

**MANAGEMENT AGREEMENT  
FOR THE  
SEA OTTER COMMUNITY CENTER**

This Management Agreement (Agreement) is made and entered into by and between the Kenai Peninsula Borough, an Alaska municipal corporation, of 144 N. Binkley Street, Soldotna, Alaska 99669, hereinafter referred to as "KPB", on behalf of the Seldovia Recreational Service Area, hereinafter referred to as "SRSA", and the City of Seldovia, Nikiski, Alaska 99611, hereinafter referred to as "SELDOVIA". This Agreement is effective July 1, 2026.

**RECITALS**

WHEREAS, SRSA has the power to provide for services and programs for recreational services within the service area boundary as defined by Kenai Peninsula Borough Code of Ordinances (KPB Chapter 16.55), and to fund such services and programs through the levy of property taxes; and

WHEREAS, Article X, Section 13 of the Alaska Constitution authorizes local government to enter into agreements for the cooperative or joint administration of any function or power, unless otherwise prohibited by law or charter; and

WHEREAS, AS 29.35.010(13) provides authority for the Borough to enter into intergovernmental cooperative agreements for the joint administration of a borough function or power; and

WHEREAS, since 2013, SELDOVIA has partnered with KPB to operate and manage the Sea Otter Community Center; and

WHEREAS, the current Agreement expires June 30, 2026;

NOW THEREFORE, the parties do hereby stipulate and agree as follows:

**Section 1. Purpose.**

The purpose of this management Agreement is to contract with SELDOVIA to operate and manage the facility known as the Sea Otter Community Center (SOCC), which is owned by the Kenai Peninsula Borough and located on the Susan B. English School campus at Tract 3B Fleming Giles Estates No 2, Plat No 96-01, Seldovia Recording District, Third Judicial District, State of Alaska. SELDOVIA will employ personnel to provide facility coordination, community recreation and custodial services for the purpose of fulfilling obligations under this Agreement in operating and managing the SOCC consistent with prior year levels and

expectations, not to exceed the amount budgeted and appropriated by the KPB Assembly for contractual services .

Section 2. Allowed Activities.

The coordinator employed by SELDOVIA will operate and manage the SOCC to provide the services which are authorized by the SRSA plan adopted by the KPB assembly on June 3, 2014, approved by the coordinator and take place at the SOCC and the Susan B. English school campus. Off campus recreational activities conducted by the SRSA are not subject to this management Agreement. The SRSA and City of Seldovia may arrange a separate Agreement to address off campus recreational activities subject to advance assembly approval of the use of any additional facilities, and also that any such additional recreational services are recommended by the service area board and established by the assembly through the budget process as provided in KPB 16.55.090. This shall not preclude the SRSA from contracting with other organizations to provide for off campus recreational activities by separate Agreement in accordance with borough procurement processes and subject to compliance with the above restrictions.

Section 4. Term.

This Agreement is effective for an initial term of three years from July 1, 2026, to June 30, 2029. This Agreement may be extended for an additional three year term upon mutual written consent of the parties.

Section 5. Consideration.

The KPB shall pay SELDOVIA on the 15th day of each month for the services SELDOVIA provided in the preceding month under this Agreement beginning the month the Agreement is fully executed. Services include the full cost of the employees as it relates to services provided for the SOCC. An administration fee equivalent to 3 percent of the monthly bill may be charged by SELDOVIA and included in the monthly billing. The total amount provided to SELDOVIA shall not exceed \$37,000 for FY2027, which includes the 3 percent admin fee and associated personnel expense, as budgeted and appropriated by the KPB Assembly for contractual services for the SOCC. The total amount of the Agreement for each fiscal year of the Agreement may not exceed the amount budgeted and appropriated by the KPB Assembly for contractual services for the SOCC for each fiscal year. The parties will enter an amendment to this Agreement setting forth the contractual amount for each fiscal year covered by this Agreement.

Section 6. Keys.

KPB will provide SELDOVIA with keys to the SOCC. SELDOVIA agrees that no duplication of keys will be made without the express written permission of the KPB. SELDOVIA will return all keys that KPB issued and all duplicate keys at the conclusion of the term of this management Agreement. When the SOCC is not in

use for activities authorized by this management Agreement the facility shall be locked.

