haviland-Lie

Seat C: Joshua Hadley

Seat D: Kathleen Sherman

Seat E: Cory Jackson

Seat G: Johnson Greene

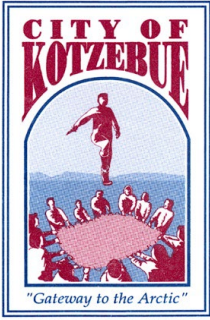
Seat A: Ernest Norton

Seat F: Saima Chase

Youth Representative: vacant

## **XIII. Executive Session**

## **XIV. Adjournment**



258A Third Avenue  
P.O. Box 46  
Kotzebue, Alaska 99752

City Hall 907-442-3401

Police Dept 907-442-3351

Fire Dept 907-442-3404

Public Works 907-442-3401

Parks & Rec 907-442-3106

## PUBLIC NOTICE

### Mayor Chase

has scheduled the next

### Regular City Council Meeting

on

**Thursday, December 18<sup>th</sup>, 2025 at 5:15pm**

**City Council Chambers**

**258A Third Avenue, Kotzebue, AK**

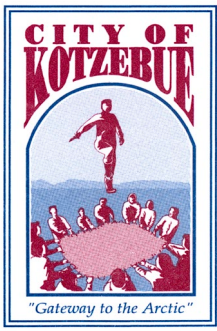
**THE PUBLIC IS ENCOURAGED TO ATTEND**  
FOR CITIZENS WHO WANT TO PARTICIPATE TELEPHONICALLY CALL  
1-800-315-6338 access code 49401#

Please contact the office of the City Clerk at 1-907-442-5108 or 1-907-412-2489 if you have any questions.

Posted: DEC-12-2025

City Hall Bulletin Board  
City of Kotzebue Website  
City of Kotzebue Facebook Page  
City of Kotzebue Attorney  
City of Kotzebue Department Heads

Alaska Commercial, Co. Bulletin Board  
NWAB Bulletin Board  
Post Office Bulletin Board



**CITY OF KOTZEBUE**

**RESOLUTION NO. 25-69**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE  
APPROVING A CONTRACT FOR CY2026 WITH CROWLEY FUELS, LLC FOR  
HEATING FUEL, ULTRA LOW SULFUR DIESEL AND GASOLINE.**

- WHEREAS,** the City of Kotzebue (“City”) issued Request for Proposal – ITB # 2025-15 for heating fuel, ultra low sulfur diesel and gasoline as set forth in Exhibit “A” attached hereto and incorporated by reference herein;
- WHEREAS,** Crowley Fuels, LLC (“Crowley”) submitted its proposal as set forth in Exhibit “B” attached hereto and incorporated by reference herein;
- WHEREAS,** Vitus Terminals, LLC (“Vitus”) submitted its proposal as set forth in Exhibit “C” attached hereto and incorporated by reference herein;
- WHEREAS,** the City Manager (f/n/a as the Acting City Manager) has reviewed the respective responses from Crowley and Vitus; and,
- WHEREAS,** the City Manager recommends that Crowley be awarded the contract for heating fuel, ultra low sulfur diesel and gasoline for the Calendar Year 2026 as set forth in Exhibit “D” attached hereto and incorporated by reference herein.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Kotzebue authorizes the City Manager to finalize the contract with Crowley for heating fuel, ultra low sulfur diesel and gasoline for the Calendar Year 2026 and execute the necessary contract document(s) to effectuate the deliveries of heating fuel, ultra low sulfur diesel and gasoline for the Calendar Year 2026.

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Resolution 25-69  
Crowley Fuels, LLC for CY2026  
December 18, 2025 RCCM  
Page 2 of 2

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of December 2025.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase  
*Mayor*

ATTEST:

[SEAL]

\_\_\_\_\_  
Donald Jones, Jr.  
*City Clerk*

Attachments:

- **Exhibit A:** RFP – ITB # 2025-15 [4 pages]
- **Exhibit B:** Crowley Response to RFP – ITB # 2025-15 [6 pages]
- **Exhibit C:** Vitus Response to RFP – ITB # 2025-15 [11 pages]
- **Exhibit D:** City Manager Award Recommendation [2 pages]

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL - ITB # 2025-15  
HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2026 THROUGH DECEMBER 31, 2026

The City of Kotzebue is soliciting bids for delivery of heating fuel to the City's tanks listed below:

<u>Tank Location</u>	<u>Tank Capacity</u>	<u>Fill Schedule*</u>
City Hall	500 gallons	weekly
Devil's Lake	10,000 gallons	yearly
(DO NOT EXCEED 2,000 gallons per year @ Devil's Lake)		
Fire Training Center, in-ground	1,000 gallons	biweekly
Fire Training Center, on stand	500 gallons	weekly
Dog Pound	55 gallons	weekly
Kotzebue Regional Jail Kitchen	100 gallons	biweekly
Kotzebue Regional Jail, tank A	1,000 gallons	biweekly
Kotzebue Regional Jail, tank B	1,000 gallons	biweekly
Arctic Spirits	350 gallons	biweekly
Kotzebue Police Department	1,000 gallons	biweekly
Kotzebue Youth Center	1,000 gallons	once a month
Public Works Shop	2,000 gallons	biweekly
Transit Building	500 gallons	biweekly
Water Treatment Plant	5,000 gallons	biweekly
Quonset Hut	500 gallons	weekly <u>Oct thru May</u>
	500 gallons	weekly <u>Oct thru May</u>
Baler Building	1,000 gallons	biweekly
Package Store Annex	500 gallons	biweekly

\*Fill Schedule subject to change

Mobile Equipment Tank

Ultra Low Sulfur Diesel	weekly
Gasoline	weekly

Annual fuel usage is approximately:

Heating oil HO-HS DF1 MV	85,000 gallons
ULSD ULS DF1 MV	22,000 gallons
Gasoline UNL Reg 87	17,000 gallons

Instructions to Bidders:

1. All bids shall be submitted in a sealed envelope, clearly marked #ITB 2025-14" and delivered to the City Clerk before December 1, 2025 @3:00 PM. Deliver to City Hall at 258-A Third Avenue, or mail to City of Kotzebue, P. O. Box 46, Kotzebue, AK, 99752. All bids will be opened at this time. Any bids not received by this date or time will be deemed non-responsive.

2. No Email or fax transmissions will be allowed. Any bids received other than by sealed envelope prior to the deadline will be deemed non-responsive.
3. The successful bidder shall be required to sign the attached “Fuel Delivery Service Agreement”, which includes provisions for insurance, within five (5) days after receiving the Notice of Award from the City. Failure to sign the agreement with five (5) days of receiving notice shall deem the bid null and void.
4. The City of Kotzebue reserves the right to reject any and all bids, to request clarification of a respondent’s bid, to modify or alter any or all of the terms of the bid, and to waive any and all technicalities or informalities it deems appropriate.

Submission Requirements:

1. The City is requesting that the vendor submit a FIXED FEE rate sheet attached for fuel delivery services.
2. Vendor shall supply a draft contract with the option to be renegotiated annually with an option to renew for up to two consecutive twelve-month periods.
3. Vendor shall supply a short summary of any other cost savings plans they provide.
4. Vendor shall submit a fee schedule for any services not covered in the proposal price.

Disbursement of monies by the City of Kotzebue shall be subject to set-off pursuant to the provisions of section 3.16.110 of the Municipal Code for any accounts receivable of the general government and municipal utilities funds indebtedness due to the city from any such person, firm or corporation contracting with the City.

Sealed bids will be opened at Kotzebue City Hall, Monday, December 1, 2025 at 3:00 pm. Bids not received by this date will be deemed non-responsive.

CITY OF KOTZEBUE  
NON-COLLUSION CLAUSE

1. By submission of this offer, the offeror certifies, and in the case of a joint offer, each party thereto, certifies as to its own organization, that in connection with this procurement:
- a. The prices of this offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor.
  - b. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror, prior to opening in the case of an advertised procurement, or prior to award in the case of a negotiated, directly or indirectly, procurement to any other offeror or to any competitor.
  - c. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit an offer for that purpose of restricting competition.
2. Each person signing this offer certifies that:
- a. He is the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, and that he has not participated, and will not participate in any action contrary to 1a through 1c above.
  - b. He is not the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, but that he has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in, any action contrary to 1c above and as their agent, does hereby so certify; and he has not participated, and will not participate in any action contrary to 1a through 1c above.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Authorized Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company Name

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL - ITB #2025-15 HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2026 THROUGH DECEMBER 31, 2026

I am authorized by my company to bid on the Heating Fuel Delivery Service to the City of Kotzebue. I agree to the terms and conditions of the "Heating Fuel Delivery Service Agreement" and bid as follows:

Item	Heating Fuel Delivery Service Agreement	Price Per Gallon \$ _____	
Item	Ultra Low Sulfur Diesel	\$ _____	
Item	Gasoline	\$ _____	

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Address

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Company Address

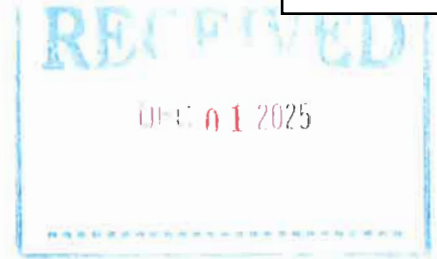
\_\_\_\_\_  
Printed Name of Authorized Representative

\_\_\_\_\_  
Company Telephone

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company Fax

\_\_\_\_\_  
Company e-mail Address



December 1, 2025

City of Kotzebue  
Attn: City Clerk  
258-A Third Avenue  
Kotzebue, Alaska 99752  
Bid Due: 3:00PM December 1, 2025

**RE: Request for Proposal – RFP ITB # 2025-15 Heating Fuel Delivery Service**

City Clerk,

In response to the City of Kotzebue RFP ITB #2025 – 15 Fuel Bid, Crowley Fuels LLC (Crowley) respectfully submits the attached proposal for your review and consideration.

Crowley began serving the people and businesses of Alaska in 1953 – 72 years and counting – and has consistently provided unique solutions to Alaska's logistics and marine transportation and fuel distribution challenges throughout Alaska's communities. We are one of the unquestioned leaders in the Alaska fuel industry, providing transportation, distribution, and sales of petroleum products to more than 160+ communities across the state. We have seventeen terminals strategically positioned across Alaska serving retail, commercial, construction, transportation, and aviation industries. We prioritize sourcing quality fuel products and do strict testing when receiving and distributing those products to our customers. This prevents gelling in cold temperatures along with many other potential fuel contamination scenarios.

Crowley followed the requirements of the solicitation closely and is very familiar with the locations and fueling requirements for each property. Should Crowley be the successful bidder, a standard Fuel Supply Agreement will be sent for signature.

We value our relationship with the City of Kotzebue and understand the importance of safe and timely deliveries of fuel to your properties. We appreciate the opportunity to participate in the competitive bid process and look forward to serving the City of Kotzebue. If you should have questions or need any clarification to our submittal, please call Todd Tikiun, Manager, Sales, at (907) 545-0948 or via email at [Todd.Tikiun@crowley.com](mailto:Todd.Tikiun@crowley.com)

Respectfully,

Todd Tikiun  
Manager, Sales  
Crowley Fuels, LLC

This proposal, including attachments, is confidential, proprietary, and may be subject to attorney-client privilege. This proposal is intended only for the use of the City of Kotzebue. Any dissemination, distribution or copying of this proposal is strictly prohibited.



