

**City of Kodiak Regular Council Meeting Agenda for October 25, 2018**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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<b>I.</b>	<b>Call to Order/Roll Call</b>	
	Invocation/Pledge of Allegiance	
<b>II.</b>	<b>Previous Minutes</b>	
	Approval of Minutes of the October 11, 2018, Regular Council Meeting .....	1
<b>III.</b>	<b>Persons to Be Heard</b>	
a.	Proclamation: Declaring Filipino American National History Month.....	6
b.	Proclamation: Declaring Extra Mile Day.....	8
c.	Public Comments (limited to 3 minutes) (486-3231)	
<b>IV.</b>	<b>Unfinished Business</b>	
a.	None	
<b>V.</b>	<b>New Business</b>	
a.	First Reading, Ordinance No. 1382, Authorizing First Amendment of a Pier II Use and Upland Lease Agreement with American President Lines LLC .....	12
b.	Authorization of Bid Award for Vehicle Purchase From Alaska Sales and Service and Vehicle Up Fitting by Alaska Safety Inc. for the Kodiak Police Department.....	32
c.	Authorization to Cancel the November 22, and December 27, 2018, Regular Meetings and Authorize the City Manager to Schedule Special Meetings if Needed.....	42
d.	Certification of Election.....	44
<b>VI.</b>	<b>Staff Reports</b>	
a.	City Manager	
b.	City Clerk	
<b>VII.</b>	<b>Mayor’s Comments</b>	
<b>VIII.</b>	<b>Council Comments</b>	
<b>IX.</b>	<b>Audience Comments</b> (limited to 3 minutes) (486-3231)	
<b>X.</b>	<b>Oath of Office</b> .....	48
<b>XI.</b>	<b>Executive Session</b>	
a.	Clerk’s Annual Performance Review .....	50
<b>XII.</b>	<b>Adjournment</b>	

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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, OCTOBER 11, 2018  
IN THE BOROUGH ASSEMBLY CHAMBERS**

**I. MEETING CALLED TO ORDER/INVOCATION/PLEDGE OF ALLEGIANCE**

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Daniel Mckenna-Foster, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Laura B. Arboleda was absent. City Manager Mike Tvenge, City Clerk Debra Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Major Dave Davis gave the invocation and the Pledge of Allegiance was recited.

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the September 27, 2018, regular meeting.

The roll call vote was Councilmembers, Bishop, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Arboleda was absent. The motion passed.

**III. PERSONS TO BE HEARD**

**a. Public Comments**

**Jonathon Strong** provided an update on the nonprofits with which he is involved. He shared the Kodiak Area Mentor Program, Inc. will be located downtown above the AT&T store. He shared there will be an open house on October 20 from 11 a.m. until 1 p.m. with refreshments. He said there would be business after hours at the Senior Citizens of Kodiak, Inc. on October 26. He shared that the Salvation Army Advisory Board's annual meeting will be on November 5 to select officers; he said the meeting is open to the public, and light refreshments will be available beginning at 6 p.m. He stated accountability for nonprofits is very important.

**IV. UNFINISHED BUSINESS**

None

**V. NEW BUSINESS**

**a. Authorization of Bid Award No. 2019-003 for Purchase of Two Pickup Trucks From Kodiak Motors for Public Works Departments**

The Public Works Department budgeted for the replacement of two existing maintenance pickups in fiscal year 2019. Both vehicles have been through a mechanical evaluation by the City maintenance shop and have been recommended to be replaced.

Councilmember Walker MOVED to award Bid No. 2019-03 to Kodiak Motors for two 1 ton 4x4 pickup trucks in the amount of \$64,134 with funds in the amount \$32,067 from the Sewer Utility Fund, Wastewater Treatment, and \$32,067 Water Utility Fund, Water/Distribution, Machinery and Equipment Greater Than \$5,000 accounts and authorize the City Manager to execute the documents on behalf of the City.

The roll call vote was Councilmembers Bishop, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Arboleda was absent. The motion passed.

**VI. STAFF REPORTS**

**a. City Manager**

Manager Tvenge said the ice rink is now open and a hockey camp will occur this weekend. He shared the camp will be coached by former National Hockey League players. He referred the public to the Parks and Recreation Department and their Facebook page for the schedule of activities this weekend. He said the Birch Avenue project is at substantial completion. He thanked the public for cooperating during the project upgrade and Brechan Construction for their work. He shared that on October 31 the Police Department will hand out treats at their new satellite location in the downtown area.

Manager Tvenge said he and Chief Putney met with Alaska Department of Fish and Game staff regarding the recent bear activity in Kodiak. He introduced Nate Svoboda, a biologist with ADF&G, who shared information regarding the bear observation and reporting process in Kodiak and encouraged citizens to call and report bear activity. He provided education material and highlighted the interagency relationships with KPD, State Troopers, Alaska Waste, Kodiak Brown Bear Trust, and the Military Police.

Manager Tvenge provided the contact information for ADF&G and the Kodiak Police Department to report bear activity.

**b. City Clerk**

Clerk Marlar informed the public of the next scheduled Fisheries Work Group meeting, City work session, and regular Council meeting and stated she will be out of town until the October 25, 2018, regular meeting.