## Section 7. SELDOVIA's Obligations.

Pursuant to this Agreement, SELDOVIA will:

- 7.1 Keep the SOCC in a clean, neat, and safe condition.
- 7.2 Properly dispose of all rubbish, garbage, and waste in a clean and sanitary manner in reasonable and regular intervals.
- 7.3 Refrain from engaging in any activity which could result in civil liability to KPB.
- 7.4 Schedule events and ensure that all parties running events sign the most recent facility use Agreement approved by the borough
- 7.5 Assess and collect fees for use consistent with KPB 1.26.020(C) and the fee schedule approved pursuant to KPB Chapter 1.26.
- 7.6 Ensure events conducted at the facility are within the allowed activities set forth in Section 3 of this management Agreement.
- 7.7 Make the appropriate preparations for uses of the facility.
- 7.8 Ensure proper oversight is available for each use with a designated responsible party.
- 7.9 Prepare and deliver a monthly report to the SRSA board regarding uses of the facility and financial reports including all revenues and expense, and shall also provide this report to the Borough Finance Director on a monthly basis.
- 7.10 Comply with and ensure full compliance with all applicable local, state and federal laws and regulations, including without limitation labor laws, governing SELDOVIA's operations, programs, services, facilities and equipment. SELDOVIA shall refrain from use or allowing use of the premises in any manner inconsistent with said laws, the SRSA plan and policy manual, or this Agreement.
- 7.11 Immediately notify KPB's Legal Department (legal@kpb.us) of any lawsuits or claims pending or filed against SELDOVIA relating to SELDOVIA's services pursuant to this Agreement. Immediately notify the KPB of any injuries occurring during programs operated by SELDOVIA and of any damages to KPB equipment or property.
- 7.12 Provide monthly invoice with supporting documentation, to include employee hours by position and dollars associated to each, on or before 30 days after each month end.
- 7.13 Comply with all Borough Finance and Purchasing Departments' code requirements, policies and procedures including but not limited to procurement, cash management, petty cash, accounts receivable and vendor payments.

- 7.14 Maintain and conduct an annual inventory of the equipment, software, and other personal property in the facility and provide copies to the SRSA Board and KPB Finance Department.
- 7.15 Promptly notify the KPB of maintenance, repair, and facility concerns.
- 7.16 Be liable for damage to any KPB owned property resulting from its management and occupancy of the SOCC. Such damages shall be restored, repaired or replaced by SELDOVIA at SELDOVIA's sole expense; failure to repair damages subjects SELDOVIA to all available remedies KPB has at law or equity. The election of one remedy will not prohibit KPB from pursuing any and all of the available remedies.
- 7.17 Will not make alterations to the physical structure or fixtures of the SOCC, without written consent of KPB.
- 7.18 Will not encumber or make alterations to the land or campus without written consent of KPB.
- 7.19 Provide up to eight hours per week of custodial services, including but not limited to, interior cleaning such as vacuuming, mopping, garbage disposal and similar tasks, and basic maintenance such as changing light bulbs and programming thermostats and similar tasks.
- 7.20 Procure required insurance as set forth in Section 13, below.

## Section 8. KPB's Obligations.

Pursuant to this Agreement, KPB, in coordination with the SRSA Board, as applicable, will:

- 8.1 Provide SELDOVIA occupancy of the subject property during the Agreement term for the purposes set forth in this Agreement. Additionally, SELDOVIA shall negotiate with the KPB through a separate facility use Agreement, if it wishes to use of the SOCC as an incident command center for the City. The City shall be responsible for any costs associated with that use.
- 8.2 Maintain and repair the roof, exterior walls, and foundation.
- 8.3 Pay consideration for SELDOVIA's employment of necessary personnel as set forth in section 1 and section 5 of this Agreement to carry out the obligations and requirements of this Agreement.
- 8.4 Supply the ordinary maintenance and repair of SOCC and equipment and replacement of supplies that are normally performed on a day-to-day, periodic, or routine basis in order keep the facility and equipment in good, clean, efficient and safe condition including but not limited to paying electric, fuel oil, water, telephone, cleaning, pest control, and waste removal expenses.

- 8.5 Purchase all materials and supplies necessary to carry on the day-to-day operation of the SOCC and provide the services authorized by this management Agreement.
- 8.6 Procure required insurance as set forth in Section 13, below.

Section 9. School Rules.

It is understood that the SOCC is located on the campus of the Susan B. English KPBSD kindergarten through 12<sup>th</sup> grade school. As such, the following rules must be observed in accord with KPBSD school board policy and enforced by SELDOVIA and the SRSA Board, as applicable:

- 9.1 To provide competent adult supervision.
- 9.2 Smoking, vaping, and/or any tobacco use is prohibited on school property.
- 9.3 Alcoholic beverages and illegal or illicit drugs are not permitted in school facilities or on school property at any time. This includes marijuana.
- 9.4 Obscenity is prohibited.
- 9.5 Firearms or other deadly or defensive weapons, as defined in AS 11.81.900(b) (17) and (26), are not permitted in school facilities or on school property.
- 9.6 Installation of equipment, alteration of existing building facilities, use of materials that affect the condition of floors, walls or other building parts may not be undertaken without specific approval from KPB.
- 9.7 Advertising or sales of merchandise and printed matter, except that incidental to school or service area programs, is prohibited on school grounds.

Section 10. Relationship of the Parties.