CITY OF KOTZEBUE  
NON-COLLUSION CLAUSE

1. By submission of this offer, the offeror certifies, and in the case of a joint offer, each party thereto, certifies as to its own organization, that in connection with this procurement:
- a. The prices of this offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor.
  - b. Unless otherwise required by law, the prices which have been quoted in this offer have not been knowingly disclosed by the offeror and will not knowingly be disclosed by the offeror, prior to opening in the case of an advertised procurement, or prior to award in the case of a negotiated, directly or indirectly, procurement to any other offeror or to any competitor.
  - c. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit an offer for that purpose of restricting competition.
2. Each person signing this offer certifies that:
- a. He is the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, and that he has not participated, and will not participate in any action contrary to 1a through 1c above.
  - b. He is not the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, but that he has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in, any action contrary to 1c above and as their agent, does hereby so certify; and he has not participated, and will not participate in any action contrary to 1a through 1c above.

  
Signature of Authorized Representative

Dec 1, 2025  
Date

Walter Taggart  
Printed Name of Authorized Representative

Vice President + Sales + Supply  
Title

Crowley Fuels LLC  
Company Name

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL - ITB #2025-15 HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2026 THROUGH DECEMBER 31, 2026

I am authorized by my company to bid on the Heating Fuel Delivery Service to the City of Kotzebue. I agree to the terms and conditions of the "Heating Fuel Delivery Service Agreement" and bid as follows:

Item	Heating Fuel Delivery Service Agreement	Price Per Gallon (excluding tax) \$ <u>6.29</u>	
Item	Ultra Low Sulfur Diesel	\$ <u>6.29</u>	
Item	Gasoline	\$ <u>6.15</u>	

Crowley Fuels LLC

Company Name

201 Arctic Slope Ave

Company Address

Anchorage, AK 99507

Company Address

907-777-5569

Company Telephone

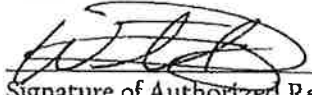
N/A

Company Fax

Todd.Tikiun@Crowley.com

Company e-mail Address

Dec 1, 2025  
Date

  
Signature of Authorized Representative

WHIT TAGGART  
Printed Name of Authorized Representative

Vice President Sales & Supply  
Title



**Kaitlin Moore**

---

**From:** Tikiun, Todd <Todd.Tikiun@crowley.com>  
**Sent:** Monday, December 1, 2025 3:48 PM  
**To:** Ron Johnson  
**Subject:** RE: City of Kotzebue Fuel RFP 2026

Hi Ron,

It just occurred to me, the bid proposal did not have the discount to City of Kotzebue employees. However, it could be added to the fuel agreement if we were a successful bidder. Apologies for this oversight.

Thanks,  
 Todd

**From:** Tikiun, Todd <Todd.Tikiun@crowley.com>  
**Sent:** Sunday, November 16, 2025 10:32 PM  
**To:** Ron Johnson <RJohnson@Kotzebue.org>  
**Subject:** Re: City of Kotzebue Fuel RFP 2026

Hi Ron,

Thank you. I received a copy from the PW department earlier this week and we will be working on it this week and next.

Thanks,  
 Todd

**Todd Tikiun**, Manager, Sales  
 Crowley Fuels LLC  
 o 907.777.5569 | m 907.545.0948  
[Email](#) | [Web](#) | [Social](#)

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**From:** Ron Johnson <RJohnson@Kotzebue.org>  
**Sent:** Sunday, November 16, 2025 10:30:55 PM  
**To:** Tikiun, Todd <Todd.Tikiun@crowley.com>  
**Subject:** RE: City of Kotzebue Fuel RFP 2026

You don't often get email from [rjohnson@kotzebue.org](mailto:rjohnson@kotzebue.org). [Learn why this is important](#)

**CAUTION:** This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Todd,

I didn't get a chance to finish my reply to you. I will forward your information to our PW department.

Regards,



Ron Johnson  
Acting City Manager  
City of Kotzebue  
258A Third Avenue  
PO Box 46, Kotzebue, AK 99752  
Work: 907-442-3401  
Cell: 907-412-2249



**From:** Kotzebue, Alaska <[noreply@civicplus.com](mailto:noreply@civicplus.com)>  
**Sent:** Thursday, October 23, 2025 2:23 PM  
**To:** Ron Johnson <[RJohnson@Kotzebue.org](mailto:RJohnson@Kotzebue.org)>  
**Subject:** City of Kotzebue Fuel RFP 2026

Name: Todd Tikiun  
Email: [todd.tikiun@crowley.com](mailto:todd.tikiun@crowley.com)

Message:

Good Afternoon,

Hope you are doing well, I'd like to reach out early this year and make sure you had my contact info for the release of the 2026 Fuel RFP. We are looking forward to having a chance of regaining the City's fuel business and look forward to the release of the RFP.

I will also be in Kotzebue November 11th and if you had time, would like to stop in and catch up.

Thanks,

Todd

**Todd Tikiun, Manager, Sales**

Crowley Fuels LLC

o 907.777.5569 | m 907.545.0948



5300 A Street  
Anchorage, AK 99518

November 26, 2025

City Clerk  
City of Kotzebue  
258-A Third Avenue  
Kotzebue, AK 99752

RE: Request For Proposal – RFP # 2025-15/14

City Clerk,

We are pleased to provide a response to the City of Kotzebue's fuel RFP for service in 2026. We understand how critical the fuel supply is for the City of Kotzebue and we are 100% prepared to provide best in class service for the City. Storage tanks are topped off with more than enough product to support your requirement, preseason maintenance is complete, and our full staff is trained and ready to go.

Included in our proposal is the Fixed Fee Schedule, The City of Kotzebue Non-Collusion Clause and a draft fuel supply agreement. As a side note, Vitus offers to include City of Kotzebue employees in the discount pool with our autofill group. This is a discount of .20 per gallon from our regular price. We understand this wouldn't be a factor for evaluation, but just a way to give back to the community.

We look forward to the opportunity to continue to be the City of Kotzebue's fuel provider. If you have any questions or concerns about our proposal please don't hesitate to reach out. I can be reached via phone or email any time.

Warm Regards,

*Mike Poston*

Mike Poston  
Director of Sales  
907-538-2198  
Mike.poston@vitusmarine.com

CITY OF KOTZEBUE  
NON-COLLUSION CLAUSE

1. By submission of this offer, the offeror certifies, and in the case of a joint offer, each party thereto, certifies as to its own organization, that in connection with this procurement:
- a. The prices of this offer have been arrived at independently, without consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other offeror or with any competitor.
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  - c. No attempt has been made or will be made by the offeror to induce any other person or firm to submit or not submit an offer for that purpose of restricting competition.
2. Each person signing this offer certifies that:
- a. He is the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, and that he has not participated, and will not participate in any action contrary to 1a through 1c above.
  - b. He is not the person in the offeror's organization responsible within that organization, for the decision as to the prices being offered, herein, but that he has been authorized, in writing, to act as agent for the persons responsible for such decision in certifying that such persons have not participated and will not participate in, any action contrary to 1c above and as their agent, does hereby so certify; and he has not participated, and will not participate in any action contrary to 1a through 1c above.

<u>Mike Poston</u>	<u>11/26/25</u>
Signature of Authorized Representative	Date
<u>Mike Poston</u>	<u>Director of Sales</u>
Printed Name of Authorized Representative	Title
<u>Vitus Terminals LLC</u>	
Company Name	

CITY OF KOTZEBUE  
REQUEST FOR PROPOSAL - ITB #2025-15 HEATING FUEL DELIVERY SERVICE  
FROM JANUARY 1, 2026 THROUGH DECEMBER 31, 2026

I am authorized by my company to bid on the Heating Fuel Delivery Service to the City of Kotzebue. I agree to the terms and conditions of the "Heating Fuel Delivery Service Agreement" and bid as follows:

Item		Price Per Gallon	
Item	Heating Fuel Delivery Service Agreement	\$ 6.289	
Item	Ultra Low Sulfur Diesel	\$ 6.289	
Item	Gasoline	\$ 6.289	

Vitus Terminals LLC  
\_\_\_\_\_  
Company Name  
5300 A Street  
\_\_\_\_\_  
Company Address  
Anchorage, AK 99518  
\_\_\_\_\_  
Company Address  
907-278-6700  
\_\_\_\_\_  
Company Telephone  
907-278-6701  
\_\_\_\_\_  
Company Fax  
mike.poston@vitusmarine.com  
\_\_\_\_\_  
Company e-mail Address

11/26/25  
\_\_\_\_\_  
Date  
*Mike Poston*  
\_\_\_\_\_  
Signature of Authorized Representative  
Mike Poston  
\_\_\_\_\_  
Printed Name of Authorized Representative  
Director of Sales  
\_\_\_\_\_  
Title

Offer is based on award of all items

**FUEL PURCHASE AGREEMENT**  
**(Shoreside – Multi-Year Requirements)**

This Fuel Purchase Agreement ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Vitus Terminals LLC ("Seller"), an Alaska limited liability company, whose address is 5300 A Street, Anchorage, Alaska 99518, and \_\_\_\_\_ ("Buyer"), whose address is \_\_\_\_\_.

1. Term of Contract; Purchase and Sale. The term of this Agreement shall commence on \_\_\_\_\_ (the "Commencement Date") and shall continue for a period of 1 year with 2 options to renew for additional 1 year periods. Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of Buyer's Product Requirements for each Agreement Year during the term of this Agreement.

2. Product and Product Requirements.

a. Definitions. As used herein,

(1) An "Agreement Year" is each period of January 1st of one calendar year through December 31st of the same calendar year during the term of this Agreement

(2) Each of the below-defined fuel types refers to fuel identified by Vitus's supplier as meeting the ASTM specifications listed below for that fuel type:

Fuel Type	ASTM Specifications Per Vitus's Supplier
"Unleaded"	ASTM D4814.
"Heating Fuel"	ASTM D975, D396, D975, D1655 or D3699
"ULSD 1"	ASTM D975 or D1655

(3) "Product" shall refer, collectively and severally, to all fuel types defined in the preceding subsection (a)(2).

(4) "Product Requirements" means all of Buyer's requirements for Product during each Agreement Year during the term of this Agreement, and in any event not less than the minimum annual quantities specified in the following subsection (b).

b. First Agreement Year and Estimated Annual Quantities. Buyer's Product Requirements for each Agreement Year shall be an estimate of:

Type	Quantity (in gallons)
Unleaded	17,000
Heating Fuel	85,000
ULSD #1	22,000

c. Product Requirements Notice. On or before each anniversary of the Commencement Date, Buyer shall provide Seller with written notice of Buyer's Product Requirements for the following Agreement Year (the "Product Requirements Notice"); provided, that Buyer's Product Requirements shall not be less than the quantities specified in subsection (b) above. If Buyer fails to provide the Product Requirements Notice as and when provided for in the preceding sentence, Buyer's Product Requirements for the following Agreement Year shall be deemed to be the same as Buyer's last effective Product Requirements.

d. Quantity Adjustments. Buyer may increase or decrease its Product Requirements for a particular Product for

Vitus Energy LLC \* 5300 A Street \* Anchorage, AK 99518  
 Tel: 907 793-9700 \* Fax: 907 793-9701 \* Email: Sales \* Web: vitus-energy.com



the first Agreement Year by up to 20% in excess of the quantity specified in subsection (b) above, and may increase or decrease its Products Requirements for a particular Product for any subsequent Agreement Year by up to 20% in excess of the quantity specified in the Product Requirements Notice for that Agreement Year, by providing Seller with written notice of such adjustment prior to May 1 of the Agreement Year for which such adjustment is to be effective.

e. Unanticipated Requirements. If Buyer learns that its requirements for a particular Product for the first Agreement Year are more than 20% in excess of the quantity specified in subsection (b) above, or if Buyer learns that its requirements for a particular Product for a subsequent Agreement Year are more than 20% in excess of the quantity specified in a Product Requirements Notice, Buyer shall give prompt written notice (the "Excess Requirements Notice") to Seller of such excess requirements (the "Excess Requirements") to Seller, but Seller shall have no obligation to supply additional Product to meet the Excess Requirements. Within ten days after receiving the Excess Requirements Notice, Seller shall give written notice to Buyer as to whether Seller agrees to supply additional Product to meet some or all of the Excess Requirements. If Seller agrees to supply additional Product to meet some or all of the Excess Requirements, then such additional Product as Seller agrees to supply shall be included in Buyer's Product Requirements for such Agreement Year. If and to the extent Seller does not agree to supply additional Product necessary to meet the Excess Requirements, Seller shall have no obligation to supply such additional Product to Buyer, and Buyer shall have no obligation to purchase such additional Product from Seller.

f. Requirements Contract. Except as expressly otherwise provided in this Agreement, Buyer shall purchase from Seller all Product required by Buyer during the term of this Agreement, and Buyer may not cancel or reduce its Product Requirements without Seller's consent, which consent may be withheld for any or no reason at Seller's absolute discretion. Without limiting the preceding sentence, Seller may condition any consent to cancellation or reduction in Product Requirements upon payment of Seller's lost profits resulting from such cancellation or reduction. Seller's remedies for breach in the event it does not consent to cancellation or reduction by Buyer of its Product Requirements shall not be limited by this paragraph.