**VII. MAYOR'S COMMENTS**

Mayor Branson shared that the Alaska Mental Health Board and Advisory Board on Alcoholism and Drug Abuse recently met in Kodiak to hear about the services from different groups, and to understand what is occurring within the community with the

Mayors Summit on Drugs. She said they did site visits and seemed pleased with the efforts to work on mental health and substance abuse issues in Kodiak.

**VIII. COUNCIL COMMENTS**

Councilmember Mckenna-Foster said he might not attend the October 23 work session to attend a parks and recreation summit. He said the summit starts at 6 p.m. and he encouraged City and Borough residents to attend. He spoke about a safety issue on Mission Road and he thanked Chief of Police Putney for resolving the issue.

Councilmember Walker thanked Public Works and KPD for community clean up and acknowledged all the vehicles tagged. He reminded citizens to educate children on bear safety and to be careful on Halloween.

Councilmember Bishop thanked KPD for handing out reflectors and strobe lights to children. He thanked the voters for turning out and he encouraged the public to get involved in community public service activities.

Councilmember Davidson said to be bear aware. He reminded citizens to use caution and drive safety in the morning. He thanked the Clerk's Office for their work to prepare and Canvass the election.

Councilmember Whiddon said there would be a Fisheries Work Group meeting on October 24 at 10 a.m. He said Mike Litgow will be at the meeting and previously gave a wonderful presentation on climate change. He said the NHL pros are coming to town and commended Parks and Recreation staff for organizing the event.

**IX. AUDIENCE COMMENTS**

None

**X. EXECUTIVE SESSION**

**a. Discussion With the City Attorney About Kodiak Public Broadcasting Corporation Litigation**

Councilmember Bishop MOVED to enter into executive session pursuant to Kodiak City Code 2.04.100(b)(1) for a discussion with the City Attorney about Kodiak Public Broadcasting Corp. litigation, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City.

The roll call vote was Councilmembers Bishop, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Arboleda was absent. The motion passed.

The Council entered into executive session at 7:55 p.m.

The Mayor reconvened the meeting at 8:53 p.m.

**XI. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Mckenna-Foster, Walker, and Whiddon in favor. Councilmember Arboleda was absent. The motion passed.

The meeting adjourned at 8:53 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:

## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** October 25, 2018

**Agenda Item:** III. a. Proclamation: Filipino American National History Month

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**SUMMARY:** This proclamation urges all citizens to celebrate the rich history and contributions of Filipino Americans in Kodiak.

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Filipino American National History Month



# PROCLAMATION

## Declaring Filipino American National History Month

WHEREAS, Filipino presence in the United States has been documented back to 1587; and

WHEREAS, the Filipino American National Historical Society continues to promote the study of Filipino American history and culture; and

WHEREAS, Filipino Americans play an important role in the history of Kodiak; and

WHEREAS, positive role models are important in teaching Filipino American youth the importance of cultural education, ethnicity, and the values of their legacy; and

WHEREAS, Kodiak is fortunate to count among its population citizens of Filipino descent who contribute to Kodiak's economy and society through their commitment to their professions, commerce, family, and the arts.

NOW THEREFORE I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim October 2018, as:

### Filipino American National History Month

in Kodiak and urge all citizens to celebrate the rich history and contributions of Filipino Americans in Kodiak.

Dated this 25th day of October 2018.

City of Kodiak

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Pat Branson, Mayor

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## MEMORANDUM TO COUNCIL

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**Date:** October 25, 2018

**Agenda Item:** III. b. **Proclamation: Extra Mile Day**

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**SUMMARY:** The Extra Mile America Foundation requested this proclamation, which urges each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those around who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Extra Mile Day

# PROCLAMATION

## Declaring Extra Mile Day

WHEREAS, the City of Kodiak acknowledges that a special vibrancy exists within the entire community when its individual citizens collectively “go the extra mile” in personal effort, volunteerism, and service; and

WHEREAS, the City of Kodiak encourages its citizens to maximize their personal contribution to the community by giving of themselves wholeheartedly and with total effort, commitment, and conviction to their individual ambitions, family, friends, and community; and

WHEREAS, the City of Kodiak chooses to shine a light on and celebrate individuals and organizations within its community who “go the extra mile” in order to make a difference and lift up fellow members of their community; and

WHEREAS, the City of Kodiak acknowledges the mission of Extra Mile America to create 575 Extra Mile cities in America and is proud to support “Extra Mile Day” on November 1, 2018.

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim November 1, 2018, as:

### Extra Mile Day

in Kodiak and urge each individual in the community to take time on this day to not only “go the extra mile” in his or her own life, but to also acknowledge all those around who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

Dated this 25th day of October 2018.

City of Kodiak

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Pat Branson, Mayor

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# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Date:** October 25, 2018

**Agenda Item:** V. a. **First Reading, Ordinance No. 1382, Authorizing First Amendment of a Pier II Use and Upland Lease Agreement with American President Lines LLC**

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**SUMMARY:** Ordinance No. 1382 authorizes the City of Kodiak to modify the Pier II Use and Upland Lease Agreement with American President Lines, LLC (APL). The modifications include changes to volume discounts, billing, and the use of secondary berths.

