



ORDINANCE 2026-05

AN ORDINANCE OF THE CITY OF DELTA JUNCTION, ALASKA UPDATING TITLE I, LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE CODES, SECTIONS 1.05 THROUGH 1.45, TO INSURE CONSISTANCY WITH ALASKA STATUTES

BE IT ORDAINED BY THE CITY COUNCIL OF DELTA JUNCTION, ALASKA:

Section 1. Purpose.

The purpose of this ordinance is to review and update Title I, Legislative, Judicial, and Administrative Codes, Sections 1.05 through 1.45, in order to bring them into compliance with current Alaska Statutes and to ensure consistency and accuracy in local government.

Section 2. Amendment.

Title I, Legislative, Judicial, and Administrative Codes, Section 1.05 through 1.45, are hereby amended, revised, and updated in accordance with applicable provisions of Alaska Statutes.

Section 3. Severability.

If any provision of this ordinance or its application is held invalid, the remainder of this ordinance, or the application of its provisions to other persons or circumstances, shall not be affected.

Section 4. Effective Date.

This ordinance shall take effect immediately upon its adoption by the Delta Junction City Council and the signature of the Mayor, or as otherwise provided by law.

PASSED AND APPROVED by the Delta Junction City Council of Delta Junction, Alaska, this 18th day of November, 2025.

Introduction:	September 16, 2025
First Reading:	September 16, 2025
Public Hearing:	November 18, 2025
Second Reading:	November 18, 2025
Adoption:	November 18, 2025

Igor Zarembo, Mayor

Pat White, City Clerk

CITY
SEAL

	YES	NO	ABSENT	ABSTAIN
Seat A: Leith				
Seat B: Phelan				
Seat C: Prestegard				
Seat D: Zarembo				
Seat E: Stricklin				
Seat F: Hallgren				
Seat G: Case				

TITLE I

LEGISLATIVE, JUDICIAL AND ADMINISTRATIVE

Chapters:

- 1.05 General Provisions
- 1.10 City Council
- 1.15 Other Officers and Employees
- 1.20 Oath of Office
- 1.25 Mayor
- 1.27 Ethics
- 1.30 City Legislation - Provisions of the Code of Ordinances
- 1.31 Records Management and Preservation
- 1.35 Fiscal Procedures
- 1.37 Permanent Fund
- 1.41 Purchasing Department
- 1.45 Municipal Employee Relations

CHAPTER 1.05

GENERAL PROVISIONS

Sections:

- 1.05.010 City Seal
- 1.05.020 Definitions
- 1.05.030 Severability

1.05.010 City Seal: The description of the seal of the City shall be a circle upon which shall be printed the words, CITY OF DELTA JUNCTION, ALASKA and across the face the inscription ESTABLISHED DECEMBER 1960. The above-described seal is adopted and declared the corporate seal of the City, and the same may be used to authenticate acts of this corporation. The seal of the City shall be kept by the City Clerk and by him/her affixed to all documents to be authenticated.

1.05.020 Definitions: Except as otherwise specifically defined or otherwise required by the context, words used in the Delta Junction Code shall have their ordinary dictionary meanings.

~~A.~~ ~~CITY means the City of Delta Junction, Alaska.~~

A. BY LAW denotes applicable Federal Law, the Constitution, Statutes and regulations of the State of Alaska, and applicable common law.

B. CITY means the City of Delta Junction, Alaska.

~~B.C.~~ City Employee means any person employed by the city, whether full time or part time, temporary or permanent, but excluding elected officials and appointed officials.

~~C.D.~~ CODE means the Code of Ordinances of the City of Delta Junction, Alaska, including all amendments and additions. All ordinances shall be adopted in the manner required by State law.

~~D.E.~~ COUNCIL means the City Council of the City of Delta Junction, Alaska.

~~E.F.~~ MUNICIPALITY means a general law municipal corporation and political subdivision, which is a first or second-class borough or City, or a third-class borough incorporated under the laws of the State.

~~F.G.~~ OWNER, RECORD OWNER, or OWNER OF RECORD means owner of record or purchaser of record.

~~G.H.~~ PROPERTY means real and personal property.

~~H.I.~~ PERSONAL PROPERTY means tangible property other than real property, such as goods and stock in trade, machinery and equipment, furniture and fixtures, ~~motor vehicles and~~ vehicles, boats, vessels, and aircraft.

~~I.J.~~ REAL PROPERTY means land and improvements and all possessors' rights and privileges appurtenant to the property, and includes personal property affixed to the land or improvements.

~~J.~~K. **PUBLISHED** means appearing at least once in a paper of general circulation distributed within the City or, if there is no newspaper of general circulation distributed within the City, posting in three public places, including but not limited to the City website and/or ~~Facebook~~ ~~page~~ social media, for at least five days. Generally, it means setting forth of any matter for public notice in the way provided for by law or ordinance.

~~K.~~L. **REGULAR ELECTION** means the annual City election held on the first Tuesday of October.

~~L.~~M. **STREET** includes streets, avenues, boulevards, roads, lanes, alleys and other ways.

~~M.~~N. **SUBDIVISIONS** means the division of a tract or parcel of land into two or more lots, sites, or other divisions for the purpose, whether immediate or future, of sale or building development, includes re-subdivision and, when appropriate to the context, relates to the process of subdividing or to the land or area subdivided.

~~N.~~O. **VOTER** means a United States citizen who is registered to vote in State elections and has been a resident of the City for 30 days immediately preceding the election and who is not disqualified under Article V of the State Constitution.

1.05.030 **Severability:** If any section, subsection, sentence clause, phrase or portion of this code is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate and independent provision, which shall not affect the validity of the remaining portions hereof.

CHAPTER 1.10

CITY COUNCIL

Sections:

1.10.010	Composition
1.10.015	Duties
1.10.020	Eligibility
1.10.030	Election and Term
1.10.040	Procedure
1.10.050	Deputy Mayor
1.10.060	Filling a Vacancy
1.10.070	Vacancies
1.10.080	Compensation
1.10.090	Recall

1.10.010 Composition: The Council shall consist of seven (7) Council members, each of whom shall be elected at large. Council offices will be designated as Council seats A through G. The terms of at least two Council seats shall expire annually after the ~~annual~~ regular election, so that Council members shall serve for overlapping three-year terms. Each candidate shall file for a particular Council seat.

1.10.015 Duties: Council members are expected to attend and be prepared to make decisions regarding business items set forth in the agenda. The Council [shall] ~~are~~ is responsible for [manage] managing public funds and resources and [provide] providing services to the public. ~~manage public funds and resources and provide services to the public.~~ The council also establishes policy and procedure for the City, which may be in the form of ordinances, resolutions, and formal manuals consistent with the general powers provided in AS 29.35.010-29.35.149. The council may be assigned departments to provide updates at council meetings.

1.10.020 Eligibility: A City voter who has lived within the City limits for one (1) year when filing is eligible to hold the office of Council member.

1.10.030 Election and Term: ~~An election shall be held annually on the first Tuesday of October to choose Council members for three-year terms, and until their successors are elected and have qualified. The regular term of office begins on the first Monday following certification of the election.~~ An election shall be held annually on the first Tuesday of October to elect Council members for three-year terms, who shall serve until their successors are elected and have qualified. The regular term of office shall begin on the second regularly scheduled Council meeting on the third Tuesday of October. In the event of an election contest, the apparent winner shall be seated and serve provisionally until the contest is resolved and the election is deemed valid.

1.10.040 Procedure:

- A. The Council shall meet on the first and third Tuesday of every month. Except as otherwise provided by law, regular and special meetings of the Council ~~shall~~ will be open to the public and the public shall have a reasonable opportunity to be heard, at the times provided by the rules of the Council. Special meetings may be held at the call of the mayor or two (2) Council members upon not less than twenty-four (24) hours written or oral notice communicated to each member.

- B. If a council member is going to be absent it is the responsibility of the member to contact the City Clerk. If a member is attending remotely, it is the responsibility of the member to contact the Finance department for the link and password.
- C. The final vote on each ordinance, resolution or substantive motion is a recorded roll call vote. All Council members present shall vote unless the council, for special reasons, permits a member to abstain or abstention is required by law.
- D. Public notice shall be given of the location, date and time of regular meetings.
- E. The Council shall determine its own rules and order of business and provide for keeping a journal of its proceedings.
- F. Four Council members constitute a quorum. Four affirmative votes are required for passage of an ordinance, resolution or motion.
- G. A Council member may attend a regular, special or executive session meeting by remotely. At any meeting where one or more Council members are participating remotely, all voting must be by roll call vote and in accordance with City Code 1.10.040 and AS 44.62.310(a).
- H. Council Meetings will be limited to three hours with the exception of one 15-minute extension that is ~~voted on by a majority of members present~~ approved by a quorum of the Council.

1.10.050 Deputy Mayor:

- A. The Council shall annually elect a Deputy Mayor on the third Tuesday in October to preside over Council meetings in the absence of the Mayor. The Deputy Mayor shall serve at the pleasure of the Council.
- B. In the absence of both the Mayor and Deputy Mayor, Council meetings shall be presided over by a current Council member in the following order of precedence:
 - 1. Any sitting Council member who has previously served as Mayor.
 - 2. Any sitting Council member who has previously served as Deputy Mayor, i.e. Mayor Pro tem.
 - 3. Any sitting Council member with the greatest consecutive seniority on the Council.

1.10.060 Filling a Vacancy: If a vacancy occurs in the Council, the remaining members shall solicit applicants to fill the vacancy by advertising the vacancy in a newspaper of general circulation in the City. Persons interested in being applicants shall submit a letter to the City Clerk stating their interest. The Council shall fill the vacancy from among those persons submitting letters and the next highest vote getter, if any, in the election for the seat vacated. The Council shall fill a vacancy by vote of a majority of its remaining members. The person selected to fill a vacancy, upon qualification and taking office, shall fill the vacancy until the next regular election and until a successor is elected and has qualified.

1.10.070 Vacancies: An elected municipal office is vacated under the following conditions and upon the declaration of vacancy by the council. The Council shall declare an elective office vacant when the person elected:

- A. fails to qualify or take office within thirty (30) days after his election or appointment.
- B. resigns and his/her resignation is accepted by the council.
- C. becomes physically or mentally incapacitated to perform the duties of his/her office.
- D. is convicted of a felony or a misdemeanor involving moral turpitude or involving a violation of his/her oath of office.
- E. is convicted of a felony or misdemeanor described in AS 15.56 and two-thirds of the members of the Council concur in expelling the person elected.
- F. is otherwise legally removed from office; or
- G. departs from the City with the intent to remain away for a period of ninety (90) days or more unless excused by two-thirds vote of the members of the Council.
- H. if a member misses three (3) consecutive regular meetings and is not excused or fails to attend at least 75% of all regular meetings per year of the City Council from the time of their election or appointment to their seat.

1.10.080 Compensation: The Council may fix, by ordinance, the salaries of elected officers. Salaries may not be changed during the term of office. An elected official may not receive any other compensation for services to the community. Per-diem payments or reimbursements are not considered compensation.

1.10.090 Recall: The voters of the City may recall any member of the council, including the mayor, pursuant to ~~AS 29.26.240 through 29.26.360~~ City [Ordinance Chapter 2.18](#).

CHAPTER 1.15

OTHER OFFICERS AND EMPLOYEES

Sections:

- 1.15.010 Officers Appointed by the Council
- 1.15.020 Officers Serve at Pleasure
- 1.15.030 City Attorney
- 1.15.040 City Clerk
- 1.15.050 City ~~Treasurer~~ Finance Director
- 1.15.060 Discrimination Prohibited
- 1.15.070 Bonding
- 1.15.080 Combining Offices

1.15.010 Officers Appointed by the Council: The City Clerk/~~Treasurer~~ Finance Officer, City Attorney and Chief of Police shall be appointed by and serve at the pleasure of the council.