### 3. Delivery.

#### a. Definitions. As used herein,

(1) "Delivery Location" means the following location: locations identified on City of Kotzebue RFP #2024-05

(2) "Tank" means, for a given type of Product, a storage tank or tanks located in the Delivery Location and designated by Buyer to receive delivery of that Product.

(3) "Seller's Storage Facility" means the fuel storage facility located at: Kotzebue Alaska

#### b. Number and Means of Deliveries. Delivery shall be (check box):

☐ in multiple deliveries between \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert date) of each Agreement Year, during Seller's regular business hours, to a Tank, and each delivery of Product shall be initiated by an order from Buyer specifying the quantity of Product for that delivery.

☒ in multiple deliveries between \_\_\_\_\_ (insert date) and \_\_\_\_\_ (insert date) of each Agreement Year, during Seller's regular business hours, to a Tank on an automatic-fill ("Auto-Fill") basis.

The following special terms shall apply in regards to delivery: Fill schedule will be based on the City of Kotzebue RFP #2024-05 or other schedule mutually agreed between City of Kotzebue and Vitus Terminals LLC. \_\_\_\_\_

Vitus Energy LLC \* 5300 A Street \* Anchorage, AK 99518  
Tel: 907 793-9700 \* Fax: 907 793-9701 \* Email: Sales \* Web: vitus-energy.com

MS 08 Fuel Purchase Agreement (Shoreside-Multiple years) Rev 7, 12.9.21



4. **Price.** The price per gallon of a particular Product delivered under this Agreement, exclusive of taxes and any other amounts provided for in the Standard Terms and Conditions attached hereto as Exhibit A, shall be (check box)

☒ **Fixed Price:**

<u>Type</u>	<u>Price Per Gallon</u>
Unleaded	\$6.289 _____
Heating Fuel	\$6.289 _____
ULSD # 1	\$6.289 _____

☐ **Adjusted Base Price:**

<u>Type</u>	<u>Price Per Gallon</u>
Unleaded	Seller's Base Price for the Delivery Location, less \$._.
Heating Fuel	Seller's Base Price for the Delivery Location, less \$._.
ULSD # 1	Seller's Base Price for the Delivery Location, less \$._.

Special terms regarding price: Fixed price above is applicable for the first year of the fuel supply agreement. Changes in Pricing for Option Years will be negotiated between City of Kotzebue and Vitus Terminals based on market changes in the cost of petroleum products.

5. **Payment.** Unless Seller has entered into a separate credit agreement with Buyer, or has otherwise agreed in a signed writing, payment shall be made in advance, and Seller shall not be under any obligation to deliver Product if payment has not first been received by Seller in accordance with this Agreement. Payment shall be made without deduction, setoff, or counterclaim of any kind. In the event Buyer fails to pay as and when due any amount required to be paid under this Agreement, and in addition to any other remedies available to Seller by reason of Buyer's default, Seller may charge interest on all amounts due under this Agreement at the rate of 1.5% per month or the maximum rate of interest allowed under AS 45.45.010(b), whichever is less.

6. **Standard Terms and Conditions.** **BUYER HAS READ AND AGREES TO THE ATTACHED STANDARD TERMS AND CONDITIONS, WHICH STANDARD TERMS AND CONDITIONS ARE INCORPORATED IN AND MADE A PART OF THIS AGREEMENT.**

SELLER:  
Vitus Energy, LLC

BUYER:  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

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MS 08 Fuel Purchase Agreement (Shoreside-Multiple years) Rev 7, 12.9.21

## STANDARD TERMS AND CONDITIONS

### READ THIS CAREFULLY!

#### 1. Definitions.

a. As used in these Standard Terms and Conditions:

- i. "Agreement" means the agreement that incorporates and includes these Standard Terms and Conditions.
- ii. "Seller" means Vitus Energy LLC.
- iii. "Buyer" means the Customer or Buyer as identified or defined in this Agreement.
- iv. "Product" means all fuel or other petroleum products being purchased by Buyer under this Agreement.
- v. "Seller's Storage Facility" means the facility in which Vitus stores Product intended for sale to Buyer.
- vi. "Tank" means any storage tank(s) into which Product is to be delivered under this Agreement.
- vii. "Buyer's Storage Facility" means any facilities to which Product is to be delivered under this Agreement and all

improvements, Tank, pipes, valves, fixtures, and equipment that comprise such facilities.

b. Notwithstanding the foregoing, if a capitalized term is defined elsewhere in this Agreement, then such capitalized term shall have the meaning as elsewhere defined in this Agreement.

2. Term and Termination. This Agreement shall continue until such time as it is terminated as provided in the following sentence. Either party may terminate this Agreement, for any or no reason, by giving written notice to the other in accordance with paragraph 22 below.

#### 3. Pricing.

a. As used in this Agreement, "Base Price" means Seller's base price for that Product, as of the date of delivery, for the community in which delivery is being made. Unless expressly otherwise provided in this Agreement, the price of a given Product shall be Seller's Base Price. If a particular delivery is commenced on one day and completed on another, the date of delivery shall be deemed to be the date the delivery was commenced. Any agreed discount will be deducted from the Base Price prior to invoicing. The Base Price is subject to change without notice. Vitus will upon request provide Buyer with the Base Price for a given Product, as of the time of the request, for any community to which such Product is being delivered under this Agreement.

b. If the price of a given Product under this Agreement is indexed against a price given by a reporting service or other price index, then:

i. Price shall be determined as of the day of delivery.

ii. If the reporting service or other price index becomes discontinued, a similar reporting service or comparable index will be adopted by agreement of the parties. If an agreement cannot be reached between Seller and Buyer within ten (10) days after termination of the affected price reporting service or other price index, the issue will be promptly submitted to binding arbitration before a single arbitrator for a ruling as soon as reasonably possible. The arbitration shall be governed by the Alaska Revised Uniform Arbitration Act, AS 09.43.300-.595. Venue for such arbitration shall be exclusively in Anchorage, Alaska

#### 4. Payment and Taxes.

a. Unless credit terms have been established, payment for the Product is due in advance of delivery. There shall be added to the price of each Product, and Buyer shall pay, any and all taxes, now or hereafter imposed by any governmental authority or any tribal authority in respect to or measured by the Product delivered hereunder or by the manufacture, storage, delivery, receipt, exchange or inspection thereof. If Buyer claims an exemption, Buyer shall provide Seller with copies of the applicable tax certificates establishing such exemption.

b. Budget Billing Option. As used in this Agreement, "Budget Billing Option" means the arrangement provided for in this subsection (b), which arrangement is available only if elected by Buyer and agreed to by Seller in writing. Under the Budget Billing Option, Seller shall invoice Buyer for, and Buyer shall pay Seller, a level monthly amount (the "Budget Billing Amount") each month for each type of Product delivered to Buyer over the course of a calendar year (the "Budget Billing Year"), on and subject to the following terms:

i. The initial amount of each Budget Billing Amount shall be the product of Buyer's annual estimated annual needs for a given Product in gallons (the "Budget Billing Estimated Volume") divided by 10 and multiplied by a per gallon price set by Seller in its sole discretion for billing purposes only (the "Budget Billing Nominal Price"). The Budget Billing Nominal Price for a given Product may vary between Buyers.

ii. Seller shall set the start of the Budget Billing Year.

iii. Buyer shall be and remain liable for the actual price of all delivered Product regardless of the Budget Billing Nominal Price and regardless of the amount of the Budget Billing Amount.

iv. After each Budget Billing Year, the following shall occur (the "True-Up"): If the total actual price of all Product delivered during the Budget Billing Year exceeds the total amount paid by Buyer during the Budget Billing Year, Seller shall invoice Buyer for the difference, and Buyer shall pay Seller the same within thirty (30) days of such invoice; but if the total actual price of all Product delivered during the Budget Billing Year is less than total amount paid by Seller during the Budget Billing Year, then Seller shall pay Buyer, within sixty (60) days after the end of the Budget Billing Year, an amount equal to the difference.

v. Seller may increase the amount of the Budget Billing Nominal Price and, as a result, the amount of the Budget Billing Amount, from time to time whenever Seller believes in good faith that, without such increase, the total amount that will be invoiced to Buyer for a given Product over the course of the Budget Billing Year will be less than actual total price for such Product.

vi. Seller may increase the amount the Budget Billing Estimated Volume and, as a result, the amount of the Budget Billing Amount, from time to time whenever Seller in good faith believes that, without such increase, the total amount of Product that Seller anticipates it will deliver to Buyer over the course of the Budget Billing Year will exceed the Budget Billing Estimated Volume.

vii. Once elected by Buyer and agreed to by Seller, the Budget Billing Option will continue from year to year unless and until cancelled, so long as Buyer provides Seller with an updated Budget Billing Estimated Volume not less than one (1) month in advance of each new Budget Billing Year.

viii. Seller may cancel the Budget Billing Option without notice if Buyer fails to pay any invoice for the Budget Billing Amount. Without limiting the preceding sentence, either Buyer or Seller may cancel the Budget Billing Option for any or no reason by giving written notice to the other party. In the event the Budget Billing Option is cancelled, a True-Up shall be done as though the Budget Billing Year at the end of the day on the date of such cancellation.