**PREVIOUS COUNCIL ACTION:**

- At the April 24 and May 8 work sessions, Council received a briefing on the proposed agreements and operation plan for APL to work freight barges across Pier II and the need for upland staging and a Terminal Operating Contract that would allow APL to stevedore its own vessels.
- On May 24, 2018, Council passed Ordinance No. 1379 in the first reading at their regular meeting and advanced it to second reading and public hearing.
- On June 14, 2018, Council adopted Ordinance No. 1379, which authorized a Terminal Operation Contract and a Pier II Use and Upland Agreement.
- On October 23, 2018, Council reviewed Ordinance No. 1382, which amends Pier II Use and Upland lease with APL.

**DISCUSSION:** The Pier II Use and Upland Lease Agreement grants APL non-preferential right to use Pier II for the handling of containerized freight across Pier II. The agreement designates 20,500 square feet of upland staging in van rows 13 and 14 for container staging and 3,000 square feet in van row 11 for a portable marine office. APL's "non-preferential right" means all preferential vessels such as NOAA, Cruise ships, Alaska Marine Highway ferries and Kodiak Oil Sales fuel barges have first priority at Pier II. All commercial fishing vessels are secondary users after port vessels.

**ALTERNATIVES:**

- 1) Pass Ordinance No. 1382 in the first reading, which approves the lease amendment to the Pier II Use and Upland Agreement with APL, which is staff's recommendation.
- 2) Council may choose to further amend the agreement or reject the amendment.

**FINANCIAL IMPLICATIONS:** Under the agreement, APL will pay warfage and dockage fees at 10 percent off tariff rates based on a minimum of 50,000 tons of cargo over the dock. If 50,000 tons are not

met, full tariff rates apply for both wharfage and dockage. APL operations at Pier II are expected to generate significant and much needed revenue for the Port of Kodiak.

**LEGAL:** The City's attorney drafted the ordinance and lease amendment.

**STAFF RECOMMENDATION:** Staff recommends City Council approve this ordinance in order to modify the Pier II Use and Upland lease agreement with American President Lines LLC.

**CITY MANAGER'S COMMENTS:** Now that APL has begun operations at Pier II and both parties (City and APL) realize the actual use and impact to the facility there is a need for modifications to the agreement. APL prefers the use of the SW section of Pier II when available and the Harbormaster may grant that request with this amendment. The Tariff discounts (20/30%) for tonnage moved across the Pier have been removed. Provisions to protect the Pier asphalt have been included and the payment schedule has been further clarified to avoid conflicting statements. The leased area remains unchanged.

**ATTACHMENTS:**

- Attachment A: Ordinance No. 1382
- Attachment B: First Amendment Pier II Use and Upland Lease Agreement
- Attachment C: Ordinance No. 1379 with Pier II Use and Upland Lease Agreement

**PROPOSED MOTION:**

Move to pass Ordinance No. 1382 in the first reading and advance to second reading and public hearing at the next regular or special meeting.

**CITY OF KODIAK  
ORDINANCE NUMBER 1382**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK  
AUTHORIZING FIRST AMENDMENT OF A PIER II USE AND UPLAND LEASE  
AGREEMENT WITH AMERICAN PRESIDENT LINES LLC**

WHEREAS, the City of Kodiak operates port and harbor facilities including a dock suitable for shipment of ocean bound cargo commonly known as Pier II; and

WHEREAS, sound and prudent management of port facilities includes entering long term agreements providing preferential use of those facilities in return for guaranteed amounts of volume of cargo that will be loaded and unloaded thereby providing a guaranteed revenue stream which can be used to offset the City's costs of owning and operating the port facilities; and

WHEREAS, by Ordinance No 1379, the Council approved a Terminal Operation Contract ("the Contract") and a Pier II Use and Upland Agreement ("the Agreement") with American President Lines, LLC ("APL"), both effective August 1, 2018; and

WHEREAS, it is in the public interest that those provisions of the Agreement relating to volume discounts, billing, and use of secondary berths be modified; and

WHEREAS, the Amendment attached hereto modifies those provisions of the Agreement; and

WHEREAS, no modification of the Agreement is effective unless agreed to by the parties in writing and approved by the Council;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Kodiak, Alaska, as follows:

Section 1: Classification. This is a non-code ordinance.

Section 2: Approval of Amendment. The City Council hereby approves the Amendment in the form attached to this ordinance and authorizes the city manager and the harbor master to take all steps necessary to finalize and sign the Amendment.

Section 3: Effective Date. This ordinance shall be effective upon being passed.



CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

First Reading:  
Second Reading:  
Effective Date:

**FIRST AMENDMENT TO  
PORT OF KODIAK  
PIER II USE AND UPLAND LEASE AGREEMENT  
City of Kodiak and American President Lines, LLC  
City Contract No. 237652**

This First Amendment to Port of Kodiak Pier II Use and Upland Lease Agreement between the City of Kodiak and American President Lines, LLC (the “Amendment”) is entered into and made effective as of November 9, 2018 (“Amendment Effective Date”).