The services to be rendered under this Agreement are those of an independent contractor. SELDOVIA will not at any time directly or indirectly act as an agent, servant or employee of the KPB or make any commitments or incur any liabilities on behalf of the KPB without the KPB's express consent. The KPB, its administration, and the SRSA shall not supervise or direct SELDOVIA except as set forth in this Agreement. During the period in which the contract is amended on an annual basis as detailed in section 5, the City Manager will annually meet with SRSA to request feedback on the services provided within the past fiscal year specifically regarding any areas that stood out as successful and any areas in need of improvement.

### Section 11. Insurance.

Insurance coverage required under this Agreement must be primary and exclusive of any other insurance carried by KPB. Minimum levels of insurance coverage required under this Agreement must remain in effect for the life of this Agreement. If SELDOVIA's policies contain higher limits, KPB will be entitled to coverage to the extent of such higher limits. Certificates of Insurance will be delivered to KPB at the time of submission of the signed Agreement. KPB may request copies of required policies and endorsements, which must be provided within ten (10) calendar days of KPB's request.

**Commercial General Liability:** SELDOVIA must provide and maintain commercial general liability insurance ("CGL"). The CGL policy must be written on an occurrence basis and with a limit of not less than one million dollars (\$1,000,000.00) per occurrence. If necessary to provide the required limits, the CGL policy's limits may be layered with an umbrella or excess liability policy. This policy must name KPB as additional insured with a waiver of subrogation.

**Workers' Compensation:** SELDOVIA must provide and maintain workers' compensation insurance in accordance with the laws of the State of Alaska for all of its employees engaged in work under this Agreement. This coverage must include statutory coverage for states in which employees are engaging in work and employer's liability protection not less than the minimum amounts required by law. Subrogation will be waived.

The KPB will procure and maintain property insurance covering the SOCC facility, including the primary building and KPB-owned contents and will maintain discretion in establishing coverage limits, policy terms, and deductibles under its property insurance program. SELDOVIA will be responsible for damage to the SOCC facility or other KPB-owned property caused by its acts or omissions, or those of its employees, agents, contractors, or invitees in connection with its management or occupancy of the SOCC. The KPB will repair, restore, or replace such property, with SELDOVIA reimbursing KPB for all reasonable costs incurred.

### Section 12. Mutual Defense and Indemnification.

To the fullest extent permitted by law, the SELDOVIA shall defend, indemnify, and hold harmless KPB, its agents and employees from and against any claims, damages, injuries (including death), losses, and expenses, including, but not limited to, attorney's fees, directly or indirectly arising out of or in connection with obligations or services rendered in accordance with this Agreement. This section will be construed in accordance with AS 45.45.900, as amended, and will not be construed to require SELDOVIA to indemnify KPB from KPB's sole negligence or willful misconduct.

To the fullest extent permitted by law, KPB shall defend, indemnify, and hold harmless SELDOVIA, its agents and employees from and against any claims, damages, injuries (including death), losses, and expenses, including, but not limited to, attorney's fees, directly or indirectly arising out of or in connection with obligations or services rendered in accordance with this Agreement. This section will be construed in accordance with AS 45.45.900, as amended, and will not be construed to require SELDOVIA to indemnify KPB from KPB's sole negligence or willful misconduct.

### Section 13. Termination for cause.

- 13.1 SELDOVIA's right to occupy and manage the SOCC will, at KPB's discretion and option, cease should SELDOVIA allow any of the following to occur on the subject property:
  - (A) Failure to comply with any material term of this Agreement; or
  - (B) Commit waste of the property, beyond normal wear and tear and to fail to cure such waste. Waste is defined as unreasonable conduct that results in physical damage to the property or substantial diminution in the value of the property.
- 13.2 In the event of a default, KPB shall give SELDOVIA written notice of the default and a thirty-day opportunity in which to cure. If the default is not cured by this deadline, this Agreement shall terminate and KPB may immediately take possession of the subject property.
- 13.3 If KPB violates any material provision of this Agreement SELDOVIA may give written notice of the violation and of SELDOVIA's intent to terminate the Agreement. If KPB fails to correct the violation within thirty days after receipt of written notice SELDOVIA may terminate the Agreement.

### Section 14. Termination for convenience.

Either party may terminate this Agreement for convenience upon 180 days written notice to the other party. This Agreement may be terminated any time by the mutual written consent of the parties so long as the termination by mutual written consent sets forth the effective date of the termination.

### Section 15. Assignment.

This Agreement is not assignable.

### Section 16. Interpretation and Enforcement.

This Agreement is being executed by the parties following negotiations between them. It shall be construed according to the fair intent of the language as a whole,



Section 23. Integration.

This instrument and all appendices and amendments hereto embody the entire Agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this Agreement shall supersede all previous communications, representations or Agreements, either oral or written, between the parties.

KENAI PENINSULA BOROUGH:

CITY OF SELDOVIA

\_\_\_\_\_  
Peter A. Micciche, Mayor

\_\_\_\_\_  
Heidi Geagel, City Manager

ATTEST:

ATTEST:

\_\_\_\_\_  
Michele Turner, Borough Clerk

\_\_\_\_\_  
Elizabeth Diamant, City Clerk