#### 5. Delivery

a. If delivery is to a tank truck, then Buyer is subject to the truck vetting requirements of Seller and any third-party owner of Seller's Storage Facility, and Seller or any third-party owner of Seller's Storage Facility may reject a truck for any reason in its sole discretion. Without limiting the preceding sentence, Buyer represents and warrants that each tank truck into which the Product is to be delivered has sufficient unused capacity to accommodate the volume of Product to be delivered to the tank truck; that the tanks of the tank truck are structurally adequate to safely contain the Product when those tanks are filled to capacity; and that the tank truck and all of its tanks, pipes, valves and other parts are in good condition and comply with all applicable federal, state, and local laws and regulations.

b. If delivery is to a storage tank, then:

i. Buyer represents and warrants that Buyer owns or is lawfully in possession and control of the Tank and Buyer's Storage Facility of which it is part and the real property where the Tank and Storage Facility are located. Buyer authorizes Seller and its employees, agents, and contractors to come onto that real property, whether Buyer is present or not, for the purpose of making delivery. Buyer shall take all steps necessary to ensure the safety of persons making the delivery while they are on the property. If Seller believes in its sole discretion that conditions on the property pose any risk to persons making the delivery, the delivery equipment, or the environment, then Seller may refuse to proceed with delivery until such conditions have been remedied.

ii. Buyer represents and warrants that Buyer's Storage Facility is in good condition and complies with all applicable federal, state, and local laws and regulations. Without limiting the preceding sentence, Buyer represents and warrants that the Tank has sufficient unused capacity to accommodate the volume of Product to be delivered; that the Tank is structurally adequate to safely contain the Product, and the Tank base or stand is structurally adequate to safely support the Tank, when the Tank is filled to capacity; that the Tank is structurally adequate to safely contain the Product.

c. If this Agreement calls for "Auto-Fill" delivery or a "Keep Full" Service Level, then:

i. Seller will inspect the Product level in the Tank from time to time as often as Seller believes in good faith is necessary. If the Tank is found to have available storage capacity, Seller shall have the right to deliver Product in any quantity up to that available capacity. Seller shall not have any obligation to deliver unless Seller actually believes that the amount of fuel in the Tank is insufficient to last until the next anticipated delivery, and in such case, Seller shall deliver such amount of fuel as Seller in good faith believes will result in there being a sufficient quantity of fuel Product in the Tank to last until the next anticipated delivery.

d. **Buyer Ultimately Responsible for Fuel Levels. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT (INCLUDING WITHOUT LIMITATION THESE STANDARD TERMS AND CONDITIONS), AND EVEN IF THIS AGREEMENT CALLS FOR "AUTO-FILL" DELIVERY OR A "KEEP FULL" SERVICE LEVEL, BUYER IS SOLELY RESPONSIBLE FOR INSURING THAT BUYER HAS SUFFICIENT PRODUCT IN THE TANK TO MEET BUYER'S NEEDS.** If at any time Buyer determines there is insufficient Product in the Tank, Buyer shall inform Seller, and Seller shall make a delivery as soon as practicable during regular business hours.

e. Seller may require that Buyer or Buyer's designee be present at delivery, and any designee will be deemed to have full authority to act for Buyer with respect to the delivery. Seller may require that Buyer or Buyer's designee sign a meter ticket, receipt, or other proof of delivery of Product, but Buyer is obligated to pay for all delivered Product whether or not Seller requires or obtains such a signature. Buyer acknowledges and agrees that Seller may contract with one or more subcontractors to deliver Product under this Agreement.

6. **Title and Risk of Loss.** Ownership, title, and risk of loss to Product shall pass to Buyer upon delivery. Without limiting the preceding sentence, Seller is not responsible for theft of Product after it is delivered to Buyer. For waterborne deliveries, delivery is completed when the Product passes the permanent shore pipeline flange or header.

7. **Warranties.** Seller warrants that the Product shall have been identified by Seller's supplier as conforming to the following ASTM specifications:

For Unleaded:	ASTM D4814
For ULSD 1 and 2:	ASTM D975 or D1655
For Heating Fuel:	ASTM D396 or D975 or D1655 or D3699
For Propane:	ASTM D1835
For Jet A:	ASTM D1655
For Av 100:	ASTM D910



Except that with respect to the ASTM D975 specification for ULSD 1 and 2 and the ASTM D396 or D975 specification for Heating Fuel, Buyer acknowledges that the viscosity of the Product delivered may be less than 1.3

**SELLER MAKES NO FUTURE WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE AND OTHER WARRANTIES OF WHATEVER KIND ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED EXCEPT AS MAY BE REQUIRED BY LAW.** Buyer's sole and exclusive remedy in the event of any breach of warranty shall be as provided for in the following paragraph.

**8. Notice of, and Exclusive Remedy for, Claims Relating to Product or Delivery. ANY CLAIM BY BUYER AGAINST SELLER FOR FAILURE TO DELIVER (INCLUDING WITHOUT LIMITATION FAILURE TO DELIVER CORRECT PRODUCT), SHORTAGE IN QUANTITY, BREACH OF WARRANTY, DEFECTS IN QUALITY, OR ANY OTHER CLAIM RELATING TO THE PRODUCT OR THE DELIVERY THEREOF IS CONCLUSIVELY WAIVED UNLESS NOTICE OF SUCH CLAIM IS GIVEN TO SELLER WITHIN TWENTY (20) DAYS OF THE DATE OF DELIVERY OR, IN THE CASE OF A FAILURE TO MAKE DELIVERY OR SHORTAGE IN QUANTITY, WITHIN TWENTY (20) DAYS OF THE DATE ON WHICH DELIVERY WAS HAVE BEEN MADE. BUYER'S EXCLUSIVE REMEDY IN THE EVENT OF ANY SUCH CLAIM SHALL BE, AT SELLER'S OPTION, REPLACEMENT OR OTHER CURE OF THE DEFECTIVE PRODUCT OR PERFORMANCE, OR RETURN OF SO MUCH OF THE PURCHASE PRICE AS HAS ACTUALLY BEEN PAID BY BUYER AND REMOVAL OF ANY DEFECTIVE PRODUCT.**

**9. Storage Contingency.** This Agreement is contingent upon the continuing availability to Seller, on terms acceptable to Seller, of tank storage space at Seller's Storage Facility. If at any time prior such tank storage space is insufficient to store the Product to be delivered under this Agreement after meeting all of Seller's other fuel storage needs in the geographic location to which delivery is to be made under this Agreement, then Seller shall give prompt notice to Buyer specifying the amount of such insufficiency by Product type, and: (a) Seller's obligation to supply particular Product to Buyer, and Buyer's obligation to purchase that Product from Seller, shall be reduced to the extent of such insufficiency, or, at Buyer's option, (b) Buyer may terminate this Agreement, and in the event of such termination Seller shall refund Buyer an amount equal to the number of gallons of the particular Product paid for by Seller but not delivered prior to the date of Seller's notice times the price specified for such Product in this Agreement, and upon such payment neither party shall have any further obligation under this Agreement.

**10. Pollution.** Buyer shall comply with all federal, state, and local laws and regulations relating to oil spills and water, air, and land pollution. Buyer shall be responsible for all liability and damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in connection with the delivery of any Product purchased under this Agreement, and even if caused by Seller's negligence; PROVIDED, however, that Buyer shall not be responsible for damages resulting from any escape or accidental discharge caused solely by Seller's reckless misconduct.

**11. Security Interest.**

a. As security for full and timely performance and payment by Buyer of all indebtedness, liabilities and obligations of Buyer to Seller, whether now existing or later arising, including without limitation payment of all amounts owed by Buyer to Seller for in connection with the purchase of Product under this Agreement, Buyer grants Seller a security interest in the following property of Buyer (collectively, "Collateral"):

All Product and all other petroleum products in which Buyer has or hereafter acquires an interest, wherever located, and however commingled; and all cash and non-cash proceeds (including without limitation accounts receivable) of the foregoing, and all products of the foregoing.

Provided, that if Buyer is purchasing Product from Seller for personal, family, or household purposes, then the Collateral is limited to the Product purchased from Seller, wherever located and however commingled, and all proceeds and products of the same.

b. Buyer has been provided with, has read, and agrees to Seller's Credit Terms and Conditions.

**12. Default.** Buyer shall be in default if Buyer fails to perform, keep, or observe any other term, provision, condition or covenant contained in this Agreement that is required to be performed, kept or observed by Buyer, including without limitation Buyer's failure to purchase from Seller all Product that Buyer is required to purchase from Seller under this Agreement, if such failure continues for ten (10) days after the giving of written notice thereof. In the event of default, Seller may pursue any and all other rights or remedies provided in this Agreement or by law.

**13. Limitation of Liability; Indemnity.** Without limiting paragraph 8 of these Standard Terms and Conditions:

a. **SELLER'S LIABILITY FOR ANY FAILURE TO DELIVER (INCLUDING WITHOUT LIMITATION FAILURE TO DELIVER CORRECT PRODUCT), SHORTAGE IN QUANTITY, BREACH OF WARRANTY, DEFECTS IN QUALITY, OR ANY OTHER CLAIM RELATING TO THE PRODUCT OR THE DELIVERY THEREOF SHALL NOT EXCEED THE DIFFERENCE BETWEEN THE COST OF COVER (WHETHER OR NOT BUYER ACTUALLY COVERS) AND THE PRICE OF SUCH PRODUCT UNDER THIS AGREEMENT. AS USED IN THE PRECEDING SENTENCE, THE "COST OF COVER" IS THE ACTUAL PRICE PAID BY BUYER BY MAKING IN GOOD FAITH AND WITHOUT UNREASONABLE DELAY A REASONABLE PURCHASE OF PRODUCT FROM A THIRD-PARTY SUPPLIER LOCATED IN ALASKA, FOR DELIVERY BY BARGE OR TRUCK IN SUBSTITUTION FOR THE PRODUCT PURCHASED FROM SELLER, BUT NOT INCLUDING BUYER'S OVERHEAD OR ADMINISTRATIVE COSTS. UNDER NO CIRCUMSTANCE SHALL SELLER BE LIABLE FOR THE COST TO HAVE PRODUCT TRANSPORTED BY AIR.**

b. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND IN CONNECTION WITH ANY CLAIM, INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF INCOME EARNING CAPACITY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

c. WITHOUT LIMITING THE PRECEDING SUBPARAGRAPH (b), UNDER NO CIRCUMSTANCE SHALL SELLER BE LIABLE FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY, INCLUDING WITHOUT LIMITATION ANY INJURY OR DAMAGE RESULTING FROM LACK OF HEAT, THAT RESULTS FROM SELLER'S BREACH OF THIS AGREEMENT, BREACH OF WARRANTY, NEGLIGENCE, OR ANY OTHER ACT OR OMISSION OF SELLER. TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER AGREES TO INDEMNIFY, DEFEND, AND HOLD SELLER HARMLESS FROM ANY AND ALL CLAIMS AND LIABILITY FOR SUCH INJURY OR DAMAGE.

d. WITHOUT LIMITING THE FOREGOING SUBPARAGRAPHS (b) AND (c), AND NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, SELLER'S AGGREGATE LIABILITY FOR ALL CLAIMS OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, PRODUCT, OR SELLER'S ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT OR PRODUCT, INCLUDING WITHOUT LIMITATION ALL CLAIMS FOR BREACH OF THIS AGREEMENT, BREACH OF WARRANTY, NEGLIGENCE, OR STRICT LIABILITY, SHALL NOT EXCEED THE TOTAL PRICE OF THE PARTICULAR PRODUCT WHICH IS THE SUBJECT OF THE CLAIMS OR THE PARTICULAR DELIVERY(IES) OR OTHER ACTS OR OMISSIONS OF SELLER TO WHICH THE CLAIMS RELATE, LESS ALL AMOUNTS OWING FROM BUYER TO SELLER UNDER THIS AGREEMENT.

14. Indemnity. Buyer hereby agrees to defend, indemnify and hold harmless Seller and Seller's members, managers, officers, employees, trustees, agents, attorneys, insurers, sureties, parent and subsidiary and affiliated entities, successors and assigns, past, present, and future, from and against any and all liabilities, damages, losses, costs and expenses (including attorneys' fees and other expenses of litigation), arising in whole or in part from, or related in any way to (a) any act or omission of Buyer, or any person acting on behalf of Buyer or under Buyer's direction or control, in connection with this Agreement, including without limitation in connection with the delivery or receipt of Product; or (b) unless prohibited by law, any delivery or receipt of Product using a Prokee issued by Seller to Buyer.