1.15.020 Officers Serve at Pleasure: Appointed officers serve at the pleasure of the appointing authority.

1.15.030 City Attorney: The City Attorney is the legal advisor of the Council and other officers of the City. He/she represents the City as attorney in civil and criminal proceedings and, when directed by the Council or Mayor, in all other legally related matters concerning the City.

1.15.040 City Clerk: The City Clerk shall:

- A. Give notice of the time and place of meetings to the Council and to the public.
- B. Attend meetings and keep the journal.
- C. Arrange publication of notices, ordinances and resolutions.
- D. Maintain and make available for public inspection an indexed file including the municipal ordinances, resolutions, rules, regulations and codes.
- E. Attest deeds and other documents; and
- F. Perform other duties prescribed by the Mayor, City Administrator or council, or by ordinance or law.

1.15.050 ~~City Treasurer~~ Finance Officer: The ~~treasurer~~ Finance Officer shall give bond to the City in a ~~sum, which~~ sum which the Council directs. The municipal ~~treasurer~~ Finance Officer is the custodian of all municipal funds. He/she shall keep an itemized account of money received and disbursed. He/she shall pay money on vouchers drawn against appropriations.

1.15.060 Discrimination Prohibited: No person may be appointed to or removed from City office or in any way favored or discriminated against with respect to a City position because of his race, color, sex, creed, national origin or because of his political opinions or affiliations, unless otherwise required by law.

1.15.070 Bonding: City officers or employees which the Council may designate shall give bond in the amount and with the surety prescribed by the council. Premiums on bonds shall be paid by the City.

1.15.080 Combining Offices: The Council may combine two or more appointed or administrative offices which are not appointed by the council and may combine the offices of City Clerk and Treasurer and may combine the office of Chief of Police with other appointed offices. If the Council combines the office of Clerk with that of Treasurer, the City Clerk/Treasurer shall give his/her bond to the municipality for the faithful performance of his/her duties as Clerk/Treasurer.

CHAPTER 1.20

OATH OF OFFICE

Sections:

1.20.010 Oath of Office

1.20.010 Oath of Office: All City ~~officers~~Officials, before taking office, shall affirm in writing that they will honestly, faithfully and impartially perform their duties. The oath shall be filed with the City Clerk. The oath is as follows:

“I, (state your name), do solemnly swear that I will support and defend the Constitution of the United States, the Constitution and Laws of the State of Alaska and the Ordinances of the City of Delta Junction.”

“I will honestly, faithfully, and impartially perform the duties of the office of City Council Member to the best of my ability, so help me God.”

CHAPTER 1.25

MAYOR

Sections:

1.25.010	Duties
1.25.020	Term
1.25.030	Veto, Voting
1.25.035	Absence or Disability of Mayor
1.25.040	Vacancy in Office of Mayor

1.25.010 Duties: The Mayor shall preside at Council meetings, act as ceremonial head of the City, and sign documents on the City's behalf upon authorization by the council. The Mayor may assign council members to departments to provide updates at Council meetings. The Mayor has the duties of the City Manager as provided in AS 29.20.250 and 29.20.500. The Mayor may appoint an administrative assistant who will assist the Mayor in the conduct of the City's business, and whose title shall be City Administrator.

1.25.020 Term: The Mayor is elected by and from the Council for a term equal in length to ~~a~~ the remaining length of that Council member's term. The Mayor shall take office upon election by the Council on the third Tuesday in October.

1.25.030 Veto, Voting: The Mayor has no veto power, is a member of the council, and may vote and speak on all matters unless conflict of interest prevents him/her from exercising his vote.

1.25.035 Absence or Disability of Mayor: The Deputy Mayor is hereby authorized to serve as Acting Mayor with all the powers of the Mayor during any absence or period of disability of the Mayor.

1.25.040 Vacancy in Office of Mayor: In the event the office of Mayor becomes vacant, the Deputy Mayor shall automatically become Mayor and the Council shall appoint one of their members as Deputy Mayor, both to serve until the next regular election is certified, after which the Council shall elect a Mayor and a Deputy Mayor.

CHAPTER 1.27

ETHICS

Sections:

- 1.27.010 Scope of Chapter
- 1.27.020 Purpose
- 1.27.030 Prohibited Conduct
- 1.27.040 Declaration of Potential Violation

1.27.010 Scope of Chapter: This chapter shall apply to the members of the City Council, City Clerk, and all City employees. [City Clerk, and any employee designated as “City Administrator” by the mayor pursuant to 1.25.010, and the Administrator of the Planning and Economic Development Department].

1.27.020 Purpose:

- A. The purpose of this chapter is to set the standards of conduct for the members of the City Council, [City Clerk], and all City employees. [and any employee designated as “City Administrator” by the mayor pursuant to 1.25.010, and the Administrator of the Planning and Economic Development Department.]
- B. The Council declares:
 - 1. That high moral and ethical standards among Council Members, and City employees [City Clerk and other specifically designated employees] are essential to the conduct of government.
 - 2. That a code of ethics for the guidance of such persons will discourage those persons from acting upon personal interest in the performance of their duties, will improve standards of elective public service, and will promote and strengthen the faith and confidence of the people of the City in their Council Members, and those employed by the City. [City Clerk and such other designated persons]. The Council further declares that holding public office or employment is a public trust and that as one safeguard of that trust, the people should require the Council Members, and City employees [City Clerk and other designated persons] to adhere to a code of ethics.
- C. Any effort to benefit a personal or financial interest through official action is a violation of the public’s trust. The Council finds that as long as this ordinance does not interfere with the full and faithful discharge of a Council Member’s or the City Clerk’s responsibilities, this chapter does not prevent a Council Member or City employee [the City Clerk] from following other pursuits. The Council further realizes that:
 - 1. In a municipality such as the City of Delta Junction, Council Members, and City employees [City Clerk and other designated employees] are drawn from society and therefore often have personal and financial interests in the decisions and policies of local government.
 - 2. People who serve should retain the right to interests of a personal or financial nature.

3. Standards of ethical conduct must distinguish between those minor and insubstantial conflicts that are unavoidable in a free society and those conflicts of interest that are substantial and material.
- D. Unethical conduct is prohibited. However, there is no impropriety if, as to a specific matter, the Council Member, or City employee [City Clerk, or other designated person]:
1. Has a personal or financial interest in the matter which is insubstantial, or which is possessed generally by the public or a large class of persons to which the Council Member, or City employee [City Clerk, or other designated person] belongs; or
 2. Performs some duty or has some influence which would have insubstantial or conjectural effect on the matter.

1.27.030 Prohibited Conduct

- A. Improper Acts and Criminal Activity: Theft, deliberate misappropriation of public funds, financial dishonesty, deliberate improper disposing of City property, or any other act that violates any Federal, State or Municipal Criminal law involving moral turpitude, deliberate deception or perjury shall be considered a violation of this chapter.
- B. Misuse of Official Position: A Council Member, [City Clerk], or [other designated Municipal E] City employee may not:
1. Use or attempt to use an official position for personal gain and may not intentionally secure or grant unwarranted benefits or treatment for any person.
 2. Seek other employment or contacts through the use or attempted use of his or her position.
 3. Attempt to and/or accept, receive or solicit compensation of any kind for the performance of official duties or responsibilities of any entity other than the City.
 4. Attempt to and/or use City time, property, equipment, or other facilities to benefit personal or financial interest.
 5. Attempt to and/or take or withhold official action in order to affect a matter in which the Council Member, or City employee [City Clerk, or other designated Municipal Employee] has a personal or financial interest; or
 6. Attempt to benefit a personal or financial interest through coercion of a subordinate or any City employee.

C. Conflicts of Interest

1. No City Council member or City employee may accept any gifts in excess of a \$100.00 value annually from any person, business, or corporation that is directly or indirectly involved or interested in business dealings with the City. Samples directly related to City business are not considered gifts.
2. Meals provided to City Council members or City employees at a public restaurant where the total value of the meal received by the City Council member or City employee is less than \$100.00 are exempted from the preceding subsection.

3. No City Council member or City employee shall be involved directly or indirectly in recommending and/or purchasing goods and services for the City when the employee or an immediate family member has a pecuniary interest in the business being recommended.
4. A City Council member or City employee shall not be deemed to have a conflict of interest under this section if, at the earliest opportunity after having acquired knowledge of the conflict, the Council member or employee does the following:
 - a. Discloses the conflict of interest in writing to the mayor prior to awarding a contract to the business; and
 - b. Disqualifies himself/herself from participating in any decision by the City to recommend award of or to award a contract to the business.

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C.D. Improper Gifts:

1. A Council Member[s], or City employee [City Clerk, or other designated Municipal Employee] may not solicit, accept or receive, directly or indirectly, a gift, in any amount, whether in the form of money, services, a loan, travel, entertainment, hospitality, promise, or other form of gift under the circumstances in which it could be reasonably inferred that the gift is intended to influence the performance of official duties, actions or judgment.
2. The receipt of a gift by a person to whom this chapter applies is prohibited. It is not a violation of this section for a person to whom this chapter applies to accept:
 - a. Travel and hospitality primarily for the purpose of obtaining information on matters of Municipal [Council] concern.
 - b. Incidental transportation to the residence of a person.
 - c. A social event or meal.
 - d. Discounts that are available generally to the public or to a large class of people to which the person belongs.
 - e. Food or foodstuffs indigenous to the state that are shared generally as a cultural or social norm.
 - f. Gifts from the family of the person subject to this chapter.

D.E. A person to whom this chapter applies who accepts a gift of travel and hospitality primarily for the purpose of obtaining information on matters of [Council] concern to their position on Council or as a City employee shall disclose the gift if it has a value of fifty (\$50) dollars or more.

- A. The disclosure notice of this section shall be submitted to the City Clerk and must include the name and occupation of the person making the gift, a description of the gift and the approximate fair market value of the gift. The disclosure shall be provided within thirty (30) days after receipt of the gift and the Clerk shall maintain a public record of the disclosure.

- B. In the case of the City Clerk, the disclosure shall be made to the Mayor. In all other circumstances disclosure shall be made to the City Clerk.
- C. The restriction relating to gifts imposed by this section does not apply to a campaign contribution to a candidate for the City Council if the contribution otherwise complies with the laws and regulations governing elections and campaign disclosure.

~~E.F.~~ F. Improper use or disclosure of information: A current or former City Council Member, or City employee [City Clerk, or another designated Municipal Employee] may not:

- 1. [Disclosure] Disclose or use [of] information gained in the course of, or by reason of, the City Council Member's or City employee's [Clerk's] duties, if that information could in any way benefit any person if the information has not been disseminated to the public; or
- 2. Disclose or use, without appropriate authorization, information that is confidential by law and that is acquired in the course of official duties.

~~F.G.~~ G. Improper Influence in Grants, Contracts, Leases or Loans:

- 1. A Council Member, City employee [City Clerk, or other designated Municipal Employees], or members of their immediate household may not attempt to acquire, receive, apply for or be party to, or have a personal interest in a bid award, grant, contract, lease or loan to which the City is a party except as a bidder to supply, or obtain, Municipal supplies in an open Public Bid Process, or
- 2. The Council Member or City employee [other designated Municipal Employee] shall report to the City Clerk, or in the case of the City Clerk, the Mayor, a personal or financial interest held by the Council Member, City Clerk, or City employee [designated Municipal Employee] or members of their immediate household, in a bid award, grant contract, lease or loan before it is approved by the [Full] Council.

~~G.H.~~ H. Improper Representation:

- 1. A Council Member, or City employee [City Clerk, or other designated Municipal Employee] may not represent, advise or assist a person in any matter pending before the Council or the City [Administration] if the representation, advice or assistance is:
 - a. For compensation, unless the representation, advice, assistance, or compensation is required by Statute, regulation, or court rule. The statute, regulation, or court rule which applies shall be included within the disclosure statement; or
 - b. Without compensation but is rendered to benefit the personal or financial interest of the Council Member, or City employee [City Clerk, or other designated Municipal Employee]. This prohibition does not include a Council Member, or City employee [City Clerk, or other designated Municipal Employee] who is associated with a non-profit organization if the person serves without compensation or under the Rule of Necessity.