**RECITALS**

WHEREAS, the City of Kodiak, Alaska. (“City”) and American President Lines, LLC (“APL”), individually referred to as a “Party” and collectively referred to as the “Parties”, entered into the Port of Kodiak Pier II Use and Upland Lease Agreement dated effective August 1, 2018 (“Agreement”); and

WHEREAS, the City Council, by Ordinance No. 1379, approved the Agreement; and

WHEREAS, the Parties now wish to amend the Agreement to modify certain terms of the Agreement as provided below.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing express premises and the mutual covenants hereinafter set forth, the Parties agree as follows:

1. Subsection II.B.1.d is deleted in its entirety and replaced and superseded with the following:
  - d. APL berths are depicted in attached Exhibit A. APL’s primary berth for cargo operations is Berth 1 on the NE end of Pier II. Berth 2 is the secondary berth on the SW end of Pier II, to be used when the Kodiak Harbormaster authorizes the request by APL. Containers may only be temporarily grounded during loading and unloading operations at Berth 2. APL shall place steel plates beneath Pass pass gear, and fork lift tires during “loaded” travel while loading and off-loading containers. Steel plates shall be 4’x8’x1’ minimum in dimension.
  
2. Section III.A is deleted in its entirety and replaced and superseded with the following:
  - A. APL shall pay to the City Wharfage and Dockage fees at the rates shown in the published City Port Tariff, except that discounted Wharfage and Dockage rates will apply based on a Minimum Quantity Commitment “MQC” of 50,000 short tons each year of the agreement. If the MQC is not met, full tariff rates will be due for all Wharfage less than 50,000 short tons and all dockage for the applicable

year. The rate for a year is effective commencing on August 1 of the year and for 12 months thereafter. Transshipped/transloaded cargo shall be subject to a single-move, one-time wharfage charge at the same rate.

<u><b>Tons per year</b></u>	<u><b>Discount off Tariff Rate</b></u>
50,000 or greater	10%

3. Section III.B is deleted in its entirety and replaced and superseded with the following:

**B.** APL shall submit to the City within ten days of the end of each month a statement detailing the vessel dockage and cargo tonnage handled during the previous month. Upon receipt of the billing statement from the City, APL shall remit payment within 30 days for dockage and wharfage and other fees and charges for the statement period submitted.

4. Section III.C is deleted in its entirety and replaced and superseded with the following:

**C.** APL shall pay the City for use of the upland lease depicted in attached Exhibit A, specified in this Agreement, the monthly payments due, plus City sales tax, on the first day of each month as shown in the table below. The monthly payment amount for a given year is effective commencing on August 1 of each year of the Agreement and for 12 months thereafter. Rate is based on 23,500 SF leased area at \$2.00 per square foot, for year one, and with a three percent increase each year thereafter:

<u>Year</u>	<u>Monthly Payment</u>	<u>Year</u>	<u>Monthly Payment</u>
1	\$3,917.00	4	\$4,280.21
2	\$4,034.51	5	\$4,408.61
3	\$4,155.54		

5. The Agreement remains in full force and effect, modified only by this Amendment as expressly provided in the preceding paragraphs 1, 2, 3, and 4.

6. Capitalized terms in this Amendment that are not defined herein have the same meaning given those terms in the Agreement.

7. The Amendment may be executed in several counterparts, each of which will be considered an original for all purposes, and all of which when taken together constitute one and the same instrument. It is unnecessary that any single counterpart be executed by all Parties. The Amendment shall be deemed effective as of the Amendment Effective date upon the later of the Amendment being executed by both Parties and approval of the Amendment by the Kodiak City Council.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date or dates indicated beneath the signature of their respective officers or agents.

City of Kodiak

American President Lines, LLC

\_\_\_\_\_  
Mike Tvenge, City Manager                      Date

\_\_\_\_\_  
Edward Aldridge                                      Date  
President North America

ATTEST:

ATTEST:

\_\_\_\_\_  
Debra L. Marlar                                      Date  
City Clerk

\_\_\_\_\_  
Shirley Wang    Date  
Executive Assistant

**PORT OF KODIAK  
PIER II USE AND UPLAND LEASE AGREEMENT  
City of Kodiak and American President Lines, LLC  
City Contract No. 237652**

This Pier II Use and Upland Lease Agreement (“Agreement”) is made and entered into as of August 1, 2018, between the City of Kodiak, an Alaska municipal corporation (“City”), and American President Lines, LLC (“APL”), a limited liability company organized under the laws of the state of Delaware.

WHEREAS, APL and the City have entered into a Terminal Operation Contract dated August 1, 2018, which together with this Agreement provide for APL’s use and occupancy of Premises at Port of Kodiak Pier II.

WHEREAS, APL has agreed herein to use Pier II dock and uplands for container operations and leases a 20,500 square foot portion of van rows 13 and 14 for container storage and handling, and 3000 square foot of van row 11 for a portable office building, it is therefore appropriate that the City grant APL the use of the Pier II Terminal as provided herein.

NOW, THEREFORE, in consideration of the premises, and the terms, covenants, conditions, and agreements contained herein and further stated in the Terminal Operation Contract, APL and the City hereby agree as follows:

**I. DESCRIPTION OF PREMISES**

The premises that are the subject of this Agreement consist of the dock and adjacent property at Pier II as depicted in attached Exhibit A.

**II. USE OF PREMISES**

**A.** The City hereby grants APL the right to use and occupy the Premises in connection with its transportation business and related activities during the term of this Agreement.

**B.** APL vessels calling to load and discharge containerized cargo on a scheduled basis shall be entitled to non-preferential berthing rights at Pier II in accordance with the terms and conditions set forth in this Agreement.