15. Measurement. Quantity shall be measured in units of volume identified by Seller unless otherwise required by law. Measurement may be by gauging the Product in the Tank to which delivery is to be made both immediately before and immediately after delivery, or by means of delivery meters, at Seller's option. If measurement of quantity delivered is to be by gauging the Product in the Tank, then Buyer shall give Seller reasonable notice before such measurements are taken, and Seller shall have the right to be present at such measurements. If measurement of quantity delivered is by means of delivery meters, built-in temperature compensators may be employed. Volume measurements shall be taken in accordance with the API Manual of Petroleum Measurement Standards and converted to net gallons at 60° F in accordance with the appropriate Table 6 of ASTM D-1250 in its latest version for the applicable Product. Gross Standard Volume is defined in the January 1982 Annex to Chapter 1 of the API Manual of Petroleum Standards. For purposes of this Agreement, a "gallon" is a U.S. standard gallon of 231 cubic inches at 60° F.

16. Hazardous Nature of Product. Buyer represents and warrants that it is knowledgeable and aware that the Product delivered hereunder is hazardous material and that Buyer is sophisticated and knowledgeable with respect to (i) the hazards and risks associated with such Product, and (ii) the handling, receipt, transportation, storage and use of such Product. If Buyer is purchasing such Product for resale or hereafter resells such Product, Buyer shall transmit to Buyer's customers any health and safety warnings and notices received from Seller promptly after such are furnished to Buyer by Seller, but Seller shall not have any obligation to provide such warnings or notices.

17. Force Majeure. The Seller shall not be liable for failure to perform this contract in whole or in part if such failure is due to strikes, work stoppages or slowdowns, local labor shortages, accidents, fire, storms, flood, late break-up or early freeze-up, riots, war, failure of equipment, delays in transportation, shortages in cars, shortages of fuel, power or materials, laws, regulations or requirements of any government or government agency, acts of God, or other contingencies beyond the reasonable control of the Seller. Without limiting the preceding sentence, the time for Seller to make delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) days beyond the stated delivery period, Seller may, but is not required to, cancel the delivery or terminate this Agreement without liability to the Buyer.

18. Waiver. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the party's rights thereafter to enforce any provision or exercise any right, unless such waiver is evidenced in writing and executed by the party.

19. No Third-Party Beneficiaries. This Agreement is not entered into for the benefit of any entity other than the specific parties hereto.

20. Construing of Agreement. The terms of this Agreement shall be construed according to the fair intent of the parties and not for or against either party.

21. Law and Venue; Waiver of Jury Trial. This Agreement is governed by the laws of the State of Alaska. In any dispute arising out of or relating to this Agreement or any of the transactions contemplated herein, jurisdiction and venue shall lie exclusively in the courts at Anchorage, Alaska. **BUYER IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT**

**OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.** The prevailing party in any action shall be entitled to an award of its attorney fees and costs.

22. Notice. All notices required or permitted to be given under this Agreement shall be in writing and (i) delivered personally to the designated officer of the party to whom directed; or (ii) sent by registered or certified United States mail, postage prepaid, return receipt requested; or (iii) sent by email to receiving party's email address stated in this Agreement.

23. Integration and Modification. This Agreement, including these Standard Terms and Conditions and any other exhibits to, or attachments referenced in, this Agreement, constitutes the entire sole understanding of the parties with respect to the subject matter herein and supersedes any prior oral or written representations or agreements concerning the same. Buyer warrants that it is not relying on any representations other than those contained in this Agreement. No modification of this Agreement shall be binding unless such modification is in writing and executed by both parties subsequent to the date hereof.



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Kotzebue, Alaska 99752  
City Hall 907-442-3401  
Police Dept 907-442-3351  
Fire Dept 907-442-3404  
Public Works 907-442-5200  
Parks & Rec 907-442-3106

## MEMORANDUM

**To:** City Council

**From:** Ron Johnson, Acting City Manager

**Date:** December 2, 2025

**Subject:** Heating Fuel Delivery Service – Award Recommendation (RFP ITB #2025-15)

### Background:

The City of Kotzebue solicited bids for heating fuel delivery to municipal tanks for the period January 1, 2026, through December 31, 2026. Reliable fuel delivery is critical to maintain operations at City Hall, the Fire Department, Public Works, and other City-owned facilities during the winter months.

### Bid Evaluation:

Two bids were received, from Crowley Fuels LLC and Vitus Terminals LLC. Annual cost calculations based on projected usage are summarized below:

Vendor	Total Annual Cost	Notes
Crowley Fuels LLC	\$777,580	<b>Lowest cost;</b> offers <b>\$0.35/gallon City employee fuel discount;</b> strong service record
Vitus Terminals LLC	\$779,836	\$2,256 higher; offers <b>\$0.20/gallon employee fuel discount</b>

### Key Considerations:

- Crowley Fuels LLC is \$2,256 less expensive per year (less than 0.3% difference).
- Crowley offers a **\$0.35/gallon fuel discount to City employees**, while Vitus offers a **\$0.20/gallon discount**. The Crowley discount provides a larger tangible benefit for staff and supports community goodwill.
- Crowley has historically provided reliable service, and delivery performance, contract terms, and existing relationships favor them.



**Recommendation:**

Based on cost, reliability, and the added benefit of a **City employee fuel discount**, it is recommended that the City Council authorize the Acting City Manager to award the heating fuel delivery contract to **Crowley Fuels LLC** for the 2026 term and execute a contract in accordance with City procurement policies.

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Respectfully,

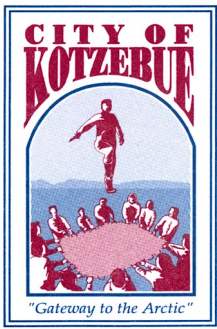
*Ron Johnson*

Iglauruaq Ron Johnson  
Acting City Manager  
City of Kotzebue

**Attachments:**

1. Full RFP ITB #2025-15
2. Cost comparison and bid summary





## CITY OF KOTZEBUE

### RESOLUTION NO. 25-70

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH ALTMAN, ROGERS & COMPANY, CPAs (“ALTMAN, ROGERS”) TO PROVIDE CHIEF FINANCIAL OFFICER (“CFO”) SERVICES/FINANCIAL DIRECTOR SERVICES VIRTUALLY AND IN-PERSON FOR CY2026.**

**WHEREAS,** the City of Kotzebue (“City”) has sought unsuccessfully for an extended period of time to secure a long-term, qualified CFO/Financial Director with municipal experience. This is a most important step for the City because, *inter alia*, the City has not had a long-term CFO/Finance Director with municipal experience for years, and the resulting financial dysfunction reached an almost catastrophic crescendo earlier this year when then Acting City Manager Ron Johnson with the able assistance of Mike Wetzel, Altman, Rogers, Tessa Baldwin, Grant Consultant and KPD Chief Cook righted the financial situation of the City;

**WHEREAS,** the City now has one applicant and one proposal for this long-term CFO/Financial Director position. This situation has brought to the forefront the issue of whether or not an RFP is required if the City Council were to accept the Altman, Rogers proposal for continuing remote/in-person services by Mike Wetzel as part of Altman, Rogers existing financial support for the City. (Such an approach could be an addendum/amendment/additional task order to the current Altman, Rogers financial services Agreement of December 2024 (for services in CY2025) which was approved after an RFP process by passage of Resolution 24-78 on December 5, 2024 and which provided that Altman, Rogers in its scope of work would provide "*budgeting and/or forecasting, audit prep and CFO (virtual) services.*" See, Exhibit “A” to Resolution 24-78 attached hereto, at Page 9 of 9;

**WHEREAS,** providing municipal financial services is a unique specialty which requires a thorough knowledge of municipal financial requirements at the local, State and Federal level and knowledge of the software used by the City for its financial operations and financial reporting;

**WHEREAS,** the Kotzebue Municipal Code ("KMC") 3.16.090 addresses procurement in this unique circumstances:

**KOTZEBUE MUNICIPAL CODE Section 3.16.090 Professional and unique service contracts.**

- A. A contract for engineering, architectural, legal, medical or other professional services shall not be binding and effective until it has been approved by either the city council or the city manager acting within the purview of this chapter. Any such contract awarded by the council or the city manager acting within the purview of this chapter is deemed approved.
- B. Contracts for services and other contractual services which are in their nature unique and not subject to competition exceeding fifty thousand dollars shall be awarded by the council. Such contracts that do not exceed fifty thousand dollars shall be approved and awarded by the city manager after receiving a recommendation from the appropriate department head. Such contracts shall be forwarded to the city council as a matter of record. (Ord. 07-3 § 4 (part), 2007); and,

**WHEREAS,** for guidance in this regard, the City has in the past for this type of sole source procurement referred to/used for guidance Alaska Administrative Code **15 AAC 112.160** which provides a sole source procurement must be accompanied by a written explanation detailing why the procurement from a single source is in the best interest of the City. The determination must state the factual basis for the decision that sole source conditions exist and justify the selection of the particular source. This determination must be maintained in the procurement file. Additionally, the City is required to conduct negotiations regarding price, delivery, and terms of the sole source of procurement, as appropriate. See, also, Alaska Administrative Code **15 AAC 154.715** which provides sole source purchases from a supplier or contractor with a value of \$5,000 or more require written justification and executive management approval, i.e., City Manager and City Council. This regulation emphasizes the need for a clear and documented rationale for bypassing competitive bidding, ensuring that the decision is transparent and accountable.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Kotzebue makes the following findings:

1. Altman, Rogers has highly qualified CPAs experienced in municipal financial matters, in particular in providing such services to rural, Bush communities;
2. Mike Wetzel, a CPA with Altman, Rogers for the past calendar year 2025 pursuant to the contract approved by Resolution 24-78, *supra*, has provided part-time (and at times full-time) virtual and in-person CFO services for the City;

3. Prior to 2025, Altman, Roger has also provided much needed financial services for the City for many years;
4. During the last four months, as noted herein, Mike Wetzel was instrumental under the current, on-going Altman, Rogers contract in assisting City personnel to stabilize the City's financial situation;
5. The City's unique software applications and long-established financial processes are now well-known to Mike Wetzel of Altman, Rogers and he is able to operate within those systems and supervise other City financial department employees;
6. Altman, Rogers has committed to a three-year Agreement to provide CFO/Financial Director services for the City which will greatly stabilize the City's financial operations and provide continuity for the City's financial department; and,
7. The City must have the services of an experienced firm such as Altman, Rogers in the years ahead to weather the strong, financial headwinds faced by small, Bush communities in Alaska.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, the City Manager shall finalize and execute the three-year Agreement attached hereto as Exhibit "B" with the proviso that the second and third year of the Agreement (CY2027 and CY2028) are subject to annual appropriation each of those years.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of December 2025.

**CITY OF KOTZEBUE**

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Saima Chase  
*Mayor*

ATTEST:

[SEAL]

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Donald Jones Jr  
*City Clerk*

Attachments:

- **Exhibit A:** CY2025 Agreement with Altman, Rogers [9 pages]
- **Exhibit B:** Altman, Rogers CFO/Finance Director proposal for CY2026/2027/2028 [ 13 pages]



# City of Kotzebue, AK

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## Accounting & Advisory Services Agreement

September 18, 2024

9/18/2024

Ms. Tessa Baldwin  
City of Kotzebue  
P.O. Box 46  
Kotzebue, AK 99752

Dear Ms. Baldwin,

We are pleased to submit this agreement to engage with Altman, Rogers & Company for your accounting and advisory needs. This agreement explains the terms and objectives of our accounting and advisory services and to clarify the nature and extent of the accounting and related services to be provided.

If the accounting and advisory services our firm provides is expanded or altered in any other way, this accounting and advisory service agreement will be amended and signed by both parties. Those changes will supersede any prior accounting and advisory service agreements.

We welcome this opportunity to provide your organization the quality of services our current clientele has come to expect.