~~H.I.~~ I. Outside Employment:

1. [The City Clerk], [A City employee](#) [or other designated Municipal Employee] may not render services to benefit a personal or financial interest or engage in or accept employment with other than the City, if the outside service or employment is incompatible or in conflict with the proper discharge of official City duties unless under the Rule of Necessity.
2. If [a City employee](#) [the City Clerk, or other designated Municipal Employees] renders services for compensation or engages in employment other than for the City, [the employee must report services or employment](#) [he or she shall report any outside service performed during the twelve months prior to July 1 of each year, the outside services or employment] to the Mayor. [During the year any change in the City Clerk, or other designated Municipal Employee employment activity must be reported as set forth above].

H.J. Aiding a Violation: It is a violation of this chapter for a Council Member [or City employee](#) [, City Clerk, or other designated Municipal Employee] to knowingly aid another City Council Member [or City employee](#) [, City Clerk or other designated Municipal Employee] in [a](#) [the] violation of this chapter.

[1.27.040](#) [Council Members/City Clerk] Declaration of Potential Violation:

- A. A Council Member, [or City employee](#) [City Clerk, or other designated Municipal Employee] who is involved in a matter that may result in a violation of this chapter shall:
1. Refrain from taking any official action relating to the matter until a determination of conflict of interest is made under this section; and
 2. Immediately disclose the matter in writing to the City Clerk. If the City Clerk is making the disclosure, it shall be submitted to the Mayor.
 3. If the City Council determines that Council Member has a conflict of interest, then the Council Member shall, in addition to the requirements set forth in subsection (1), refrain from voting on the matter that gave conflict of interest for as long as the conflict shall exist.
 4. In the case of [the] City [employees](#) [Clerk], the Mayor shall make a written determination of whether the involvement violates this chapter. If the Mayor determines that a violation currently exists, could exist or will occur, the Mayor may direct the divestiture or removal of personal or financial interests that give rise to the violation.
- B. Other Party Declaration of a Potential Violation: Any person may file a declaration of potential violation by a Council Member, [the](#) City Clerk, or other [City employee](#) [designated Municipal Employee] by filing with the City Clerk or Mayor a written complaint signed under oath. The complaint must contain a clear statement of the details of the potential violation and a specific reference to this chapter that is alleged to have been violated. A complaint must be filed within one year of the alleged violation(s). All complaints filed shall be made public after a determination of probable cause by the [City Council](#) [board of ethics] and the complaint proceeds to a formal hearing.

- C. The City Council shall determine, after Public Hearing, if there is a violation of this Ordinance. Any determination of violation or imposition of sanctions shall require an affirmative vote of a quorum of the Council, at least four (4) Council Members.
- D. Sanctions for all persons found to have violated this code (including Council Members) may include one or more of the following:
1. [Charging the person the reasonably incurred cost to the City for an Investigation and Hearing.]
 2. Disgorgement of improperly received benefits.
 3. Written public censure.
 4. City employees [In addition, the City Clerk, or other designated Municipal Employees] may be subject to the penalties set forth in the Municipal Employee Policy [without separate proceedings thereunder] up to and including removal from Municipal employment. [Adopted February 15, 2000.]

CHAPTER 1.30

CITY LEGISLATION - PROVISIONS OF THE CODE OF ORDINANCES

Sections:

1.30.010	Form
1.30.011	Numbering
1.30.020	Introduction
1.30.030	Notice
1.30.040	Adoption, Printing
1.30.050	Effective Date
1.30.060	Emergency Ordinances
1.30.070	Codification
1.30.080	Adoption Procedure
1.30.081	Amendments
1.30.090	Initiative and Referendum

1.30.010 Form: Each proposed ordinance shall be introduced in written form. The enacting clause shall be: BE IT ORDAINED AND ENACTED BY THE CITY OF DELTA JUNCTION, ALASKA, as follows:

1.30.011 Numbering: The first [two] four (4) numbers of ordinances shall be the fiscal year followed by a dash. The last two numbers shall be the number of ordinances ~~passed~~introduced during the fiscal year.

1.30.020 Introduction: An ordinance may be introduced by a member or a committee of the council. An ordinance shall be set for hearing by the affirmative vote of four members of the [c]Council.

1.30.030 Notice: The summary of the ordinance or the amendments of the ordinance in question shall be published together with the notice of time and place for public hearing. The hearing follows publication by at least five (5) days. For a period of five (5) days before hearing, copies of the ordinance must be available for inspection at the time and place set out in the hearing notice.

1.30.040 Adoption, Printing: At the hearing, the Council shall hear all interested persons wishing to be heard. After the hearing, the Council shall consider the proposed ordinance and may adopt it with or without amendment. The Council shall print and make available copies of adopted ordinances.

1.30.050 Effective Date: Ordinances take effect upon adoption or later as specified in the ordinance.

1.30.060 Emergency Ordinances: Emergency ordinances may be adopted for a period of sixty (60) days to meet a public Emergency and emergency ordinances may be effective on adoption. The ordinance proposed may be adopted, amended and adopted or rejected at the meeting at which it is introduced.

1. Every emergency ordinance must contain a finding by a Council that the emergency exists and a statement of the facts upon which the finding is based. The affirmative vote of all members present, or the affirmative vote of three-fourths (3/4) of the total membership,

whichever is less, is required for adoption. Copies of adopted emergency ordinances shall be made available to the public.

2. An emergency ordinance may not be used to:

- A. Levy taxes.
- B. Grant ~~or~~ renew or extend franchise; or
- C. Regulate the rate charged by a public utility for its services.

1.30.070 Codification: Each ordinance, after adoption, shall be codified as prescribed by Alaska Statute 29.25.050.

1.30.080 Adoption Procedure: All ordinances shall be read by title or in full upon introduction and shall be given a second reading by title. An ordinance may be amended at any time after first reading and before final adoption.

1.30.081 Amendments: Additions to ordinances shall be underlined in a different color, deletions to ordinances shall [be enclosed with brackets] have a strike through the wording. Amended ordinances shall follow the procedure outlined in section 1.30.020 of the City's Code of Ordinances.

1.30.090 Initiative and Referendum: The voters of the City shall have such powers as are provided by AS [29.28.060 through 29.28.110] 29.26.100 through 29.26.190 as amended.

CHAPTER 1.31

RECORDS MANAGEMENT AND PRESERVATION

Sections:

1.31.005	Purpose
1.31.010	Definitions
1.31.015	Ownership of Records
1.31.020	Creation of a Records Advisory Committee
1.31.030	Responsibility for Records
1.31.035	Responsibility of the Departments
1.31.040	Approval and Adoption of Retention Schedules
1.31.045	Public Use of Records
1.31.050	Microfilming Scanning
1.31.055	Disposal of Records
[1.31.060	Penalty]

1.31.005 Purpose: The purpose of this ordinance is to provide rules and regulations for the management and preservation of public records by the City of Delta Junction.

1.31.010 Definitions:

- A. PUBLIC RECORD means any document, paper book, letter drawing, map, plat, photo, photographic file, motion picture film, microfilm, microphotograph, exhibit, magnetic or paper tape, CDROM, floppy disk, magnetic disk, punched card or other document or any other material, regardless of physical form or characteristic, developed or received under law or in connection with the transaction of official business and preserved or appropriate for preservation by the City, as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities or because of the informational value contained therein.
- B. MANAGEMENT OF PUBLIC RECORDS means management of records shall include, among other elements, the creation, maintenance, protection, use and disposition of all City records.
- C. PHYSICAL INVENTORY means an inventory of City records, [shall] include[~~e~~ing a complete listing of file contents by record or record series, together with sufficient supporting data, to enable a proper evaluation for determining retention periods.
- D. RECORD SERIES [means a record series] is a group of related records which are normally used and filed as a unit, and which permit evaluation as a unit for determining retention periods.
- E. APPRAISAL OF RECORDS means [the appraisal of City records is] an act of determining:
 - 1. The relative activity of records.

2. The value of records regarding administrative legal, fiscal and historical interest.

3. Adequate and necessary periods of retention; and

4. Appropriate disposition of records.

F. DISPOSITION OF CITY RECORDS involves either the transfer of inactive records to the records center or the destruction and disposal of non-current records.

1.31.015 Ownership of Records:

- A. All [c]City records shall be and remain the property of the City. They shall be delivered by outgoing officials and employees to their successors and shall be preserved, stored, transferred, destroyed or otherwise managed only in accordance with the provisions of this chapter, or as otherwise provided for by law (AS 40.21).
- B. All original ordinances, resolutions, contracts, agreements, deeds, easements, and vacations of right-of-way must be deposited with the City Clerk immediately upon execution by signature. These items, along with the Council minutes, municipal code and City seal, are to be kept in a fireproof file or vault.
- C. Any correspondence regarding City business on a personal device or account needs to be carbon copied (cc'd) to the City Clerk for proper records retention.
- D. The City Clerk shall be responsible for obtaining public records of the City of Delta Junction, which are held by parties other than the City. Actions, which are authorized under this provision, include negotiating for the records, demanding their return and using a court order to secure the records and return them to the City of Delta Junction's files.

1.31.020 Creation of a Records Advisory Committee:

- A. The Mayor may direct the creation of a Records Advisory Committee. The Records Advisory Committee shall consist of the City Clerk, the Mayor or Mayor's designee, [chairman of the Finance Committee] Finance Officer and the City's Attorney.
- B. When directing the creation of a Records Advisory Committee, the Mayor must stipulate a time and date for the committee to submit its report to the City Council. Upon the expiration of their submittal date, the Records Advisory Committee shall dissolve. This provision does not prohibit the mayor from extending the submittal date.
- C. This committee shall recommend to the City Council, for their consideration and adoption, retention schedules including the periodic disposal of original records when [microfilmed] saved in another format.

1.31.030 Responsibility for Records: The City Clerk is responsible for ensuring proper management of records in the [c]City [government]. The City Clerk, in providing for the administration of the records management function shall:

- A. Work with the Records Advisory Committee to develop and issue such policies and procedures as may be necessary for the efficient and economical management of City records[:].

- B. Provide and maintain a records storage area to house records no longer required in active office areas but which require further retention due to legal, operating, or historical reasons.
- C. Advise and assist City departments in the preparation of records inventory and retention schedules; receive such schedules from the departments and submit them to the Records Advisory Committee for review and approval.
- D. Advise and assist departments in selecting material to be transferred to the Alaska State Archives.
- E. Provide [microfilming] scanning of records when necessary, and for storage of these records.
- F. Review records management and storage, equipment applications and other aspects of records operations and of the departments and initiate, as needed, programs for the proper creation and maintenance of records in those departments.

1.31.035 Responsibility of the Departments:

- A. The [City Clerk, City Attorney, the Mayor or Mayor's designee and the] head of each department shall [cause to be made and] preserve[d] records containing adequate and proper documentation of City functions, policies, decisions, procedures, and essential transactions of the departments, in accordance with established policies and procedures.
- B. The [City Clerk, City Attorney, City Administrator and] head[s] of each department shall[.]:
 - 1. Conduct a physical inventory and appraisal of records created in their own department or under their authority.
 - 2. Prepare a record retention schedule for their department, which shall be a list of records and/or records series identified in the prescribed manner.
 - 3. Transmit proposed departmental records retention schedules to the City Clerk; and
 - 4. Periodically review the departmental records retention schedules and submit to the City Clerk revisions to said schedule, which will reflect changes on deletions of records.

1.31.040 Approval and Adoption of Retention Schedules:

- A. Upon receipt of proposed department or office retention schedules, the City Clerk shall submit them to the City's Records Advisory Committee, which shall appraise the records.
- B. The City Council shall adopt records retention schedules for the City by resolution. The adoption of the records retention schedules shall constitute authorization in advance for disposal in the manner provided for in this section.