**1. Non-Preferential Berthing Rights.**

- a. APL shall have the non-preferential right to use the Pier II dock for purposes of mooring, docking, and loading or discharging cargo on or from APL vessels, including ships, barges, or other watercraft which are owned, operated, or chartered by or for APL or any affiliated or related company, or which are used in connection with any APL freight operations, or a vessel owned or operated by an entity with which APL has a connecting carrier, consortium, or rationalization agreement, if, and to the extent that, said vessel is carrying cargo on APL’s behalf (collectively “APL Vessel”).
- b. The non-preferential right of use provided by this paragraph is defined to mean that APL shall be accorded the right, after furnishing a vessel

schedule at least 12 hours in advance to the City Harbormaster, to berth a vessel at Pier II.

- c. It is agreed that the berths and facilities at Pier II are public berths and subject to the provisions of Preferential Use Agreements and contracts between the City and others. APL agrees the NOAA vessel Oscar Dyson, State of Alaska ferries, Petro Star fuel barges and cruise ships will have priority use of Pier II berths. APL's vessels will be accommodated at Pier II on a space available basis.
- d. APL berths are depicted in attached Exhibit A. APL's primary berth for cargo operations is Berth 1 on the NE end of Pier II. Berth 2 is the secondary berth on the SW end of Pier II, to be used only when berth 1 is not available. Containers may only be temporarily grounded during loading and unloading operations at berth 2.
- e. APL shall make a reasonable effort to vacate the berth within two (2) hours after working cargo; provided however, should weather conditions prevent the vessel from leaving safely, an extension may be granted by the City Harbormaster if not a conflict with previously scheduled vessels.
- f. APL agrees that during the term of this Agreement its Kodiak representative, will furnish the City Harbormaster with information as to the position, estimated time of arrival in Kodiak, and estimated port time of any vessel desiring to berth at Pier II at least 12 hours in advance of the estimated time of arrival.

2. Use of Storage, Marshaling Areas, and Facilities Other than the Dock.

APL shall have exclusive right to use and occupy the APL Upland Lease area depicted in attached Exhibit A, including without limitation the operations of loading, unloading, working, parking, and storage of cargo, vans, chassis, trucks, and other equipment; provided that the City reserves the right to maintain access for all users via the public rights-of-way and dock area adjacent to any APL vessel berthed at Pier II when not actively engaged in loading or unloading operations.

3. Reservation of Rights.

The City specifically reserves to itself and for non-APL vessels rights to use and occupy the Pier II Terminal, or portions thereof, subject to the priorities of use accorded to APL under this Agreement. The City agrees that it will issue tariffs governing the rates, charges, and conditions for the use of the Pier II Terminal by others, and shall assess reasonable rates and charges to users of the facility.

4. Berthing of APL Vessels.

In addition to non-preferential berthing for loading and unloading cargo as provided above, barges owned, chartered, or operated by APL shall be allowed to berth at Pier II while not engaged in cargo operations, unless the City Harbormaster requests their removal to allow the use of Pier II by other vessels.

In such event, the City Harbormaster will notify the vessel captain as early as possible of the time the vessel must clear the pier.

**III. PAYMENTS**

A. APL shall pay to the City Wharfage and Dockage fees at the rates shown in the published City Port Tariff, except that discounted Wharfage and Dockage rates will apply based on a Minimum Quantity Commitment "MQC" of 50,000 short tons each year of the agreement. If the MQC is not met, full tariff rates will be due for all Wharfage less than 50,000 short tons and all dockage for the applicable year. The rate for a year is effective commencing on August 1 of the year and for 12 months thereafter. Transshipped/transloaded cargo shall be subject to a single-move, one-time wharfage charge at the same rate.

<u>Tons per year</u>	<u>Discount off Tariff Rate</u>
• 0-50,000	10%
• 50,001 – 75,000	20%
• 75,001 – and up	30%

B. APL shall submit to the City within ten days of the end of each month a statement detailing the vessel dockage and cargo tonnage handled during the previous month.

C. APL shall pay the City for use of the upland lease depicted in attached Exhibit A, in addition to wharfage, dockage, and other fees or charges elsewhere specified in this Agreement, the monthly payments due, plus City sales tax, on the first day of each month as shown in the table below. The monthly payment amount for a given year is effective commencing on August 1 of each year of the Agreement and for 12 months thereafter. Rate is based on 23,500 SF leased area at \$2.00 per square foot, for year one, and with a three percent increase each year thereafter:

<u>Year</u>	<u>Monthly Payment</u>	<u>Year</u>	<u>Monthly Payment</u>
1	\$3,917.00	4	\$4,280.21
2	\$4,034.51	5	\$4,408.61
3	\$4,155.54		

D. Amounts payable by APL for facilities or services under this Agreement supersede any charges for the same facilities or services under the Tariff for the Port of Kodiak Cargo Terminal. Nothing in this Agreement reduces or modifies the liability of APL for fees or charges for other facilities or services set out in the Tariff for the Port of Kodiak Cargo Terminal.

E. Upland lease payments are due with or without invoice on the date specified in subparagraph C above. City shall issue monthly invoices for all other amounts due. Invoices are due and payable within thirty days. All amounts due under this Agreement that are not paid within thirty days of the date due shall bear interest at the rate of 12% per annum for as long as the delinquency continues.