If you have any questions regarding this agreement, please contact your engagement principal:

This agreement will be in effect until either party terminates the engagement.

Steve Wadleigh, CPA  
Principal  
(907) 274-2992  
steve@altrogco.com

### ***Your Responsibilities***

You authorize Altman, Rogers & Co. to accept instructions from you and/or from the staff you designate for this engagement.

A representative of City of Kotzebue is responsible for assuming all management responsibilities, and for overseeing any accounting or related services we provide. This representative should be, when possible, an individual within senior management who possesses suitable skill, knowledge, or experience. In addition, a representative for your organization is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

None of the services can be relied on to disclose errors, fraud, or illegal acts. However, we will inform you of any material errors and of any evidence or information that comes to our attention during the performance of our review procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of the review process regarding illegal acts that may have occurred, unless they are clearly inconsequential. We are not responsible for identifying items or issues with accounting records prior to your engagement with our firm.

You should retain all accounting documents including canceled checks and other data for your income tax purposes. These may be necessary to prove the accuracy and completeness of any returns filed with a taxation authority. We will not keep any of your original records, and any original records we are provided during the course of our engagement will be returned to you upon termination of this agreement.

You agree you are responsible for the proper recordkeeping of transactions in the records, the safekeeping of assets, and the preparation and fair presentation of the financial statements in accordance with GAAP– accounting principles generally accepted in the United States of America, the cash basis of accounting, and the basis of accounting City of Kotzebue uses for income tax purposes. In addition, we have no responsibility to identify deficiencies or material weaknesses in your internal control as part of this engagement.

You are responsible to make staff available during our ongoing work with you, provide timely responses to questions and calls for decisions, and devote the resources necessary to achieve the objectives of the engagement. If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem and/or update your accounting records upon receipt of past-due information. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services. We reserve the right to suspend or terminate our work. Upon suspension or termination, we will use commercially reasonable efforts to transfer information in our possession that City of Kotzebue is entitled to per the AICPA Code of Professional Conduct to the City of Kotzebue or its designated representative.

Any information, data, or documentation required by Altman, Rogers & Co. to meet any filing or reporting deadlines for those services listed in Exhibit B must be received timely. Any penalties or fines incurred by City of Kotzebue due to late filing or reporting because of missed deadlines due to data received late by Altman, are the responsibility of City of Kotzebue.

City of Kotzebue owns the data that Altman, Rogers & Co. processes and reports on behalf of City of Kotzebue . If we provide customized reporting created by our staff for use by City of Kotzebue, such customized reports are the property of Altman, Rogers & Co.

It is your responsibility to report and/ or file any business-related licenses.

### ***Requests for Additional Services***

We want to ensure that you are never surprised by the price for any service we provide. Therefore, we have adopted a “Service Order” Policy. If you request that we provide services beyond those outlined in this agreement we will be happy to provide you with a “Service Order” outlining the scope of that request, our fees, and anticipated timeline for those services. Although we strive to meet your needs, we reserve the right to decline a request for additional services that is outside the scope of services we provide, our expertise or for any other reason. A “Service Order Request” form is provided in Exhibit D. Any such requests will be considered addendums to this agreement.

### ***Staff Engagement***

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you do not solicit our employees to work for you. If you do hire one of our employees within two (2) years of when they last worked for Altman, Rogers & Co., we will be due a finder's fee equal to 100% of the annual salary they were earning as of their last day of employment. Payment will be due within ten (10) days of your receipt of our invoice.

### ***Transfer of Information and Documents***

Due to the increase in mail and financial fraud, we require that all documentation and data be submitted electronically. We cannot be held responsible for documents sent via mail that is not received by our firm.

We will not keep client check stock on hand. If City of Kotzebue uses manual checks, City of Kotzebue is responsible for distribution of said checks.

We will not handle cash for clients. If City of Kotzebue accepts cash payment, City of Kotzebue is responsible for its storage and deposit.

### ***Technology Disclaimer***

Altman, Rogers & Co. does not assume liability for third party applications, warranties, etc.

City of Kotzebue is responsible for backing up and maintaining its computer systems.

All costs for application hosting, if not paid directly by City of Kotzebue are due in full in advance of each purchase. Depending on the nature of the purchase, you may be billed by our firm or by the vendor directly. Payment for ongoing subscription services (such as application hosting) requires automatic billing to your credit card or checking account.

### ***On- Site Requests***

If you request on-site training, advisory, or other consulting services from our firm, all fees will be billed at a fee of **\$225.00** per hour plus travel and any out-of-pocket expenses.

All estimated time and trip charges are due and payable to confirm appointment. In the event that you cancel a scheduled appointment, any airfare or other charges we have already incurred related to this appointment will be nonrefundable. Appointment cancellations received with less than forty-eight (48) hours' notice will be considered 100% billable and nonrefundable.

### ***Legally Required Services***

In the event that we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates at the time the services are performed. We will request a retainer payment in advance of the services being performed, as well as ongoing replenishments of the retainer. You also agree to reimburse us for all out-of-pocket expenses incurred in that regard.

### ***Confidentiality***

Altman, Rogers & Co. agrees to take reasonable steps to protect all Confidential Information and to use the Confidential Information only in connection with performing the services hereunder. For purposes of this agreement, Confidential Information shall mean any and all information which is private and not in the public domain about City of Kotzebue that is provided, obtained, or produced in connection with the services in written, oral, digital or other tangible form, including, without limitation, all information furnished at any time relating to City of Kotzebue's business, customers, intellectual property, processes, strategies, all portions of any analyses, compilations, data, studies, or other documents prepared by Altman, Rogers & Co. that contain or are based on any furnished information or that reflect its review of such information, and any and all information concerning City of Kotzebue's plans and activities, ideas, projects, software, methodologies, processes, tools, experience, customers and suppliers, financial information, and any other information, which ought reasonably under the circumstances to be considered confidential (the "Confidential Information"). Altman, Rogers & Co. agrees to take reasonable steps necessary to ensure that the confidentiality of the Confidential Information is maintained and that such Confidential Information is protected from unauthorized disclosure, but not to a greater extent than City of Kotzebue itself uses to protect Confidential Information. Without limiting the generality of the foregoing, Altman, Rogers & Co. shall not disclose Confidential Information to any party outside its organization, without the prior written approval of City of Kotzebue. Altman, Rogers & Co. represents that, as a matter of policy, it informs its personal concerning maintaining the confidentiality of client information. The parties hereto agree that equitable relief, including injunctive relief and specific performance, shall be available in the event of any breach of the provisions of this agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of this agreement but shall be in addition to all other remedies available at law or equity.

You assume all responsibility relating to adherence with privacy and disclosure requirements relating to the use and sharing of information in your industry.

You acknowledge that the proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and that these were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop in this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All report templates, manuals, forms, checklists, questionnaires, letters, agreements (including this one), and other documents, which we make available to you, are confidential and proprietary to us. Any and all new documents created as a result of this engagement will automatically become our property. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make available to anyone other than your personnel, any such documents. This agreement will apply to all materials whether in digital or "hard copy" format. Any requested workpapers from Altman, Rogers & Co. will be provided in Portable Document Format (.PDF) to ensure the integrity of the information reported.

### ***Insurance***

City of Kotzebue confirms that the appropriate business and other related insurance are in place to cover the scope of this agreement and any service order additions or amendments. In turn, Altman, Rogers & Co. carries professional liability and other insurance required to operate as a certified public accounting firm.



### ***Third Party Disclosure and the use of Third Party Services***

Unless you indicate otherwise, you consent to and authorize our firm to transmit confidential information that you provide to us to third parties in order to facilitate delivering our services to you. Examples of such transmissions may include, but are not limited to, the access to your contact information by members of our team (independent contractors such as consultants, administrative assistants, or third party developers), transfer of accounting information and other data files via the internet, online back-up services, web site developer and hosting services (for newsletter and order processing), or a credit card processing company. We only work with established companies that we believe to be reputable and that have demonstrated their commitment to safeguarding your data. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

### ***Electronic (Email) Communications***

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### ***Record Retention***

During the course of our work with you, we will use one or more third party applications (including internet-based application providers) to provide portions of our services to you. This may include online filing of your Accounts Payable or other business documents. By signing this agreement, you confirm that you understand the services being provided and also agree that Altman, Rogers & Co. is not liable for record retention or any other aspect of the services provided by these 3<sup>rd</sup> parties, even if we absorb the cost (in part or in full) of a third party service as a benefit to you. You at all times assume responsibility for a decision to maintain hard copies of your original documents or to limit your document retention to the digital copies stored by the web application.

It is our policy to keep our electronic and work paper files electronically for seven (7) years, unless otherwise required by tax or other regulatory agencies. All work paper and miscellaneous report copies that we are not required to retain are discarded at the conclusion of the engagement. At the end of seven (7) years, electronic files may be erased.

In the unlikely event that we do obtain any hard copy documents from you, all original paper documents provided by you will be returned to you promptly as our work is complete. We do not keep copies of all documents. It is your responsibility to safeguard your documents in case of future need. We may occasionally keep some copies we deem necessary to our work.

Our workpapers are the property of our firm and will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our workpapers are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. Our policies require that we maintain workpapers for seven (7) years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.

### ***Mediation/Arbitration***

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

City of Kotzebue and Altman, Rogers & Co. both agree that any dispute over fees charged by Altman, Rogers & Co. to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by Altman, Rogers & Co., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

### ***Third Party Settlements***

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

### ***Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, without regard to the principles of conflicts of law thereof.

### ***Assignment***

All obligations provided under this Agreement are between Altman, Rogers & Co, and City of Kotzebue and neither party shall assign any rights or delegate any obligations hereunder without the other party's prior written consent. Any attempted assignment without the required consent shall be null and void.

### **Conclusion**

This letter sets forth the entire agreement relating to our work with you. This letter supersedes any prior agreements, discussions or understandings. No amendment or modification of this agreement shall be valid unless in writing, signed by both parties to this agreement. As indicated earlier in this agreement, you may request that we perform additional services at a future date beyond the scope of this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional service will necessitate that we issue a Service Order as an addendum to this agreement, or a separate agreement to reflect the obligations of both parties. This agreement and any stated fees will expire within ten (10) days of the agreement date unless signed and accepted within that time. At that time, Altman, Rogers & Co. reserves the right to amend this agreement and the terms that lie within.

Any additional entities for which we are engaged to perform services will be documented in a separate agreement.

### **AGREED TO AND ACCEPTED:**

The foregoing is in accordance with my understanding of your engagement to provide accounting and related services. The terms in this agreement are acceptable and are hereby agreed to.

Sincerely,



Steve E. Wadleigh, CPA  
Principal  
ALTMAN, ROGERS & CO.

### **APPROVED:**

The above letter and the supporting Exhibit (s) confirms our understanding of the services to be performed and the limitations of those services.

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Signature

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Title

---

Printed Name

---

Date

**EXHIBIT A: Scope of Work**

<u>Service Type</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annually</u>	<u>Other</u>
<b>I. Advisory Services</b>				
Prepare financial statements (internal use only) <sup>1</sup>				
Budgeting and/ or Forecasting			XX	
Recurring management reporting and consulting meeting with client representative				
Key Performance Indicators (KPIs) (Reporting on key areas to help organization's overall long-term performance)				
If KPIs are required, what type of reporting is needed:				
Revenue Growth				
Current Accounts Receivables				
Operational Cash Flow				
Other: _____				
Audit Prep			XX	
Controller/ Financial Manager/ Finance Director (Virtual)				
CFO (Virtual)				XX

**EXHIBIT B: Fees**

Our rates for these services for the current calendar year are as follows and are subject to annual increases:

<b>Staff Level</b>	<b>Rate Per Hour</b>
Senior Advisory Consultant	\$225
Partner Rate (if needed)	\$325



# City of Kotzebue, AK

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## Accounting & Advisory Services Agreement

November 20, 2025



11/20/2025

Ron Johnson  
City of Kotzebue  
258A Third Avenue  
PO Box 46, Kotzebue, AK 99752

Dear Ron,

We are pleased to submit this agreement to engage with Altman, Rogers & Company for your accounting and advisory needs. This agreement explains the terms and objectives of our accounting and advisory services and to clarify the nature and extent of the accounting and related services to be provided.