1.31.045 Access to [Public Use of] Records: All records relating to the general governmental affairs of the City of Delta Junction shall be [public records unless specifically provided otherwise. They are] open to inspection by the public[.]. [c]Copying or reproduction of documents is to be completed during office hours, subject to the requirements of the Alaska Public Records Act, AS 40.25.110, et seq. The City Clerk shall be responsible for fulfilling public records requests in accordance with the Alaska Public Records Act. [provide, upon request and payment of costs, a certified copy of the public record (reference AS ~~09.25.110~~ 40.25.110).]

1.31.050 [Microfilming]Scanning:

- A. The City Council, in the resolution establishing record retention schedules, may authorize the substitution of [microfilmed] scanned copies for any original records including records to be periodically disposed of.
- B. A reproduction, print, or enlargement from an authorized [microfilm] copy of an original record shall be considered an original record for all purposes including the introduction [in] of evidence in any court or other legal administrative proceedings (AS 40.21.140).
- C. When [microfilmed] scanned, the original records may be destroyed or otherwise disposed of as provided in Section 1.70.055 of this chapter.
- D. When [microfilmed] scanned, an original record of historical interest may be turned over to the Delta Community Library or the Delta Historical Society for display or the Alaska State Archives for display or storage.

1.31.055 Disposal of Records:

- A. Records may be disposed by returning them to the original owner for disposal or destruction purposes provided the following requirements are met:
 - ~~3.~~ 1. The records requested to be disposed of are without legal, fiscal, administrative or historical value.
 - ~~4.~~ 2. A request for said disposal from the department or office from which the records originated has been filed with the City Clerk; and
 - ~~5.~~3. The records to be disposed of have met the minimum retention periods as prescribed by the City Council by resolution.
- B. Upon disposal, a descriptive list of the records disposed of and [microfilmed] scanned, along with a record of the disposal itself, shall be filed in the City Clerk's office and in the department from which the records were drawn. The City Clerk shall transmit copies of the list and record of disposal to the City Council, and the filing in the office of the City Clerk of the list and record of disposal shall constitute a filing and preservation of these documents by the City Council.

~~[1.31.060 — Penalty: Any person who shall willfully violate any provision of Section 1.70.005 through Section 1.70.005 of this code is guilty of a misdemeanor and, upon conviction, shall pay a fine of not to exceed one hundred dollars (\$100) or imprisonment not to exceed six (6) months, or both fine and imprisonment as aforesaid.]~~

RECORD RETENTION POLICY

(Adopted June 3, 2025)

* See notes affecting policy *

Record Type	Retention Period
POLICIES AND PROCEEDURES	
Ordinances, Resolutions, and Minutes	Permanent
Routine Policies i.e. Employee Policy	Superseded + 3 years
Agenda and Meeting Documents	Until minutes from the agenda are approved
Equipment Records	Life of equipment + four years
Public Records Requests	1 year
Vehicle Records	Life of the equipment + 2 years unless involved in a fatal accident or litigation
Claim Files, Accident Reports, Inspection Reports, Registration and Titles, Maintenance Records	Life of the equipment + 3 years
FINANCES	
Audit and Financial Reviews	Permanent
Audit Workpapers	5 years
Payroll and Bank Records	Current plus 5 years
Invoices and Canceled Checks	Current plus 3 years
CONTRACTUAL RECORDS	
Contracts including RFP, Bids, and Award letters	Life of contract + 6 years
Capital Improvement Funds	6 years
Designs, Plans, Inspections, “as built” Drawings, Related Documents	3 years passed since the demolition or disposition of the contract subject
Insurance Documents (declarations, policies, endorsements)	50 years
HUMAN RESOURCES	
Personnel Files (Includes Council Files)	50 years
Job Descriptions	Until superseded
Job Applications (Unsuccessful applicants)	3 years after job is filled
Records of Occupational Injuries	Resolution of accident + 6 years
ELECTION DOCUMENTS	
Voting Ballots	Until the election is certified + 1 month
Oath of Office	Permanent
Petitions	6 years
Official Tallies and Results (Certificates of Canvas Board), and declaration of candidacy, Nomination Records	4 years
CEMETERY RECORDS	Permanent
LANDFILL RECORDS	Permanent
GENERAL CORRESPONDENCE	
Email, letters, messages, memorandums related to general administration.	3 years

DOCUMENTS NOT LISTED

Refer to the State of Alaska Local Government
Model General Administrative Records Retention
and Disposition Schedule #300.1

* If there is litigation involving, directly or indirectly, any category or categories of documents, then those records must be retained for ten (10) years past the final conclusion of the litigation.

* If any kind of official investigation is under way, all record disposals must cease until the investigation is completed.

* High quality scans stored in digital form are acceptable forms of storage if indexed or organized in a way that makes them at least as accessible as they would be in printed form.

Notice Date to City Council: _____

Type of Records: _____

Destruction Date:

- Buried at Landfill _____
- Shredded at City Hall _____

Standard procedure = Burn/Shred anything listing names, active account numbers, or other personal data.

CHAPTER 1.35

FISCAL PROCEDURES

Sections:

- 1.35.010 Fiscal Year
- 1.35.020 Budget and Capital Program
- 1.35.021 Budget Adoption
- 1.35.022 Budget Revision
- ~~1.35.030 Appropriations Required~~
- 1.35.040 Checks
- 1.35.050 Audit
- 1.35.060 Quarterly Budget Reporting

1.35.010 Fiscal Year: The fiscal year of the City shall be from the first day of July each year to the following thirtieth day of June.

1.35.020 Budget and Capital Program: The Council shall establish the manner for the preparation and submission of the budgets and the capital programs by the mayor. After a public hearing, the Council may approve by ordinance the budgets proposed, with or without amendments, and shall appropriate the funds required.

1.35.021 Budget Adoption: The fiscal budget of the City of Delta Junction, for the next fiscal year, shall be adopted by ordinance by the City Council by June 30th of each year. No City funds may be disbursed without appropriation by ordinance, including annual budget ordinance, amendments thereof, and supplemental and emergency resolutions.

1.35.022 Budget Revisions: Budget revisions may be necessary, at times. Once the fiscal year is completed, the Finance Officer will present (if needed) a "Budget Reconciliation" to the Council for approval and adoption by ordinance.

~~1.35.030 Appropriations Required: No City funds may be disbursed without appropriation by ordinance, including the annual budget ordinance, amendments thereof, and supplemental and emergency appropriation ordinances.~~

1.35.040 Checks: Paper checks issued by the City shall require two signatures from authorized signers on the bank account associated with the check. Electronic Fund Transfer (EFT) checks shall require two signatures, from authorized signers, on Mayor-approved EFT form.

1.35.050 Audit: The Council shall provide an audit or statement of annual income and expenditures. To conduct the audit, the Council shall designate a public accountant who has no personal interest, direct or indirect, in the fiscal affairs of the City. Copies of the audit shall be available to the public upon request.

1.35.060 Quarterly Reporting: The Finance Officer shall make available to the City Council and the public, a quarterly report of the Fiscal Budget versus actual spending. This report shall be produced, provided to the City Council, and released to the public no later than the second regular City Council meeting of the month, following the end of the quarter.

CHAPTER 1.37

PERMANENT FUND

Sections:

1.37.010	Delta Junction Permanent Fund
1.37.020	Administration of the Fund
1.37.030	Strategic Asset Allocation
1.37.040	Allowable Investments
1.37.050	Distribution of Earnings
1.37.060	Withdrawal of Principal
1.37.070	Prohibited Activities
1.37.080	Audit of Delta Junction Permanent Fund
1.37.090	Definition - Sustainable Distribution Rate

1.37.010 Delta Junction Permanent Fund: The purpose of the Delta Junction Permanent Fund is to support the City in providing long-term financial stability and economic health. The Delta Junction Permanent Fund shall consist of:

- A. Net proceeds from the sale of any real property owned by the City of Delta Junction or the lease of any real property owned by the City of Delta Junction for a term of more than three (3) years; and
- B. Such additional sums as the City Council may transfer to the Delta Junction Permanent Fund by ordinance or resolution.

1.37.020 Administration of the Fund:

- A. The Delta Junction Permanent Fund shall be administered by the City Council, who shall act as the trustees of the Delta Junction Permanent Fund. The “prudent man rule” shall be applied by the City Council in the management and investment of the assets of the Delta Junction Permanent Fund. The City Council shall exercise the judgment and care under the circumstances then prevailing, which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it. The City Council shall not act in regard to speculation but in regard to the permanent disposition of funds, taking into account both probable safety of capital as well as probable income.
- B. The City Council may provide by contract for the administration of the Delta Junction Permanent Fund, but only with qualified persons, licensed by appropriate State and Federal agencies to provide services of that kind, and maintaining bonding or insurance meeting the “prudent man rule,” adequate to protect the assets of the Delta Junction Permanent Fund.

1.37.030 Strategic Asset Allocation: The primary priority of the Delta Junction Permanent Fund is that the value of the principal shall not be diminished over the long term by distributions or the effects of inflation. The secondary priority of the Delta Junction Permanent Fund is to provide distributions that are predictable and sustainable over the long term.

The Delta Junction Permanent Fund's strategic asset allocation will be determined based upon the desired return, risk tolerance, and other investment parameters (liquidity needs, time horizon, etc.). The appropriateness and characteristics of the asset allocation strategy will be reviewed and confirmed with the City Council via Resolution each calendar year.

The investment manager has discretion to make modest adjustments to the strategic asset allocation's allowable asset classes, weights, and ranges so long as the changes do not materially alter the risk and return profile of the City's investment portfolio. All discretionary adjustments to the strategic asset allocation will be made with the fiduciary obligation that decisions are made in the best interest of the City and its residents. Prior to the investment manager implementing any changes to the strategic asset allocation, the City Administrator shall be notified, which begins a five-day negative consent period for consultation with the City Mayor and City Finance Officer before implementing any adjustments.

1.37.040 Allowable Investments: The assets of the Delta Junction Permanent Fund shall be invested in investment vehicles that provide exposure to asset classes or implementation strategies which have been approved as part of the strategic asset allocation. All investments must comply with the fund level investment guidelines and product level investment guidelines outlined below.

- A. **Fund Level Investment Guidelines:** The Fund will use low cost, efficient investment vehicles, such as index mutual funds and/or ETFs. The Fund will achieve its objective via long-only, unlevered investments. The Fund is prohibited from engaging in short sales and margin transactions.
- B. **Product Level Investment Guidelines:** The City Council will take a conservative posture on derivative securities to maintain a risk-aware nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. The City Council recognizes that derivatives may be utilized within products as a portfolio management tool. All derivative exposure must be fully collateralized. Direct leverage or borrowing for the purpose of magnifying returns is prohibited.

1.37.050 Distribution of Earnings: The City Council may appropriate from the Delta Junction Permanent Fund not more than the maximum sustainable distribution rate of the five-year average fund market value, to be computed using the five-prior year, calendar year end audited market value. The sustainable distribution rate is defined as the long term expected return of the fund less inflation and expenses. Draws of fund earnings are not to exceed the sustainable rate and draws cannot impair inflation adjusted principle. See calculations in 1.37.090.

In the event the market value of the Delta Junction Permanent Fund is below the calculated value of the principal because of market conditions, all investment earnings will be retained in the Fund until the market value is above principal. See principal definition in 1.37.060.

1.37.060 Withdrawal of Principal: No funds from the principal of the Delta Junction Permanent Fund shall be withdrawn except upon the vote of a majority of the City voters voting in a general election or special election called for that purpose. Principal is defined as the inflation adjusted value of all contributions. Inflation shall be measured using the U.S. Consumer Price Index (CPI-U) as defined and calculated by the Bureau of Labor Statistics.

1.37.070 Prohibited Activities: The following actions or activities regarding the Delta Junction Permanent Fund shall be prohibited:

- A. Making or directing any investment in which a present member of the City Council, or a person who was a member of the City Council within the preceding one (1) year, or a present City employee, has a material interest.
- B. Investing to finance or influence political activities; or
- C. Investing to benefit any resident of the City, where the same benefit is not available to other residents according to the same terms.

