

Agency: Commerce, Community and Economic Development**Grants to Municipalities (AS 37.05.315)****Grant Recipient: Bettles****Federal Tax ID: 92-0117622****Project Title:****Project Type: Equipment and Materials**

Bettles - Road Grader Purchase

State Funding Requested: \$426,640**House District: 6 / C**

Future Funding May Be Requested

Brief Project Description:

Purchase of a new Caterpillar 14M road grader through the state fleet contract purchase system.

Funding Plan:

Total Project Cost:	\$476,640
Funding Already Secured:	(\$50,000)
FY2012 State Funding Request:	<u>(\$426,640)</u>
Project Deficit:	\$0

Funding Details:

\$ 20,000 will be spent from the City of Bettles' general fund, available this year. Another \$30,000 will be obtained from the sale of the City's existing road grader, a 1977 Cat 14G, through NC Machinery in Fairbanks (value provided by Don Reed of NC 1/2010).

Detailed Project Description and Justification:

The City of Bettles would like to purchase a new Caterpillar 14M road grader with ripper and snow wing attachments through the State of Alaska fleet purchasing program with the assistance of a legislative Capital Projects Grant. Purchasing through the State fleet program saves about \$120,000 over the retail cost FOB Fairbanks, according to Don Reed of NC Machinery, the Caterpillar dealer in Alaska. The City of Bettles will arrange for and pay for transport from Fairbanks to Bettles.

A road grader is an essential piece of heavy equipment for opening the Bettles ice road, connecting us to the Dalton Highway and the State road system for about two months per year. Our ice road saves our community - both Bettles and Evansville - more than \$400,000 yearly in transportation costs we would otherwise struggle to afford, enabling our community to spend more money on other important matters - with much of that spent in Fairbanks. Fuel costs for heating, gasoline, aviation fuels, and electricity generation would double without our ice road - effectively making us non-competitive in the tourist marketplace, which was estimated a few years ago by the Fairbanks Chamber of Commerce to add more than \$4M yearly to their economy. Doubling the fuel costs and increasing the price of electricity would make living in this community that much harder, especially so on those among us living on fixed incomes. The cost of a truck coming across our ice road is \$6K - the cost of flying in a truckload of building materials or equipment in on a C130 is \$60K. Tourists and residents of other villages access the Koyukuk River Valley using our ice road when it is open, typically late January through March.

The current road grader we are using is a 1977 Cat 14G, which is nearing the end of its serviceable life. It was purchased used in fair condition with four Municipal Capital Matching Grants in 1998, and has been well maintained. Maintenance on the 14G is becoming more and more expensive. The proceeds of the sale of the 14G will be used to contribute to the purchase of the new 14M.

The City of Bettles has not received a Legislative Capital Grant since 1990. The City will not be able to afford another

grader, even a used one in reasonable condition, without help with funding. We expect to achieve a service life of at least twenty years with a new Caterpillar 14M road grader. Obtaining a new 14M was voted the number one priority for capital projects by the Bettles City Council in a public meeting December 9, 2010, as attested by our Resolution 2011-3. Thank you for considering our needs.

Project Timeline:

Purchase will be made through NC Machinery in February, 2012. The City will arrange for transport of the new grader to Bettles, with the old 14G being hauled to Fairbanks on back-haul from the same truck. NC Machinery will sell or part-out the 14G and apply the proceeds to the purchase of the 14M, with any excess being returned to the City. Funding available, this will all take place in February 2012.

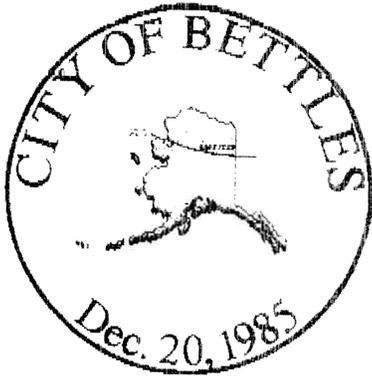
Entity Responsible for the Ongoing Operation and Maintenance of this Project:

The City of Bettles

Grant Recipient Contact Information:

Name: Rich Thorne
Title: City Councilmember
Address: P.O. Box 26036
Bettles Field, Alaska 99726
Phone Number: (907)692-5791
Email: rbthorne@hughes.net

Has this project been through a public review process at the local level and is it a community priority? Yes No



City of Bettles

P. O. Box 26023
Bettles, AK 99726
907-692-5191

Resolution 2011-3

A RESOLUTION SETTING THE PRIORITIES FOR CAPITAL IMPROVEMENT PROJECTS FOR FISCAL YEAR 2012.

WHEREAS, The City of Bettles opens and maintains a winter trail (ice road) each year to bring in supplies for the community and to provide road system access to our residents, tourists, and residents of other villages who access the State road system through our village; and,

WHEREAS, The State of Alaska will not open the ice road for us; and,

WHEREAS, The Bettles ice road is critical to the economy of Bettles, allowing us to be competitive in the tourist marketplace as well as reducing the cost of living in Bettles, and

WHEREAS, A road grader and a bulldozer are critical pieces of equipment for opening and maintaining the ice road, and

WHEREAS, Caterpillar makes the most rugged, best built, easiest and cheapest to maintain, longest-lasting of any other, road grader and bulldozer that holds their value far longer than any other brand, and

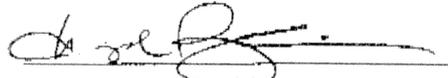
WHEREAS, The 1974 Caterpillar 14G road grader the City of Bettles purchased through the Municipal Capital Matching Grants program in 1998 has reached the end of its useful life, despite all our efforts at maintaining it; and

WHEREAS, The City's 1990 Ford pickup snowplow has reached the end of its useful life and needs replaced, both for the ice road and our local roads, now,

THEREFORE BE IT RESOLVED, That the Bettles City Council by this resolution hereby establishes the purchase of a new Caterpillar 14M road grader through the legislative grant process as our first priority for capital projects for fiscal year 2012, the purchase of a new Caterpillar D7R bulldozer through the same process as our second priority for FY12, and the purchase of a new Ford F250 super duty snowplow pickup as our third priority.

PASSED and APPROVED by a duly constituted quorum of the City Council of Bettles, Alaska this 9th day of December, 2010.

SIGNED:


Vice-Mayor

ATTEST:


City Clerk

Gateway to the Arctic