#### **IV. TERM OF AGREEMENT**

**A.** Initial Term. The term of his Agreement is for five years and shall commence on August 1, 2018, and shall continue in full force and effect until midnight July 31, 2023, unless earlier terminated pursuant to this section.

**B.** Renewal Terms. This Agreement may be renewed for two consecutive additional five-year periods (each a "Renewal Term"), by mutual agreement of the parties. At least ninety (90) days' prior to the expiration of the term then in effect, APL shall provide written notice to the City of its desire to renew or not renew this Agreement for the next succeeding Renewal Term. The City will then reply to APL within fifteen (15) days whether it wishes to renew this Agreement. If both parties agree to renew this Agreement, they shall then enter good faith negotiations to address any modifications to this Agreement requested by either party. The failure of the parties to agree upon a renewal of this Agreement shall cause this Agreement to terminate at the end of the current term.

**C.** The City may declare a default hereunder and terminate this Agreement, in addition to exercising any other available remedy, upon the occurrence of any of the following:

1. The failure of APL to pay any sum of money due under this Agreement within ten (10) days after the due date.
2. The failure of APL to perform or observe any covenant or condition of this Agreement, other than a default in the payment of money described in Section **IV.C.1**, which is not cured within thirty (30) days after notice thereof from the City to APL, unless the default is of a kind that may be cured, but not within such thirty (30)-day period, in which case no default shall be declared so long as APL shall commence the curing of the default within such thirty (30) day period and thereafter shall diligently and continuously prosecute the curing of same.
3. The commencement of a case under any chapter of the federal Bankruptcy Code by or against APL, or the filing of a voluntary or involuntary petition proposing the adjudication of APL as bankrupt or insolvent, or the reorganization of APL, or an arrangement by APL with its creditors, unless the petition is filed or case commenced by a party other than APL and is withdrawn or dismissed within ninety (90) days after the date of its filing.
4. The admission in writing by APL of its inability to pay its debts when due; the appointment of a receiver or trustee for the business or property of APL, unless such appointment shall be vacated within ten (10) days after its entry; APL making an assignment for the benefit of creditors; or the voluntary or involuntary dissolution of APL.
5. If APL is in default under the Terminal Operation Contract.

#### **V. USE OF PREMISES**

- A.** APL shall not use the Premises or any facilities for any unlawful purposes.
- B.** APL shall use the Premises solely for freight transportation purposes.

#### **VI. MAINTENANCE AND REPAIR OF PREMISES**



A. The City shall maintain and repair, at its own expense, the utilities (water, sewer or septic system, storm drainage, and electrical), common roadbeds and pier structures. In no event shall the City be obligated to repair or otherwise mitigate or respond to damages resulting from APL's use of the pier and pavement pursuant to this Agreement; except that the City shall be obligated to repair or otherwise attempt to mitigate or respond to damages resulting from an act or omission by the City or a third party. The City shall insure that other users of Pier II keep it clean and orderly.

B. Specifically in APL leased areas as depicted in attached Exhibit A, APL shall, at its own expense, provide all routine preventive maintenance, repairs, and replacements to any APL structures, including: any APL buildings, container cranes, container handling equipment, APL installed electric systems and equipment, and the container storage area.

C. Asphalt: APL will maintain and repair all asphalt pavement in good condition. APL will provide all snow removal and de-icing of the APL leased areas at Pier II. APL shall keep the Premises clean, orderly, and free of rubbish. If APL fails to adequately remove snow, ice, or debris, the City may furnish the necessary equipment and manpower to provide this service in which event APL shall promptly pay the City's billings for such services.

D. APL shall provide the City Harbormaster a semi-annual maintenance and repair report on any single incident of damage or repair over ten thousand dollars (\$10,000).

E. Within thirty (30) days after each anniversary of the date of this Agreement, APL and the City agree to inspect the Premises and prepare a report describing the condition of the Premises and specifying any items in need of repair. The party responsible for those repairs shall start those repairs within thirty (30) days after the report is prepared and shall promptly complete them.

F. If, at any time during the term of this Agreement, the Premises are damaged or destroyed by fire or other casualty, due to any cause other than an act or omission solely of APL, the City may elect to either (i) at its expense, repair, rebuild, replace and restore the Premises to a condition comparable to that which existed immediately prior to the fire or other casualty, or (ii) terminate this Agreement. In the event the City elects to repair, rebuild, replace or restore the Premises, payments under this Agreement shall be abated in proportion to the extent that the Premises are not usable by APL during the time the unusable areas remain unrepaired or unrestored.

G. APL shall make no alterations, additions, or improvements to the Pier II Terminal without the prior written approval of the City. At the expiration of this Agreement, or any renewal thereof, any such improvements not removed by APL in accordance with Paragraph XVI(B) shall become the property of the City.

H. APL acknowledges having inspected or having been given a full opportunity to inspect the Premises and hereby accepts them in their present condition, and shall at the termination of this Agreement surrender said Premises in as good a condition and repair to the City.