1.37.080 Audit of Delta Junction Permanent Fund: The Delta Junction Permanent Fund shall be audited as a part of the annual financial audit of the City. The Delta Junction Permanent Fund shall be shown as a separate portion of the audit and shall not be included in the general income and expenses of the City. The cost for the audit of the Permanent Fund will be an expense of the City's General Fund, and not of the Permanent Fund itself.

1.37.090 Definition - Sustainable Distribution Rate: After allocating a portion of the earnings of the Delta Junction Permanent Fund adequate to protect the principle of the Fund from inflation, the sustainable distribution rate is the maximum percentage of the remaining earnings of the fund that can be removed each year by vote of Council and transferred to the City's General Fund. Both inflation and sustainable distribution rate must be re-evaluated each calendar year. The sustainable distribution rate is derived from the long term expected return of the Delta Junction Permanent Fund. This rate is based on forward-looking return expectations for the strategic asset allocation that is approved by Council resolution each year. The investment manager shall provide this rate at the beginning of every calendar year.

The Permanent fund balance will be classified as two components: Principal and Earnings.

Principle = contributions + mandatory principle additions

Earnings = investment returns

Funds available for distribution = Excess earnings not added to principle or otherwise distributed

The ~~fund~~funding balance between principal and earnings will be accounted for as follows:

Each calendar year the fund will have an investment return. A portion of this return must be saved for mandatory principle protection to protect the purchasing power of the fund from the effects of inflation. The amount that must be set aside will be based upon the US Consumer Price Index year over year change for the calendar year. The investment manager will provide this figure upon request. The inflation for the year will be applied to the fund balance at the beginning of the next calendar year. This amount will be added to the principle and cannot be distributed per 1.37.060.

The remainder of the investment earnings is available for current and future distributions. The amount of investment earnings that is available to be distributed for the calendar year is based upon the calculations described below. Any investment earnings that are above this ~~amount~~amount, or any unspent distributions remain in the Permanent Fund but are not part of principle and can be utilized to supplement the mandatory principle increase and/or distribution in years where the investment earnings over the calendar year are less than the mandatory principal increase and the maximum distribution.

Beginning market value x portfolio return = Investment Earnings

Beginning market value x change in US CPI Index = Mandatory Principle Addition

5-year average calendar year end market value x sustainable rate = Distribution

(calendar year end market value for current year + calendar year end market value for previous year + calendar year end market value for two years ago + calendar year end market value for three years ago + calendar year end market value for four years ago) / 5 = 5-year average calendar year end market value

Investment earnings – Mandatory Principal Addition – Distribution = Funds available for mandatory principal addition and/or distribution in down years.

CHAPTER 1.41

PURCHASING DEPARTMENT

Subchapters:

- Subchapter A - Department and Authority
- Subchapter B - Formal Bidding Procedures
- Subchapter C - Competitive Sealed Proposals and Negotiated Procurements
- Subchapter D - Innovative Procurement Methods
- Subchapter E - Debarment and Suspension
- Subchapter F - Specifications and Standards
- Subchapter G - Professional Services
- Subchapter H - Ethics in Public Contracts
- Subchapter I - Miscellaneous Provisions

SUBCHAPTER A – DEPARTMENT AND AUTHORITY

Sections:

- 1.41.005 Purchasing Department
- 1.41.010 Purchases over \$1000
- 1.41.015 Acquisition of Supplies, Equipment, or Services Under Five thousand Dollars (\$5,000.00)
- 1.41.020 Acquisition of Supplies, Equipment, or Services Between Five Thousand Dollars (\$5,000.00) and Ten Thousand Dollars (\$10,000.00)
- 1.41.025 Acquisition of Supplies, Equipment, or Services Between Ten Thousand Dollars (\$10,000.00) and ~~Twenty Five~~Forty Thousand Dollars (~~\$25,000.00~~40,000.00)
- 1.41.026 Procurement Preferences Imposed by Alaska Law
- 1.41.027 Acquisition of Supplies, Equipment, or Services Over ~~Twenty Five~~Forty Thousand Dollars (~~\$25,000.00~~40,000.00)
- 1.41.030 Emergency Contacts
- 1.41.035 Exemption from Formal Bid Requirements
- 1.41.040 Retention of Records; Report to City Council
- 1.41.050 Approval of Contracts
- 1.41.060 General Requirements and Conditions for All City Purchases

1.41.005 Purchasing Department: The function of the Purchasing Department is to serve the City by providing the necessary supplies, equipment, and services. ~~To this end~~Finally, the Purchasing Department shall serve as the agent of the City to prepare, advertise, open, and recommend the award of contracts on behalf of the City. In this capacity, the Purchasing Department shall:

- A. Prepare for the purchase, rental, or other provision of supplies, materials, equipment, and contractual services on behalf of the City.
- B. Prescribe the time, manner, authentication, and form of requisitions for supplies, materials, equipment, and contractual services.
- C. Fix standards of quality and quantity, and develop standard specifications in conjunction with affected departments of the City within the provisions of 1.41.500 *et seq.*
- D. Prescribe and prepare forms for bids and contracts for the purchase, rental, or other acquisition of goods or services, which may contain provisions as the affected department may consider necessary.
- E. Schedule and conduct pre-bid conferences when deemed necessary.
- F. In conjunction with the affected department, prepare a tabulation of bids and recommendation for award; and
- G. Provide for issuance of purchase orders without prior approval of the City Council when the provisions of 1.41.015 are met.

1.41.010 Purchases over \$2,000: No checks or Electronic Fund Transfer (EFTs), excluding payroll-related checks or EFTs, of \$1,000 or more may be issued or disbursed without the prior approval of the City Council.

1.41.015 Acquisition of Supplies, Equipment, or Services Under Five Thousand Dollars (\$5,000):

The acquisition of personal property or services, the estimated cost of which is less than \$5,000 may be approved by the Mayor or Deputy Mayor and the City Administrator or a designee in their absence without the prior consent of the City Council.

1.41.020 Acquisition of Supplies, Equipment, or Services Between Five Thousand Dollars (\$5,000) and Ten Thousand Dollars (\$10,000): The acquisition of personal property or services, where the purchase has been previously approved or budgeted by the City Council, and the estimated cost of which is less than \$10,000, may at the discretion of the City Administrator and/or Mayor, and Finance Officer, ~~and Council Liaison (Department Head)~~ may be on the basis of "Open Market" or informal bid procedures under which the requirement for an advertised invitation to bid need not be observed. "Open Market" or informal bid procedures shall include obtaining quote(s). The Purchasing Department shall pursue procedures to assure that where numerous potentials and interested contractors exist, requests for quotations are made in a manner that is calculated to obtain the best price and performance for the City while promoting competition to the extent practicable. The Purchasing Department shall maintain a record of all "Open Market" or informal bids submitted, and such a record shall be kept open to the public for inspection. Such records will be maintained by the City for at least one (1) year from the award of any contract.

1.41.025 Acquisition of Supplies, Equipment, or Services Between Ten Thousand Dollars (\$10,000) and ~~Twenty Five Thousand Dollars (\$25,000)~~Forty Thousand Dollars (\$40,000): Except as otherwise authorized by this Chapter, the acquisition of personal property or personal services, the estimated cost of which exceeds \$10,000, shall be by three (3) quotes whenever possible or proposal procedure as established in 1.41.100 *et seq.* of these ordinances. No project or contract specification shall be subdivided to avoid the formal bid requirements. The Purchasing Department shall maintain a record of all quotes or informal bids submitted, and such a record shall be kept open to the public for inspection. Such records will be maintained by the City for at least one (1) year from the award of any contract.

1.41.026 Procurement Preferences Imposed by Alaska Law: The procurement preferences imposed by Alaska Law, including but not limited to AS 29.71.040 and AS 29.71.050, shall apply to all procurements made under 1.41.015 – 1.41.025.

1.41.027 Acquisition of Supplies, Equipment, or Services Over ~~Twenty Five Thousand~~Forty Thousand Dollars (\$~~25,000~~40,000): Except as otherwise authorized by this Chapter, the acquisition of personal property or personal services, the estimated cost of which exceeds \$~~25,000~~40,000, shall be by formal bid or proposal procedure as established in 1.41.100 *et seq.* of these policies. No project of contract specification shall be subdivided to avoid the formal bid requirements.

1.41.030 Emergency Contracts: Whenever, because of an emergency that does not allow sufficient time to engage in normal bidding procedures, it is deemed necessary and in the public interest by the Mayor or the City Council to enter into any contract without following the formal or informal bidding procedures required by 1.41.020, 1.41.025, or 1.41.100 *et seq.*, hereof, the Mayor shall authorize such an emergency contract. The Purchasing Department shall make a full report concerning the emergency contract to the City Council at the next scheduled City Council meeting.

1.41.035 Exemption from Formal Bid Requirements: Even when the estimated amount of property or services exceeds \$10,000, formal bid requirements need not be followed in conjunction with the acquisition of the following personal property or services:

- A. Proprietary (sole source) items for which no competition exists: including books, films, periodicals, and other educational materials.
- B. Purchases made directly from a manufacturer and (1) there is no acceptable substitute, or (2) the manufacturer offers special discounts for municipalities.
- C. Weekly and monthly food service requirements relative to perishables, emergency requirements, and requests that cannot reasonably be obtained on a timely basis through the formal bidding procedures.
- D. Goods or services from agencies of the federal, state, or local government.
- E. Rates are fixed by law, ordinance, or regulation.
- F. Goods or services purchased on competitive bids obtained by another public agency.
- G. Items traded in on like items.
- H. The City has similar personal property in inventory and a systematic and objective study of the costs of maintaining supplies, parts, tools and training for comparable personal property outweighs the probable savings in acquisition price over the life of the goods.
- I. Professional or consultant services (such as legal, medical, or education services); or
- J. Innovative procurements otherwise qualified under Subchapter D.
- K. Items or supplies to be purchased from the proceeds of grant monies where the City portion (local match) of the cost of the item does not exceed \$10,000. However, should the City choose this procedure, provisions of the granting agency regarding procurement should be followed, or if no such specific provisions apply to the grant, federal "Small Purchase Procedures" should be followed, and the total purchase price of the item must not in any event exceed such "Small Purchase Procedures" limits (\$100,000 as of 1/1/03).

1.41.040 Retention of Records; Reports to City Council:

- A. In the case of any contract awarded under 1.41.035, the Purchasing Department shall maintain a record of all contracts awarded under that section, and such records shall be kept open to the public for inspection. Such records will be maintained by the City for at least one (1) year from the award of any contract.
- B. The Purchasing Department shall make a full report concerning any exempt contract awarded under 1.41.035 to the City Council at the next scheduled City Council meeting.

1.41.050 Approval of Contracts:

- A. Except as otherwise authorized by this Chapter, all contracts awarded on behalf of the City require approval by the City Council.
- B. The following purchase contracts need not be approved by the City Council:
 - 1. Contracts let by the Purchasing Department if the estimated value of the contract does not exceed \$1,000 pursuant to 1.41.015.
 - 2. Emergency contracts let by the mayor pursuant to 1.41.030.

3. Exempt contracts let by the Purchasing Department pursuant to 1.41.035.

1.41.060 General Requirements and Conditions for All City Purchases:

A.K. Nondiscrimination

~~D.A.~~ No bidder on any City contract may discriminate based on race, color, religion, national origin, ancestry, age, sex, marital status or pregnancy in employment, provision of services, or otherwise. Any bidder submitting a proposal of Ten Thousand Dollars (\$~~10,000~~40,000) or more must certify that if awarded a contract based on that bid or proposal, he/she/it as the contractor will not discriminate against any member or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, marital status, or pregnancy.

~~E.B.~~ All successful bidders shall take affirmative action to ensure such non-discrimination. All successful bidders must agree to post in conspicuous places available to employees and applicants for employment, notice setting forth the provisions of this non-discrimination section and this section shall be deemed to be a part of every contract entered into by the City under these policies.