If the accounting and advisory services our firm provides is expanded or altered in any other way, this accounting and advisory service agreement will be amended and signed by both parties. Those changes will supersede any prior accounting and advisory service agreements.

We welcome this opportunity to provide your organization the quality of services our current clientele has come to expect.

If you have any questions regarding this agreement, please contact your engagement principal:

This agreement will remain in effect until terminated in accordance with the "Term and Termination" section of this agreement.

Steve Wadleigh, CPA  
Principal  
(907) 274-2992  
[steve@altrogco.com](mailto:steve@altrogco.com)

This agreement will be in effect until either party terminates the engagement.

### ***Your Responsibilities***

You authorize Altman, Rogers & Co. to accept instructions from you and/or from the staff you designate for this engagement.

A representative of City of Kotzebue, AK is responsible for assuming all management responsibilities, and for overseeing any accounting or related services we provide. This representative should be, when possible, an individual within senior management who possesses suitable skill, knowledge, or experience. In addition, a representative for your organization is responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.



None of the services can be relied on to disclose errors, fraud, or illegal acts. However, we will inform you of any material errors and of any evidence or information that fraudulent activity or other illegal acts have occurred, unless they are clearly inconsequential. We are not responsible for identifying items or issues with accounting records prior to your engagement with our firm.

You should retain all accounting documents including canceled checks and other data for your income tax purposes. These may be necessary to prove the accuracy and completeness of any returns filed with a taxation authority. We will not keep any of your original records, and any original records we are provided during the course of our engagement will be returned to you upon termination of this agreement.

You agree you are responsible for the proper recordkeeping of transactions in the records, the safekeeping of assets, and the preparation and fair presentation of the financial statements in accordance with GAAP— accounting principles generally accepted in the United States of America, the cash basis of accounting, and the basis of accounting City of Kotzebue, AK uses for income tax purposes. In addition, we have no responsibility to identify deficiencies or material weaknesses in your internal control as part of this engagement.

You are responsible to make staff available during our ongoing work with you, provide timely responses to questions and calls for decisions, and devote the resources necessary to achieve the objectives of the engagement. If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem and/or update your accounting records upon receipt of past-due information. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services. We reserve the right to suspend or terminate our work. Upon suspension or termination, we will use commercially reasonable efforts to transfer information in our possession that City of Kotzebue, AK is entitled to per the AICPA Code of Professional Conduct to the City of Kotzebue, AK or its designated representative.

Any information, data, or documentation required by Altman, Rogers & Co. to meet any filing or reporting deadlines for those services listed in Exhibit B must be received timely. Any penalties or fines incurred by City of Kotzebue, AK due to late filing or reporting because of missed deadlines due to data received late by Altman, are the responsibility of City of Kotzebue, AK.

City of Kotzebue, AK owns the data that Altman, Rogers & Co. processes and reports on behalf of City of Kotzebue, AK . If we provide customized reporting created by our staff for use by City of Kotzebue, AK, such customized reports are the property of Altman, Rogers & Co.

It is your responsibility to report and/ or file any business-related licenses.

### ***Requests for Additional Services***

We want to ensure that you are never surprised by the price for any service we provide. Therefore, we have adopted a "Service Order" Policy. If you request that we provide services beyond those outlined in this agreement we will be happy to provide you with a "Service Order" outlining the scope of that request, our fees, and anticipated timeline for those services. Although we strive to meet your needs, we reserve the right to decline a request for additional services that is outside the scope of services we provide, our expertise or for any other reason. A "Service Order Request" form is provided in Exhibit D. Any such requests will be considered addendums to this agreement.

### ***Staff Engagement***

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you do not solicit our employees to work for you. If you do hire one of our employees within two (2) years of when they last worked for Altman, Rogers & Co., we will be due a finder's fee equal to 100% of the annual salary they were earning as of their last day of employment. Payment will be due within ten (10) days of your receipt of our invoice.

### ***Transfer of Information and Documents***

Due to the increase in mail and financial fraud, we require that all documentation and data be submitted electronically. We cannot be held responsible for documents sent via mail that is not received by our firm.

We will not keep client check stock on hand. If City of Kotzebue, AK uses manual checks, City of Kotzebue, AK is responsible for distribution of said checks.

We will not handle cash for clients. If City of Kotzebue, AK accepts cash payment, City of Kotzebue, AK is responsible for its storage and deposit.

Client will (a) designate a primary contact with authority to provide information and approvals; (b) provide timely access to systems, data, and personnel; and (c) deliver information in the format and by the dates we request. Unless Client objects in writing within 5 business days of delivery, work products are deemed accepted as of the delivery date.

### ***Technology Disclaimer***

Altman, Rogers & Co. does not assume liability for third party applications, warranties, etc. City of Kotzebue, AK is responsible for backing up and maintaining its computer systems. All costs for application hosting, if not paid directly by City of Kotzebue, AK are due in full in advance of each purchase. Depending on the nature of the purchase, you may be billed by our firm or by the vendor directly. Payment for ongoing subscription services (such as application hosting) requires automatic billing to your credit card or checking account.

### ***Service Delivery: In-Person Meetings***

Services are designed to be delivered remotely to maximize efficiency, documentation quality, and security. In-person meetings may be scheduled by exception when remote delivery is impracticable or would materially reduce effectiveness. No additional service premium applies for in-person meetings; Altman, Rogers & Co.'s standard hourly rates in Exhibit B apply equally to remote and in-person work. Client agrees to reimburse reasonable, pre-approved travel and out-of-pocket expenses at cost. If Client cancels an in-person meeting after non-refundable travel has been purchased, Client will reimburse such non-refundable amounts. Altman, Rogers & Co. may propose remote alternatives when appropriate and reserves discretion to decline in-person requests that present safety, timing, or scope concerns.

### ***Legally Required Services***

In the event that we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates at the time the services are performed. We will request a retainer payment in advance of the services being performed, as well as ongoing replenishments of the retainer. You also agree to reimburse us for all out-of-pocket expenses incurred in that regard.



### ***Financial Statements- Applicable Standards and Legends***

- (a) If the primary objective of our engagement is to prepare your financial statements we will perform that services in accordance with SSARS AR-C §70 (Preparation of Financial Statements). We will not audit review, or compile the financial statements and no assurance will be provided. No accountant's report will be issued. Client agrees that each page of the financial statements (including notes) will include the statement: "No assurance is provided on these financial statements." If system limitations prevent page-by-page legends, Client authorizes Altman, Rogers & Co. to issue a separate written disclaimer, alternatively, at Client's request, Altman, Rogers & Co. can perform a compilation (AR-C §80) or review (AR-C §90) under a separate engagement with additional fees and an independence evaluation. Management remains responsible for the framework selection, fair presentation, internal controls, and completeness and accuracy of the information provided.
- (b) If financial statements are a by-product of broader Client Accounting and Advisory services, and not the primary objective of the engagement, then- per SSARS No. 27 (2025) – AR-C §70 is not required when services are performed under CS-100 (Consulting Services). In such CAAS engagements Altman, Rogers & Co. may still include the "No assurance is provided" footer as a risk-control best practice; using that footer does not convert the engagement into a SSARS engagement. If a third party later requires an accountant's report, Altman, Rogers & Co. can amend the engagement to perform a compilation or review with the appropriate report.
- (c) Omissions and departures (AR-C §70 only). Management may elect to omit substantially all disclosures required by the applicable framework provided the omission is not intended to mislead users; in that case Altman, Rogers & Co. will include a statement such as: "Substantially all disclosures required by [framework] have been omitted." If required disclosures or a GAAP cash-flows statement are omitted, the departure must be clearly disclosed, or we will not prepare the statements.

### ***Confidentiality***

Altman, Rogers & Co. agrees to take reasonable steps to protect all Confidential Information and to use the Confidential Information only in connection with performing the services hereunder. For purposes of this agreement, Confidential Information shall mean any and all information which is private and not in the public domain about City of Kotzebue, AK that is provided, obtained, or produced in connection with the services in written, oral, digital or other tangible form, including, without limitation, all information furnished at any time relating to City of Kotzebue, AK's business, customers, intellectual property, processes, strategies, all portions of any analyses, compilations, data, studies, or other documents prepared by Altman, Rogers & Co. that contain or are based on any furnished information or that reflect its review of such information, and any and all information concerning City of Kotzebue, AK's plans and activities, ideas, projects, software, methodologies, processes, tools, experience, customers and suppliers, financial information, and any other information, which ought reasonably under the circumstances to be considered confidential (the "Confidential Information"). Altman, Rogers & Co. agrees to take reasonable steps necessary to ensure that the confidentiality of the Confidential Information is maintained and that such Confidential Information is protected from unauthorized disclosure, but not to a greater extent than City of Kotzebue, AK itself uses to protect Confidential Information. Without limiting the generality of the foregoing, Altman, Rogers & Co. shall not disclose Confidential Information to any party outside its organization, without the prior written approval of City of Kotzebue, AK. Altman, Rogers & Co. represents that, as a matter of policy, it informs its personal concerning maintaining the confidentiality of client information. The parties hereto agree that equitable relief, including injunctive relief and specific performance, shall be available in the event of any breach of the provisions of this agreement. Such remedies shall not be deemed to be the exclusive remedies for a breach of this agreement but shall be in addition to all other remedies available at law or equity.



City of Kotzebue  
Accounting & Advisory Services Agreement

You assume all responsibility relating to adherence with privacy and disclosure requirements relating to the use and sharing of information in your industry.

You acknowledge that the proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and that these were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop in this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All report templates, manuals, forms, checklists, questionnaires, letters, agreements (including this one), and other documents, which we make available to you, are confidential and proprietary to us. Any and all new documents created as a result of this engagement will automatically become our property. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make available to anyone other than your personnel, any such documents. This agreement will apply to all materials whether in digital or "hard copy" format. Any requested workpapers from Altman, Rogers & Co. will be provided in Portable Document Format (.PDF) to ensure the integrity of the information reported.

### ***Insurance***

City of Kotzebue, AK confirms that the appropriate business and other related insurance are in place to cover the scope of this agreement and any service order additions or amendments. In turn, Altman, Rogers & Co. carries professional liability and other insurance required to operate as a certified public accounting firm.

### ***Third Party Disclosure and the use of Third Party Services***

Unless you indicate otherwise, you consent to and authorize our firm to transmit confidential information that you provide to us to third parties in order to facilitate delivering our services to you. Examples of such transmissions may include, but are not limited to, the access to your contact information by members of our team (independent contractors such as consultants, administrative assistants, or third party developers), transfer of accounting information and other data files via the internet, online back-up services, web site developer and hosting services (for newsletter and order processing), or a credit card processing company. We only work with established companies that we believe to be reputable and that have demonstrated their commitment to safeguarding your data. As the paid provider of professional services, our firm remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

### ***Use of Artificial Intelligence in Services***

Altman, Rogers & Co. may utilize artificial intelligence (AI) in the course of providing services, including but not limited to analyzing data, identifying patterns or trends, automating processes, and enhancing service quality and efficiency. The use of AI will be conducted in accordance with applicable laws, regulations, and professional standards.