## VII. INDEMNITY

A. APL shall indemnify and hold harmless the City and its elected and appointed officials, employees, agents, and servants from any and all losses, expenses, damages,

demands, and claims by any person in connection with or rising out of any injury (including death) to persons or in connection with damage to property or the natural environment, sustained in whole or in part as a result of APL use, occupancy and maintenance of the Premises, and/or exercise of its rights under this Agreement or APL breach of this Agreement. APL shall defend all suits and actions brought against the City and any of its elected or appointed officials, employees, agents or servants from any such injury or damage and shall pay all damages, costs, and expenses, including attorney's fees incurred in connection with the suits or actions. The only exception to this indemnity provision shall be for claims resulting from the negligence, gross negligence, or willful misconduct of the City or its employees, agents, or servants, and for claims resulting from an act or omission of a third party, with respect to which APL's obligations under this paragraph shall be limited to that portion of any such claim not attributable to the City and not attributable to a third party.

**B.** This indemnity provision specifically includes all environmental damage that may result from APL operations under this Agreement and any penalties or fines which may be assessed in connection therewith.

**C.** Claims arising in whole or in part out of any incident or event occurring during the term of this Agreement or any extension or renewal of it shall be covered by the provisions of this section IX even though they may not have been asserted or discovered until after the expiration of said term.

#### **VIII. UTILITIES**

**A.** During the term of this Agreement, APL shall pay the providers directly for all utility bills and accounts for utility services used or consumed by APL on or in connection with the Premises.

**C.** APL shall be responsible for obtaining its own janitorial services for APL facilities on the Premises, if any.

#### **IX. INSURANCE**

**A.** APL shall procure and maintain at its sole expense, and shall keep in full force and effect throughout the term of this Agreement, the following policies of insurance:

1. Commercial General Liability Insurance, \$5,000,000 combined single limit per occurrence for bodily injury and property damage claims arising from all operations related to this Lease. The general aggregate limit shall be \$5,000,000.
2. Commercial Automobile Liability Insurance, \$5,000,000 combined single limit per accident for bodily injury and property damage.
3. Worker's Compensation and Employers Liability. Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement, if applicable: (i) bodily injury by accident--\$1,000,000 each accident; and (ii) bodily injury by disease--\$1,000,000 each employee, \$1,000,000 policy limit.
4. Pollution Insurance, \$10,000,000 combined single limit per loss applicable to bodily injury, property damage, including loss of use of damaged property or of

property that has not been physically injured or destroyed; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense or settlement of claims. Coverage shall apply to sudden and non-sudden pollution conditions resulting from the escape or release of petroleum products, smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials, or other irritants, contaminants, or pollutants.

**B.** Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability and Pollution
  - a. City, its officers, officials, employees and volunteers are to be covered as additional insureds. The coverage shall contain no special limitation on the scope of protection afforded to City, its officers, officials, employees and volunteers.
  - b. APL's insurance coverage shall be primary insurance as respects City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees and volunteers shall be excess of APL's insurance and shall not contribute to it.
  - c. APL's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by APL for City.
2. Worker's Compensation and Employer's Liability. APL's insurer shall agree to waive all rights of subrogation against City, its officers, officials, employees and volunteers for losses arising from work performed by APL for City.
3. All Insurance. Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given by the Insurer to City by certified mail, return receipt requested.

**C.** Acceptability of Insurers. Insurance is to be placed with insurers qualified to do business in Alaska having a Best's rating of no less than A-.

**D.** Verification of Coverage. APL shall furnish City with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this Section. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms which meet industry standard. City reserves the right to require complete, certified copies of all required insurance policies at any time.

## **X. RIGHT OF INSPECTION-RECORD KEEPING REQUIREMENT**

**A.** The City shall have the right to inspect the Premises without prior notice to ensure compliance with the terms of this Agreement.

**B.** The City shall have the right to audit APL's records and to require APL to prepare summaries or reports from its records to determine compliance with the payment terms of this Agreement.

**C.** APL shall prepare or cause to be prepared bills of lading detailing all cargo loaded on or from each container on any APL Vessel using the Premises. AML shall preserve all bills of lading and other records evidencing APL's use of the Premises for not less than three (3) years after expiration of this Agreement.

## **XI. TAXES**

**A.** In addition to the fees and charges provided in this Agreement, APL shall pay when due all taxes and other charges which are levied at any time during the term of this Agreement upon the leasehold interest and any improvements on the Premises. If the City receives a notice of assessment from any taxing jurisdiction claiming that the City or APL is liable for any tax or charge for which APL has agreed to make payment under this paragraph, the City shall notify APL in writing no later than thirty (30) days after receipt of the claim. If the City fails to provide APL such notice, APL shall have no obligation to pay the tax or charge.

**B.** If APL has a reasonable basis to contest, protest, or appeal (the "Appeal") the imposition or amount of any tax or charge, APL, at its own expense, may prosecute the Appeal, in which case the City shall cooperate fully with APL including, but not limited to, providing documentation and other information as required for APL to settle or sustain the Appeal. If APL prosecutes the Appeal, and if, but only if, such proceedings suspend enforcement and collection of the tax or charge, and no part of the Premises or any interest therein is or will be in danger of being sold or forfeited, APL shall have no obligation to pay the tax or charge until the taxing jurisdiction's decision that the City or APL is liable for the tax or charge becomes final. If any of the Premises is subjected to a lien which is not discharged within thirty (30) days after APL receives notice of such lien, APL shall deposit with the City cash, a sufficient corporate surety bond or other security satisfactory to the City in an amount adequate to provide for the discharge of the lien plus any interest, costs, attorneys' fees or other charges that could accrue as a result of such contest.