B. Conflicts of Interest

- ~~1. No City Council member or City employee may accept any gifts in excess of a \$100.00 value annually from any person, business, or corporation that is directly or indirectly involved or interested in business dealings with the City. Samples directly related to City business are not considered gifts~~
- ~~2. Meals provided to City Council members or City employees at a public restaurant where the total value of the meal received by the City Council member or City employee is less than \$100.00 are exempted from the preceding subsection, provided that the City Council member or City employee files a written report of the gift with the City Clerk not less often than quarterly. The written reports shall be maintained by the City Clerk as public records available for inspection by members of the public during regular business hours.~~
- ~~3. No City Council member or City employee shall be involved directly or indirectly in recommending and/or purchasing goods and services for the City when the employee or an immediate family member has a pecuniary interest in the business being recommended.~~
- ~~4. A City Council member or City employee shall not be deemed to have a conflict of interest under this section if, at the earliest opportunity after having acquired knowledge of the conflict, the Council member or employee does the following:
 - ~~b. Discloses the conflict of interest in writing to the mayor prior to award of a contract to the business; and~~
 - ~~c. Disqualifies himself/herself from participating in any decision by the City to recommend award of or to award a contract to the business.~~~~

SUBCHAPTER B - FORMAL BIDDING PROCEDURES

Sections:

1.41.100	Formal Bidding Procedures
1.41.110	Invitation to Bid
1.41.120	Bidder Lists
1.41.130	Bid Bond / Security
1.41.140	Pre-Bid Conference and Addenda in Bid Documents
1.41.150	Bid Submittal, Withdrawal and Late Bids
1.41.160	Bid Opening and Tabulation Procedure
1.41.170	Waiver of Irregularities
1.41.180	Mandatory Rejection of Individual Bids
1.41.185	Discretionary Rejection of Individual Bids
1.41.190	Award of Contract
1.41.195	Award to Other Than Low Bidder
1.41.200	Tie Bids
1.41.210	Rejection of Bids and Readvertising
1.41.220	Notice of Intent to Award
1.41.230	Protest
1.41.240	Procedure on Protest

1.41.100 Formal Bidding Procedures: The formal bidding procedures as described in this policy shall be pursued by the City to obtain maximum value for the City through the encouragement of full and open competition, whenever practicable.

1.41.110 Invitation to Bid:

- A. Timing and Circulation of Invitation to Bid. A notice inviting bids shall be published at least once in a local newspaper of general circulation at least ten (10) days preceding the last day set for the receipt of bids. Additional notices may also be published in appropriate trade journals or sent directly to known active prospective bidders.
- B. Content of Notice of Invitation to Bid. The notice of invitation to bid shall include all the following:
 1. A general description of the work, materials, or services sought.
 2. Indication of where bidder forms and specifications may be obtained.
 3. Indication of the closing date and time and place for ~~submittal of~~ submitting bids; and
 4. Indication of the date, time and place for opening of bids.

1.41.120 Bidder Lists: Bidder lists may be maintained by the Purchasing Department according to commodity classifications. Any bidder lists shall be periodically updated, and all businesses are invited to make an application to have their names included. Lists may be periodically purged to remove the names of businesses that on two (2) or more successive occasions fail to acknowledge invitations to bid. The failure of any business or person on a bidder list to receive an invitation to bid shall not invalidate the bidding process.

1.41.130 Bid Bond / Security: Any individual or organization submitting a bid shall accompany the bid with adequate bid security as may be required in the invitation to bid. Bid security, when required, shall be in the form of a corporate surety bond from a surety company authorized to do business in Alaska or a cash deposit. Any bidder who is not awarded a contract shall have his/her/its bid bond exonerated or deposit refunded not later than seven (7) days following contract award. Any bidder awarded a contract shall forfeit the bid security if the bidder fails to enter into the contract. The successful bidder will have his/her/its bid security exonerated upon execution of the contract.

1.41.140 Pre-Bid Conference and Addenda in Bid Documents:

- A. The Purchasing Department may provide a pre-bid conference. Such a conference, if deemed necessary, shall be held at least seven (7) days prior to the date for submission of bids.
- B. No oral change or interpretation of a contract document is valid whether issued at a pre-bid conference or otherwise.
- C. Written addenda may be issued to all bidders, whether present at the pre-bid conference, when changes, clarification, or amendments to bid documents are deemed necessary by the City. Written addenda shall be issued when questions arise that might affect the bids.
- D. The Purchasing Department shall deliver any addenda to all bidders by mail or by hand. While the Purchasing Department shall make reasonable efforts in each case to assure that each bidder receives addenda in a timely fashion, the risk of non-receipt of any addendum lies with the bidder.
- E. When an addendum is issued less than four (4) working days before the time scheduled for the receipt of bids, the addendum shall contain a new due date for the bid opening, which shall be at least one (1) working day after the originally scheduled bid opening date.
- F. Receipt of any addenda shall be acknowledged by each bidder as part of the bid submitted.

1.41.150 Bid Submittal, Withdrawal and Late Bids:

- A. Each bid must be signed by the bidder and submitted in a sealed envelope addressed to the City's purchasing office and plainly marked on the outside of the envelope with the bidder's name, the project name and number, and the time and date of bid opening.
- B. Any bid may be withdrawn or withdrawn and resubmitted by the bidder, without penalty prior to the scheduled time for opening of bids.
- C. Bids received after the exact date and time specified in the invitation to bid shall not be considered and shall be held unopened by the City until after the award of the contract. The City reserves the right at its discretion to consider bids that have been delayed.

1.41.160 Bid Opening and Tabulation Procedure:

- A. Bids shall be opened in public at the time and place stated on the notice, or any extension thereof under 1.41.140, which time shall be reasonably prompt after the closing time for submission of bids. The time for submission of bids shall be during the City's normal business day.
- B. A tabulation of bids shall be prepared.

1.41.170 Waiver of Irregularities: Except as provided in 1.41.180, the City, in its sole discretion, may waive minor irregularities in a bid. A minor irregularity is a variation from the bidding instructions that does not confer an unfair advantage on the bidder committing the minor irregularity and does not confer an unfair disadvantage on other bidders.

1.41.180 Mandatory Rejection of Individual Bids: A bid shall be rejected if:

- A. The bid is late (except as provided by 1.14.150(c)), or
- B. The bidder submits more than one bid for the contract in question. In this event, all bids submitted by that bidder shall be rejected.

1.41.185 Discretionary Rejection of Individual Bids:

- A. A bid may be rejected at the discretion of the City, if:
 - 1. A bid is not signed.
 - 2. The bidder has failed to perform under some other contract with the City.
 - 3. The bidder fails to supply bid bonds/security or performance bonds, plans, specifications, samples, etc., when such an item was called for in the invitation to bid.
 - 4. The bid fails to include acknowledgement of all addenda issued by the City.
 - 5. The bid contains an alteration or erasure which is not initialed by the signer of the bid.
 - 6. The bidder changes or qualifies a material term or condition of the invitation to bid.
- B. The City has the authority to waive all irregularities on any or all bids except for the irregularities noted in 1.41.180, which shall not be waived.

1.41.190 Award of Contract: Unless otherwise stated herein, the contract shall be awarded to the responsible bidder who submits the lowest, responsive bid.

- A. Responsible Bidder: A "Responsible Bidder" is a person or business who has the capacity in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit that will assure good faith performance.
- B. Responsive Bid: A "Responsive Bid" is a bid that conforms in all material with respect to the conditions and requirements set forth in the invitation for bids.

1.41.195 Award to Other Than Low Bidder:

- A. When the award of a contract is made to the person other than the lowest responsible bidder who submits a responsive bid, a written statement of the reasons therefore shall be filed with the other documents relating to the transaction. The minutes of the City Council meeting relating to the matter may be used as the required statement in this regard.
- B. In all cases where the City administration recommends the award of the contract to other than the lowest responsible bidder who submits a responsive bid, all bidders shall be notified of

this recommendation and the meeting at which this recommendation will be considered for action by the City Council.

1.41.200 Tie Bids: When two or more bidders, each of whom fully meets bid conditions, are tied, awards shall be made as follows:

- A. Tie bids involving greater Delta area businesses and non-Delta businesses shall be made to the greater Delta area businesses.
- B. Tie bids involving Alaska businesses and non-Alaska businesses shall be made to the Alaska businesses.
- C. If no other basis for choosing exists, the successful bidder will be determined by lot, with the drawing done by the Purchasing Department.

1.41.210 Rejection of Bids and Readvertising: The City Council reserves the right to:

- A. Reject defective or non-responsive bids, as provided in 1.41.180-1.41.185.
- B. Reject all bids, unless the invitation for bids specifically provides otherwise.
- C. Re-advertise the bid or any portion thereof for bidding either as initially bid or with such changes in the bid or proposal as may appear necessary to:
 - 1. To bring the estimated cost within the limit of funds available.
 - 2. To make the proposal conform more closely to City needs.
 - 3. To correct errors or inappropriate specifications contained in the initial bid; or
 - 4. To make such other changes as may be deemed in the best interest of the City.
- D. Negotiate with the lowest responsive, responsible bidder if it feels that such an approach is in the best interest of the City.

1.41.220 Notice of Intent to Award: The City shall give Notice of Intent to award the contract setting an award date not earlier than six (6) days following distribution of the Notice of Intent to award the contract. Notice of Intent to award shall be sent to every person who submitted a bid. Unless otherwise specified in the invitation for bids, Notice of Intent to award shall be sent by facsimile or personal service. Notice of Intent to award shall be complete upon transmission.

1.41.230 Protest: Any aggrieved bidder may file a protest of the Notice of Intent to award. A protest must meet the following terms:

- A. The protestor must submit a written protest, setting out in detail, with substantiation, the basis for the protest. The level of detail must be sufficient to permit the City to understand all the issues raised by the protestor.
- B. The written protest must be received by the Purchasing Department of the City not later than 5:00 PM on the fifth (5th) day following the date of distribution of the Notice of Intent to award.
- C. Protests not meeting the requirements of (a) and (b) of this section will be deemed ineffective and a waiver.

1.41.240 Procedure on Protest:

- A. If a timely protest is made, the protestor and the apparent successful bidder shall receive at least three (3) days prior written notice, by personal service or facsimile, of the date, time and place that the City Council will consider the protest. A protestor may attend and participate, but such participation shall not raise new issues not asserted or raised in detail in the protest letter. The apparent successful bidder may also attend and defend the decision of the City. The City may also attend and defend its decision.
- B. The City Council may elect to hear the protest itself or may choose a neutral person to serve as Hearing Officer, to conduct whatever proceedings the Hearing Officer deems advisable and make recommendations to the City Council. The City Council shall issue a written decision on the protest. If the City Council appointed a Hearing Officer, the City Council may adopt the recommendations of the Hearing Officer.
- C. The City Council, or the Hearing Officer in recommendations to the City Council, may:
 - 1. Award the contract as recommended, stating its reasons for rejecting the protest. Recommend the contract be awarded to some other bidder, in which instance formal award will be held over until the next City Council meeting except that the City Council may award the contract at that meeting to some other bidder if it finds that a delay in making the award would adversely affect the City.
 - 2. Stay any award of the contract to permit further consideration of the protest, with action to be scheduled as soon as practicable, but in no event more than twenty (20) days after the stay is initiated.
 - 3. Reject all bids; or
 - 4. Take such other action as appears appropriate and in the best interest of the City under the circumstances.
- D. The decision of the City Council may not itself be protested.
- E. The decision of the City Council shall be distributed to the party making the protest, to the City, and to any other person appearing and advocating at the hearing on the protest or requesting a copy of the decision.
- F. Five (5) working days following distribution of the decision of the City Council regarding the protest, the contract may be awarded. The decision of the City Council may be appealed by an aggrieved party to the Superior Court prior to the expiration of the five (5) day period.
- G. The award of the contract will not be stayed, suspended or delayed beyond five (5) working days following the date of distribution of the decision of the City Council absent direction of the City Council or the order of the Superior Court.