Client data or information deemed confidential, proprietary, or containing Personally Identifiable Information (PII) shall not be copied, input, or uploaded into any AI platforms. The generation or use of AI outputs, including chatbot-generated content, that are inappropriate, discriminatory, or harmful to the client, the firm, or any third party is strictly prohibited.

City of Kotzebue  
Accounting & Advisory Services Agreement

By engaging Altman, Rogers & Co., the client acknowledges and agrees to the use of AI as described above. Any concerns regarding the use of AI in the provision of services must be raised in writing prior to or during the engagement. Altman, Rogers & Co. will use only enterprise-licensed AI tools under terms that prohibit provider training on Client inputs/ outputs. We will not input PII/ PHI or confidential information into any AI tool without prior written consent and appropriate data-processing terms in place.

***Electronic (Email) Communications***

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

***Record Retention***

During the course of our work with you, we will use one or more third party applications (including internet-based application providers) to provide portions of our services to you. This may include online filing of your Accounts Payable or other business documents. By signing this agreement, you confirm that you understand the services being provided and also agree that Altman, Rogers & Co. is not liable for record retention or any other aspect of the services provided by these 3<sup>rd</sup> parties, even if we absorb the cost (in part or in full) of a third party service as a benefit to you. You at all times assume responsibility for a decision to maintain hard copies of your original documents or to limit your document retention to the digital copies stored by the web application.

It is our policy to keep our electronic and work paper files electronically for seven (7) years, unless otherwise required by tax or other regulatory agencies. All work paper and miscellaneous report copies that we are not required to retain are discarded at the conclusion of the engagement. At the end of seven (7) years, electronic files may be erased.

In the unlikely event that we do obtain any hard copy documents from you, all original paper documents provided by you will be returned to you promptly as our work is complete. We do not keep copies of all documents. It is your responsibility to safeguard your documents in case of future need. We may occasionally keep some copies we deem necessary to our work.

Our workpapers are the property of our firm and will be maintained by us in accordance with our firm's record retention policy and any applicable legal and regulatory requirements. Our workpapers are not a substitute for your own records and do not mitigate your record retention obligations under any applicable laws or regulations. Our policies require that we maintain workpapers for seven (7) years. Catastrophic events or physical deterioration may result in damage to or destruction of our firm's records, causing the records to be unavailable before the expiration of the retention period as stated in our record retention policy.



City of Kotzebue, AK  
Exhibit A: Scope of Work

### ***Mediation/Arbitration***

If any dispute arises among the parties hereto, the parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its Rules for Professional Accounting and Related Services Disputes before resorting to litigation. Costs of any mediation proceeding shall be shared equally by all parties.

City of Kotzebue, AK and Altman, Rogers & Co. both agree that any dispute over fees charged by Altman, Rogers & Co. to the client will be submitted for resolution by arbitration in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, in the event of a dispute over fees charged by Altman, Rogers & Co., each of us is giving up the right to have the dispute decided in a court of law before a judge or jury and instead we are accepting the use of arbitration for resolution.

### ***Third Party Settlements***

In the event that we are or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of your intentional or knowing misrepresentation or provision to us of inaccurate or incomplete information in connection with this engagement, and not any failure on our part to comply with professional standards, you agree to indemnify us, defend us, and hold us harmless as against such obligations.

### ***Governing Law***

This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska, without regard to the principles of conflicts of law thereof.

### ***Assignment***

All obligations provided under this Agreement are between Altman, Rogers & Co, and City of Kotzebue, AK and neither party shall assign any rights or delegate any obligations hereunder without the other party's prior written consent. Any attempted assignment without the required consent shall be null and void.

### ***Term and Termination***

Either party may terminate this agreement in whole or in part, upon thirty (30) days' prior written notice to the other party for any reason or no reason. In addition, either party may terminate for cause upon written notice if the other party materially breaches this agreement and fails to cure such breach within ten (10) days after receiving written notice describing the breach. Upon termination: (a) Client will pay Altman, Rogers & Co, for all services rendered and expenses incurred through the effective date of the termination; (b) Altman, Rogers & Co. will take commercially reasonable steps to transition materials Client is entitled to receive under the AICPA Code of Professional Conduct to Client or Client's designee; and (c) the following provisions survive: Confidentiality, Record Retention, Third-Party Disclosures, Governing Law, Assignment, and Mediation/ Arbitration, together with any payment obligations accrued prior to termination. Termination rights under this section are in addition to Altman, Rogers & Co.'s rights to suspend or withdraw elsewhere in this agreement.



City of Kotzebue, AK  
Exhibit A: Scope of Work

### Conclusion

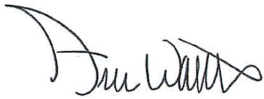
This letter sets forth the entire agreement relating to our work with you. This letter supersedes any prior agreements, discussions or understandings. No amendment or modification of this agreement shall be valid unless in writing, signed by both parties to this agreement. As indicated earlier in this agreement, you may request that we perform additional services at a future date beyond the scope of this engagement letter. If this occurs, we will communicate with you regarding the scope and estimated cost of these additional services. Engagements for additional service will necessitate that we issue a Service Order as an addendum to this agreement, or a separate agreement to reflect the obligations of both parties. This agreement and any stated fees will expire within ten (10) days of the agreement date unless signed and accepted within that time. At that time, Altman, Rogers & Co. reserves the right to amend this agreement and the terms that lie within.

Any additional entities for which we are engaged to perform services will be documented in a separate agreement.

### AGREED TO AND ACCEPTED:

The foregoing is in accordance with my understanding of your engagement to provide accounting and related services. The terms in this agreement are acceptable and are hereby agreed to.

Sincerely,



Steve E. Wadleigh, CPA  
Principal  
ALTMAN, ROGERS & CO.

### APPROVED:

The above letter and the supporting Exhibit (s) confirms our understanding of the services to be performed and the limitations of those services.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

City of Kotzebue, AK  
Exhibit A: Scope of Work

**EXHIBIT A: Scope of Work**

<u>Service Type</u>	<u>Monthly</u>	<u>Quarterly</u>	<u>Annually</u>	<u>Other</u>
<b>I. Advisory Services</b>				
Prepare financial statements (internal use only) <sup>1</sup>				
Budgeting and/ or Forecasting	XX			
Recurring management reporting and consulting meeting with client representative				
Key Performance Indicators (KPIs) (Reporting on key areas to help organization's overall long-term performance)				
If KPIs are required, what type of reporting is needed:				
Revenue Growth				
Current Accounts Receivables				
Operational Cash Flow				
Other: _____				
Audit Prep	XX			
Controller/ Financial Manager/ Finance Director (Virtual)				
CFO (Virtual)	XX			

City of Kotzebue, AK  
Exhibit A: Scope of Work

City of Kotzebue, AK  
Exhibit B: Fees

### EXHIBIT B: Fees

Our rate for the services in Exhibit A is **\$29,000** per month\* and will go into effect on January 1, 2026.

Special projects or work outside of Exhibit A: Scope of Work will be billed at our regular bill rates for the type of work performed. You will also be billed for out-of-pocket costs such as postage, etc.

We invoice monthly in arrears unless otherwise stated in an applicable Service Order. Invoices are due Net 30 days from the invoice date. Late balances accrue service charges at 1.0% per month (or the maximum allowed by law, if lower). We may suspend work for invoices more than 15 days past due, after notice to Client, and resume upon payment.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Amounts not paid within thirty (30) days will be subject to a late payment charge of .8% per month (10% per year). In the event of a dispute related in any way to our services (other than our efforts to collect a past due invoice), our firm and you agree to discuss the dispute, and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed one-hundred twenty (120) days from the date either of the involved parties' requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identity for the purposes of the award of attorneys' fees.

We have the right to withdraw from this engagement, in our discretion, if you do not provide us with any information we request in a timely manner, refuse to cooperate with our reasonable requests or misrepresent any facts. Our withdrawal will release us from any obligation to continue providing accounting and related services and will constitute completion of our engagement. You agree to compensate us for our time and any out-of-pocket expenses through the date of the withdrawal.

Our fee is based on the transaction volume as of the date of this agreement. We reserve the right to adjust fees accordingly. It is also based upon your current staffing and the tasks currently performed by your staff.

Any technology fees included in this agreement are based upon current vendor rates and will be adjusted on bills as vendors adjust their fees.

\*We reserve the right to increase these fees based on an annual review of services and costs with a minimum sixty (60) day notice.

"Rush" projects will be billed at the following hourly rate: \$300.00. Ad hoc projects or additional work outside the scope of this agreement will be billed at the fee(s) stated on any Exhibit D: Service Order Request Forms(s) that are signed after this original agreement is put into effect.

There will be an additional fee incurred for any catchup work for information/ documentation requested of the client that is not received on time. This fee will be discussed prior to said catchup work commencing.

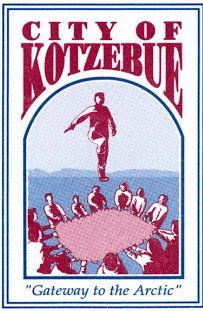
It is understood that any deadlines that are missed due to non-payment of services can occur if work is suspended due to said non-payment.

City of Kotzebue, AK  
Exhibit C: Schedule

**EXHIBIT C: Schedule**

This contract will go into effect January 1, 2026.





## CITY OF KOTZEBUE

### RESOLUTION NO. 25-71

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING AND ADDING THE CITY MANAGER RONALD JOHNSON AND FINANCE DIRECTOR MICHAEL WETZEL AS AUTHORIZED SIGNERS ON ALL OF THE CITY'S ACCOUNTS WITH FIRST NATIONAL BANK OF ALASKA AND CREDIT CARD ACCOUNTS.**

**WHEREAS,** the City of Kotzebue ("City") has investment, financial, and credit card accounts with First National Bank of Alaska;

**WHEREAS,** the City Manager has historically had signing authority in line with the performance of City Manager duties as outlined in KMC 2.04.040 and persons authorized to invest city funds as outlined in KMC 3.25.040;

**WHEREAS,** Ronald Johnson was appointed as City Manager and Michael Wetzel as the Finance Director for the City of Kotzebue at the December 18, 2025 Regular City Council Meeting; and,

**WHEREAS,** the authorized signers will allow the City to more efficiently process payments and the City Manager and Finance Director to perform duties as described.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Kotzebue authorizes the City Manager Ronald Johnson and Michael Wetzel as signers on the City's First National Bank of Alaska accounts and credit card accounts.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of December 2025.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase  
Mayor

ATTEST:

[SEAL]

\_\_\_\_\_  
Donald Jones Jr  
City Clerk





**CITY OF KOTZEBUE**

**RESOLUTION NO. 25-72**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE  
AUTHORIZING AND ADDING THE FINANCE DIRECTOR MICHAEL WETZEL AS  
AUTHORIZED SIGNER ON ALL OF THE CITY’S ACCOUNTS WITH KEY BANK.**

**WHEREAS,** the City of Kotzebue (“City”) has investment accounts with Key Bank;

**WHEREAS,** the City Manager or his designee has historically had signing authority in line with the performance of City Manager duties as outlined in KMC 2.04.040 and persons authorized to invest city funds as outlined in KMC 3.25.040;

**WHEREAS,** the additional authorized signer will allow the City to more efficiently process payments and the City Manager or his designee to perform duties as described.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Kotzebue authorizes the Finance Director Michael Wetzel as signer on the City’s Key Bank accounts.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council of the City of Kotzebue, Alaska, this 18<sup>th</sup> day of December 2025.

**CITY OF KOTZEBUE**

\_\_\_\_\_  
Saima Chase  
*Mayor*

[SEAL]

ATTEST:

\_\_\_\_\_  
Donald Jones  
*City Clerk*