SUBCHAPTER C – COMPETITIVE SEALED PROPOSALS
AND NEGOTIATED PROCUREMENTS

Sections:

1.41.300 Competitive Sealed Proposals / Negotiated Procurement

1.41.300 **Competitive Sealed Proposals / Negotiated Procurement**: Requests for proposals will be utilized when a competitive solicitation is required under 1.41.025 and when factors in addition to price will be considered in making the award or it is impractical to invite bids. Evaluation factors shall be announced in the Request for Proposal (RFP) and shall be reasonable. Negotiations may be conducted with offerors. Negotiations may be limited to the proposer who submits the most attractive proposal, with the proposers that submit offers that are deemed to be in the competitive range, or with all proposers at the discretion of the City. Where not inconsistent with 1.41.300, the provisions of 1.41.100-1.41.240 apply to requests for proposals.

SUBCHAPTER D – INNOVATIVE PROCUREMENT METHODS

Sections:

- 1.41.350 Innovative Procurement Methods
- 1.41.355 Prequalification of Contractors
- 1.41.360 Requests for Proposals and Invitations for Bids to Prequalified Contractors
- 1.41.365 Other Innovative Procurement Methods
- 1.41.370 Limitation on Innovative Methods of Procurement

1.41.350 Innovative Procurement Methods: The Purchasing Department is authorized to develop and implement innovative procurement methods within the limits set out in this subchapter. Innovative procurement methods often involve a complex balancing of competing interests, including but not limited to preserving competition, assuring certainty of completion, assuring timely completion and minimizing costs and maximizing value. Because of these complexities, no innovative procurement method described in this subchapter may be used without the prior approval of the City Council.

1.41.355 Prequalification of Contractors:

- A. The Purchasing Department, with the approval of the City Council as described below, may determine that a specific contract or group of related contracts shall be awarded to pre-qualified, responsible prospective contractors only. The Purchasing Department may make such a recommendation to the City Council where it determines that the award of a contract to a supplier based solely on lowest evaluated price carries a particularly high risk of a false economy if there is subsequent default, late delivery, or other unsatisfactory performance resulting in additional contractual or administrative costs. While it is important that the City purchases goods or services made at the lowest price, this does not require an award be made to a supplier solely because that supplier submits the lowest offer. In such circumstances, the City may require a prospective contractor to affirmatively demonstrate its responsibility, including, when necessary, the responsibility of its proposed subcontractors. Pre-qualification efforts may not begin until the Purchasing Department has made a written determination that pre-qualification is appropriate, and the City Council has approved that determination by resolution.
- B. Pre-qualification of prospective contractors may be imposed only on a single contract or a group of related contracts, and only in the circumstances described in this subchapter.
- C. The Purchasing Department may provide additional pre-qualification rules and procedures where those rules and procedures are not inconsistent with this subchapter or other applicable law.
- D. General pre-qualification standards may include criteria to determine whether a prospective contractor:
 - 1. Has adequate financial resources to perform the contract, or the ability to obtain them.
 - 2. Will be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments of the prospective contractor.

3. Has a satisfactory performance record, except that a prospective contractor shall not be determined qualified or unqualified solely based on a lack of relevant performance history.
 4. Has a satisfactory record of integrity and business ethics.
 5. Has the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them (including, as appropriate, such elements as production control procedures, property control systems, quality assurance measures, and safety programs applicable to materials to be produced or services to be performed by the prospective contractor and subcontractors).
 6. Has the necessary production, construction, and technical equipment and facilities, or the ability to obtain them; and
 7. Is otherwise qualified and eligible to receive an award under applicable laws and regulations.
- E. Special pre-qualification standards may include criteria to determine whether a prospective contractor has special skills and abilities when experience has demonstrated that unusual expertise or specialized facilities are needed for adequate contract performance.
- F. The Purchasing Department, where appropriate, may require prospective contractors to demonstrate that important subcontractors also meet the general and any special pre-qualification standards.
- G. The Purchasing Department may perform pre-qualification determinations by request for proposals or by survey. Any mechanism chosen shall be intended to maximize the number of people given an opportunity to respond. However, nothing in this subsection shall require the Purchasing Department to solicit a response from a contractor who has been suspended or debarred under Subchapter E.
- H. Information submitted by interested people in response to a pre-qualification request for proposals or survey shall be treated as confidential and shall not be distributed to the public. The reason for this restriction is that a meaningful pre-qualification response will contain information the disclosure of which would injure the City and would be contrary to the public interest.
- I. A determination as to the pre-qualification of a contractor shall be objective and shall be made under general and special pre-qualification standards. The way the determination will be made shall be described in the request for proposals or survey.
- J. The results of a pre-qualification effort shall be made public. A person determined to not be pre-qualified shall have the right to protest the determination in the same manner as a protest of a Notice of Intent to award under sections 1.41.230 - 240. No other person shall have the right to protest a determination as to another prospective contractor.

1.41.360 Requests for Proposals and Invitations for Bids to Prequalified Contractors: If the City has made pre-qualification determinations regarding a contract or related group of contracts, then the

Purchasing Department may proceed by request for proposals or invitation for bids with following variations from the provisions of these ordinances that might otherwise apply:

- A. The Purchasing Department need not advertise the contract or related group of contracts or solicit proposals or bids from any persons other than the pre-qualified contractors. The Purchasing Department shall seek proposals and bids from all pre-qualified contractors. The Purchasing Department may give notice to the public that proposals or bids are being solicited from pre-qualified contractors.
- B. The Purchasing Department, with the approval of a qualified architect, engineer or land surveying service, may through the request for proposals or invitation for bids and other contract documents provide for design-build, best estimate, maximum price, shared savings or other contract terms reasonably calculated to maximize the value of the goods or services to the City.
- C. The provisions of 1.41.220 – 240 shall govern the Notice of Intent to award, protest and determination of the protest. However, unless that request for proposals or invitation for bids provides otherwise, the only matters that may be protested regarding a contract to be made to a pre-qualified bidder are:
 - 1. Whether award of the contract to that pre-qualified bidder maximizes value to the City.
 - 2. Whether the scope of services to be provided is greater than the scope of services for which pre-qualification was made; and
 - 3. Whether the duration of the contract is longer than the circumstances justify.
- D. No contract made under this subchapter may be signed by the City without an authorizing resolution adopted after the issuance of the Notice of Intent to award.

1.41.365 Other Innovative Procurement Methods: The City will consider other innovative procurement methodologies on a case-by-case basis, where justified by the circumstances and supported by indicia of trustworthiness. Any such methodology shall be approved by the City Council prior to being implemented. For the purposes of this section, “indicia of trustworthiness” include:

- A. Adoption of and successful use of the methodology by the United States.
- B. Adoption of and successful use of the methodology by the State of Alaska; or
- C. Adoption of and successful use of the methodology by three (3) or more municipalities or school district in the State of Alaska.

1.41.370 Limitation on Innovative Methods of Procurement: No method of procurement under this subchapter may violate 1.41.060 or Subchapter I.

SUBCHAPTER E – DEBARMENT AND SUSPENSION

Sections:

- 1.41.400 Debarment and Suspension
- 1.41.405 Grounds for Debarment and Suspension
- 1.41.410 Appeals of Debarment or Suspension

1.41.400 **Debarment and Suspension:** After reasonable notice to the business involved and reasonable opportunity for that business to be heard, the City, after consulting with the City attorney, is authorized to debar a business for cause from consideration for award of contracts. The debarment shall not be for a period of more than three (3) years. After consultation with the City attorney, the City is authorized to suspend a business from consideration for award of contracts if there is probable cause to believe that the business has engaged in any activity that might lead to debarment. The suspension shall be for a period not exceeding three (3) months.

1.41.405 **Grounds for Debarment and Suspension:** The City reserves the right to debar or suspend a business for the following reasons:

- A. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract.
- B. Conviction under state and federal Statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently seriously and directly affects responsibility as a City contractor.
- C. Conviction under state or federal antitrust or restraint of trade Statutes arising out of the submission of bids or proposals.
- D. Violation of contract provisions, as set forth below, of a character which is regarded by the City to be so serious as to justify debarment action:
 - 1. Deliberate failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract, or
 - 2. A recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one (1) or more contracts; provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of the contractor shall not be considered a basis for debarment.
- E. Any other cause the City determines to be so serious and compelling as to affect responsibility as a City contractor, including debarment by another governmental entity for any cause listed in this section; and
- F. For violation of the ethical standards set forth in 1.41.800 *et seq.*
- G. For knowingly making false statements or misrepresenting facts at any stage of proceedings relating to a procurement or a contract controversy under this Chapter.
- H. Failure to comply with the non-discrimination requirements as set forth in 1.41.060.

1.41.410 Appeals of Debarment or Suspension: An aggrieved business may appeal debarment or suspension by the Purchasing Department to the City Council. Any party may appeal against the decision of the City Council to the Superior Court.

SUBCHAPTER F – SPECIFICATIONS AND STANDARDS

Sections:

- 1.41.500 Specifications and Standardization
- 1.41.510 Brand Name Specification
- 1.41.520 Brand Name or Equal Specification
- 1.41.530 Determination of Requirements
- 1.41.540 Standardized Terms and Conditions

1.41.500 Specifications and Standardization: The City shall draft all specifications to encourage overall economy and maximum free and open competition in satisfying the City's needs. However, the City has determined there are situations in which efficiency and economies of scale can best be achieved through product standardization over a product's life cycle. Therefore, the City Council desires to standardize products whenever standardization results in improved efficiency, economy, compatibility, or improved logistical support.

1.41.510 Brand Name Specification: Brand name specifications are authorized when the product desired is available on the open market and sufficient distributors are available to ensure competition, the item has been designated as the City standard, or the Purchasing Department makes a written determination that only the identified brand name item will satisfy the City's needs.

1.41.520 Brand Name or Equal Specification: Businesses offering other than the specified item shall provide descriptive literature with their bid or quotation and as evidenced by their submission, warrant the item offered to be equal to the specified item in terms of quality, performance, and salient characteristics. Additionally, alternative items offered on an "or equal" basis must be covered by the same warrantee provisions as the specified item.

1.41.530 Determination of Requirements: The City reserves the sole right to determine its requirements and to determine which products meet these requirements.

1.41.540 Standardized Terms and Conditions: The Purchasing Department shall develop standardized terms and conditions for contracts and shall utilize those standardized terms wherever practicable.

SUBCHAPTER G – PROFESSIONAL SERVICES

Sections:

1.41.600 Professional Services

1.41.600 Professional Services:

- A. It is the policy of the City to publicly announce all requirements for professional services, contracts, and to negotiate such contracts based on demonstrated competence and qualifications at fair and reasonable prices. In the procurement of professional services contracts, the City shall request businesses to submit a statement of qualifications and performance data.
- B. Unless there are fewer than three (3) businesses offering the professional services sought by the City, the City shall conduct discussions with no less than three (3) businesses regarding the contract and shall select from among them no less than two (2) of the businesses deemed most qualified to provide the required services. The selection shall be made in order of preference, based on criteria established and published by the City. If there are less than three (3) such businesses, the City shall conduct discussions with all such businesses.
- C. The City shall negotiate a contract with the best-qualified business for those professional services for compensation that the City determines in writing to be fair and reasonable to the City. In making this decision, the City shall consider the estimated value, the scope, the complexity, and the professional nature of the services to be rendered. Should the City be unable to negotiate a satisfactory contract with the business considered to be the most qualified at a price the City determines to be fair and reasonable to the City, negotiations with that business shall be formally terminated. The City shall then undertake negotiations with the next most qualified business. If the City cannot reach agreement with the next most qualified business, the City shall formally terminate negotiations. Should the City be unable to negotiate a contract at a fair and reasonable price with any of the selected businesses, the City shall select additional businesses in order of their competence and qualifications, and the City shall continue negotiations in accordance with this section until an agreement is reached.
- D. For the purposes of this section, “professional services” shall include:
 - 1. Architect, engineer, or land surveying services.
 - 2. Legal services.
 - 3. Lobbyist services; and
 - 3.4. Emergency Services
 - 4.5. Consulting and other services where the consultant or service provider to be retained by the City must have special training or expertise not generally available to meet the needs of the City, and the City concludes a formal competitive process is not likely to benefit the City.

SUBCHAPTER H - ETHICS IN PUBLIC CONTRACTS

Sections:

- 1.41.800 Conflict of Interest
- 1.41.805 Gratuities and Kickbacks Prohibited
- 1.41.810 Contemporaneous Employment Unethical
- 1.41.815 Waivers from Contemporaneous Employment Prohibition and Other Conflicts of Interest
- 1.41.820 Confidential Information
- 1.41.825 Sanctions for Ethical Violations
- 1.41.830 Recovery of Value Transferred or Received in Breach of Ethical Standards
- 1.41.835 Criminal Penalties

1.41.800 Conflict of Interest: It shall be unethical for any employee, officer, consultant, or agent of the City to participate directly or indirectly in procurement when the person knows that:

- A. The employee, officer, consultant or agent or any member of his or her immediate family has a financial interest pertaining to the procurement of services.
- B. Any other person, business, or organization with which the employee, officer, consultant, or agent or any member of his or her immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
- C. An employee, officer, consultant, or agent or any member of his or her immediate family who holds a financial interest in a disclosed blind trust shall not be deemed to have a conflict of interest regarding matters pertaining to that financial interest.

1.41.805 Gratuities and Kickbacks Prohibited:

- A. It shall be unethical for any person to offer, give, or agree to give any employee or former employee of the City, or for any employee or former employee of the City to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore under this Chapter.
- B. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime/general contractor or higher tier subcontractor or any person associated therewith as an inducement for the award of a subcontract or order.
- C. The prohibition against gratuities and kickbacks prescribed in this section shall be conspicuously set forth in every contract and solicitation, therefore.

1.41.810 Contemporaneous Employment Unethical: It shall be unethical for any City employee who is participating directly or indirectly in the procurement process to become or to be, while such an employee, the employee of any person contracting with the City.

1.41.815 Waivers from Contemporaneous Employment Prohibition and Other Conflicts of Interest: The City Council by a two-thirds (2/3) vote may grant a waiver from the employee conflict of interest or the contemporaneous employment provisions found in this Chapter upon making a written determination that:

- A. The contemporaneous employment or financial interest of the City employee has been publicly disclosed.
- B. The City employee will be able to perform his or her procurement functions without actual or apparent bias or favoritism; and
- C. The award will be in the best interest of the City.

1.41.820 Confidential Information: It shall be unethical for any City employee or former City employee to knowingly use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

1.41.825 Sanctions for Ethical Violations:

- A. The City may impose any one or more of the following sanctions on a City employee for violations of the ethical standards in this Chapter:
 - 1. Oral or written warnings or reprimands.
 - 2. Suspension with or without pay for specified periods of time; or
 - 3. Termination of employment.
- B. The City may impose any one or more of the following sanctions on a non-employee for violations of the ethical standards:
 - 1. Written warnings or reprimands.
 - 2. Termination of some or all contracts with the City; or
 - 3. Debarment or suspension as provided in this Chapter.

1.41.830 Recovery of Value Transferred or Received in Breach of Ethical Standards:

- A. The value of anything transferred or received in breach of the ethical standards of this Chapter by an employee or a non-employee of the City may be recovered from both the employee and the non-employee.
- B. Upon a showing that a subcontractor made a kickback to a prime/general contractor or a higher tier subcontractor in connection with the award of a subcontract or order thereunder, it shall be conclusively presumed that the amount thereof was included in the price of the subcontract or order and ultimately borne by the City and will be recoverable hereunder from the recipient. In addition, that amount may also be recovered from the subcontractor making

such kickbacks. Recovery from one offending party shall not preclude recovery from other offending parties.

1.41.835 Criminal Penalties: To the extent that violations of the ethical standards of conduct set forth in this Chapter constitute violations of the Alaska Criminal Code they shall be punishable as provided therein. Such penalties shall be in addition to the civil sanctions set forth in this Chapter. Criminal, civil and administrative sanctions against employees or non-employees, which are in existence on the effective date of this Chapter, shall not be impaired.

SUBCHAPTER I - MISCELLANEOUS PROVISIONS

Sections:

- 1.41.900 Miscellaneous Provisions
- 1.41.990 Definitions

1.41.900 Miscellaneous Provisions:

- A. In the event that a contract is awarded to one party, and it is determined after award of the contract that it should have been awarded to some other party, the only financial liability of the City, if any, to the aggrieved party shall be the actual costs reasonably and necessarily incurred by that party in the preparation and submittal of its bid.
- B. Unless the bidding documents provide otherwise, anything due must be received by the City by 5:00 p.m. on the day that it is due unless that day is a Saturday, Sunday, or federal or state holiday in which case the due date is 5:00 p.m. on the next business day.

1.41.990 Definitions:

- A. ARCHITECT, ENGINEER, AND LAND SURVEYING SERVICES means those professional services within the scope of the practice of architecture, professional engineering, or land surveying, as defined by the laws of this state.
- B. BLIND TRUST means an independently managed trust in which the employee-beneficiary has no management rights and in which the employee-beneficiary is not given notice of alterations in, or other dispositions of, the property subject to the trust.
- C. CONSTRUCTION means the process of building, altering, repairing, improving, or demolishing any public structure or building or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.
- D. CONTRACT means all types of City agreements, regardless of what they may be called, for the procurement of supplies, services, or construction.
- E. CONTRACTOR means any person having a contract with the City.
- F. DIRECT OR INDIRECT PARTICIPATION means involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.
- G. EMPLOYEE means an individual drawing a salary from the City, whether elected or not, and any non-compensated individual performing personal services for the City or any department, agency, commission, council, board, or any other entity established by the City.
- H. FINANCIAL INTEREST means
 - 1. Ownership of any interest or involvement in any relationship from which a person within the past calendar year has received or is presently or in the future entitled to receive, more than one thousand dollars (\$1,000.00) per year, or its equivalent.

2. Ownership of ten percent (10.0%) of any property or business; or
 3. Holding a position in a business such as an officer, director, trustee, partner, employee, or the like, or holding any position of management.
- I. LEGAL SERVICES means all services that constitute the practice of law, as defined by Alaska law and the Alaska Supreme Court.
 - J. MAYOR has the meaning set out in Chapter 1.25. In the absence of a statute or ordinance to the contrary, the mayor may appoint a designee for any responsibility imposed upon the Mayor by this Chapter.
 - K. LOBBYIST SERVICES means all services performed representing the City before the United States Congress, the Legislature of Alaska, or any federal or state administrative agency in activities that are “lobbying” or the equivalent requiring registration or disclosure under Alaska law.
 - L. NEWSPAPER OF GENERAL CIRCULATION means a publication that is (1) published in newspaper format, (2) is distributed at least once a week for at least twenty-five (25) weeks each year within the Fourth Judicial District (excluding a period in which publication is interrupted by a labor dispute, natural disaster or other casualty that the publisher cannot control), (3) has a total paid circulation of at least two hundred fifty (250), at least ten percent (10.00%) of which is in the Fourth Judicial District, (5) is not published primarily to distribute advertising, and (6) is not intended primarily for a particular professional or occupational group. If a newspaper publishes less often than twenty-five (25) issues a year, then publication in that newspaper shall be supplemented by parallel publication in a second newspaper published not less often than fifty (50) times a year.
 - M. PERSON means any business, individual, union, committee, club, other organization, or group of individuals.
 - N. PUBLIC AGENCY means a public entity subject to, or created by, local ordinance.
 - O. REQUEST FOR PROPOSALS means all documents, whether attached or incorporated by reference, utilized for soliciting proposals.
 - P. SUPERIOR COURT means the Superior Court for the State of Alaska, Fourth Judicial District at Fairbanks, Alaska.

CHAPTER 1.45

MUNICIPAL EMPLOYEE RELATIONS

Sections:

- 1.45.010 Purpose
- 1.45.020 Powers and Duties
- 1.45.030 Personnel Rules
- 1.45.040 Scope of Rules
- 1.45.050 Supersedes Alaska Public Employees Relations Act

1.45.010 Purpose: The purpose of the Delta Junction Municipal Employee Relations System is to apply the merit principle so that person's best qualified to perform the functions of the City be employed, and that effective service be encouraged, developed and maintained. The merit principle of employment includes the following:

- A. Recruiting, selection and advancing employees based on their ability, knowledge and skills, including open consideration of qualified applications for the initial appointment.
- B. Regular, integrated salary programs based on the nature of the work performed and upon the availability of City revenues.
- C. Retention of employees with permanent status based on the adequacy of their performance, reasonable efforts of temporary duration for correction in inadequate performance, and separation for cause.
- D. Equal treatment of applicants and employees with regard only to consideration within the merit principles of employment.

1.45.020 Powers and Duties: The Mayor shall direct and supervise the administration and technical activities of the division of personnel. In addition to the other duties imposed on him, he shall:

- A. Administer this ordinance and the personnel rules.
- B. Encourage and exercise leadership in the development of effective personnel administration in the City government.
- C. Develop, in cooperation with the City council, programs for the improvement of employee effectiveness and morale.
- D. Establish and maintain a roster of employees subject to this ordinance.
- E. Prepare the rules which are required to implement and administer this ordinance.

1.45.030 Personnel Rules: The Mayor shall prepare and submit to the City Council any proposed amendments to the personnel rules for all positions and employees subject to this ordinance and:

- A. ~~The mayor shall review the amendments. If there are changes to be made the Mayor must notify the employees thirty days prior to the submission to the City Council. and submit them to the City Council.~~ If there are changes to be made the Mayor must notify the employees thirty days prior to the submission to the City Council.

- B. When the mayor submits the amendments to the City Council, they shall be posted in public areas throughout the City and give notice that the amendments are under consideration.

1.45.040 Scope of Rules:

- A. The preparation, maintenance and revision by the Mayor, subject to the approval of the City council, of a position classification plan for all positions in the classified service; in the classification plan all positions shall be grouped together into classes on the basis of duties and responsibilities; the position classification plan shall include for each class of position an appropriate title, a description of the duties and responsibilities, training and experience qualifications, and other necessary position specifications.
- B. The preparation, maintenance, revision and administration by the mayor of a pay plan for all positions in the classified services; the pay plan shall be repaired after consultation with the City Council; the pay plan shall be based upon the position classification plan, shall provide for fair and reasonable compensation for services rendered, and shall be based on the principle of like pay for like work.
- C. The use of sound employee selection methods, including open competitive examinations to test the fitness of applicants for positions in the City service.
- D. Promotions from within the City service when there are qualified candidates in the City service; vacancies shall be filled by promotion whenever practicable and in the best interest of the City, and promotions shall be by competitive examination whenever possible; in considering promotions, applicants' qualifications, performance record, seniority, and conduct shall be evaluated.
- E. Establishment and maintenance of an eligible list for appointment and promotion; the names of eligible candidates shall be placed on eligible lists in order of their relative performance on the examination.
- F. A period of probation not to exceed one year before an appointment to a position becomes permanent, except that a permanent status employee receiving a promotional appointment retains permanent status in the service and job class from which appointment for the duration of the probationary period and may be demoted to his former class without the right of appeal.
- G. Transfers from one department to another.
- H. The reinstatement of a person who resigns in good standing.
- I. Lay-off for reason of lack of funds or work abolition of positions, or material changes in duties or organization, both performance and seniority records shall be considered in the development of lay-off orders.
- J. The procedures for review of disputed personnel actions and for resolving employee grievances.
- K. Hours of work for all employees in the City service.

Methods and procedures covering overtime work and pay.

1.45.050 Supersedes Alaska Public Employees Relations Act: The provisions provided by the City of Delta Junction for its employees shall supersede and replace the provisions of the Alaska Public Employees Relations Act.