## **XII. ASSIGNMENT**

The parties stipulate and agree that the services rendered under this Agreement are of such a nature that the rights and duties of APL hereunder shall not be assignable without the prior written consent of the City, which consent shall not be unreasonably withheld, except to an entity that is owned solely by or that is an affiliate of APL, after thirty (30) days' prior notice to the City. APL shall include in such notice a statement of any legal requirement for confidentiality regarding the notice or the related transaction, with which the City shall comply. Should the City consent to an assignment APL shall nevertheless remain liable for the performance of all of its obligations under this Agreement and the acceptance by the City directly from an assignee of any payments or other performance due under this Agreement shall not be construed as a waiver of APL's continuing liability. A change of control of APL other than from the parent entity of APL to an affiliate shall constitute an assignment for purposes of this provision.

### **XIII. COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS**

At all times during the term of this Agreement, APL shall conduct operations in accordance with all applicable federal, state, and local laws and ordinances.

### **XIV. SEVERABILITY**

If any part, term or provision of this Agreement is declared null or unenforceable by a court or other tribunal of competent jurisdiction, the validity and enforceability of the rest of this Agreement shall not be affected.

### **XV. WAIVERS**

No waiver by APL or the City of any covenant or condition of this Agreement shall be construed as a waiver of any other covenant or condition, nor shall the waiver of one breach be considered as a waiver of any other breach.

### **XVI. SURRENDER**

**A.** APL agrees not to encumber the Premises at any time during the term of this Agreement. APL agrees that the Premises shall not be subject to any liens, charges or encumbrances and agrees that at the expiration of the term of this Agreement it will deliver to the City or its designee, the Premises in good condition (ordinary wear and tear excepted) and without liens, charges, or encumbrances.

**B.** Unless required for the performance by APL of its obligations hereunder, APL shall have the right at any time during the Term to remove from the Premises all its equipment, removable fixtures and other personal property, and all property of third persons for which APL is responsible, and on or before the expiration or earlier termination of this Agreement it shall remove all of the same from the Premises, repairing all damage caused by any removal; provided, however, if APL shall fail to remove all such property within forty-five (45) days after the expiration or earlier termination of this Agreement, the City may remove such property to a public warehouse for deposit or may retain the same in its own possession and in either event may sell the same at public auction; provided, further, that the City shall have given APL ten (10) days' notice of the City's intent to sell such property at public auction, the proceeds of which shall be applied: first to the expenses of removal, including repair required thereby, and of storage and sale; second, to any sums owed by APL to the City, with any balance remaining to be paid to APL. If the expenses of such removal, repair, storage, and sale shall exceed the proceeds of sale, APL shall pay such excess to the City upon demand. Without limiting any other term or provisions of this Agreement, APL shall indemnify and hold harmless the City, its officers, agents, employees, and contractors from all claims of third persons arising out of the City's removal and disposition of property pursuant to this Section, including claims for conversion, claims for loss of or damage to property, claims for injury to persons (including death), and claims for any other damages, consequential or otherwise, excluding only claims based on the City's sole negligence.

### **XVII. MODIFICATIONS AND NOTICES**

**A.** No modification of this Agreement shall be effective unless agreed to by APL and the City in writing and approved by the Kodiak City Council. No modification of one

provision of this Agreement shall be considered a waiver, breach or cancellation of any other provision.

**B.** All notices required to be given under this Agreement shall be in writing, and shall be effective on the date of receipt and shall be mailed to the parties at the following addresses:

American President Lines, LLC  
727 Shelikof Street  
Kodiak, AK 99615  
Attn: Mike Mizell

City Manager  
City of Kodiak  
710 Mill Bay Road  
Kodiak, Alaska 99615

Any notice or document delivered by facsimile transmission to a facsimile machine at which the recipient routinely receives such transmissions shall be effective upon the date of receipt of the complete and fully legible document (so long as the original is also mailed in accordance with this paragraph) unless the transmission occurred outside of the usual business hours of the recipient, in which event the document shall be deemed to have been received on the next business day.

#### **XVIII. ANTI-DISCRIMINATION**

During the performance of this Agreement, APL agrees:

- A.** In connection with its performance under this Agreement including construction, maintenance, and operation of or on the Premises, APL will not discriminate against any employee or applicant for employment because of age, race, color, ancestry, religion, sex, or national origin.
- B.** APL and its employees shall not discriminate, by segregation or otherwise, against any person on the basis of race, color, ancestry, religion, sex, or nationality by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally.
- C.** APL shall include and require compliance with the above nondiscrimination provisions in any subletting or subcontract made with respect to use of the Premises under this Agreement.

#### **XIX. ALASKA LAW**

The parties agree that this Agreement was entered into in the State of Alaska, that Alaska law will govern its interpretation and application, and that venue of any suit or other action arising out of this Agreement shall be in the Superior Court for the State of Alaska Third Judicial District unless a nonwaivable state or federal law requires otherwise.

#### **XX. BINDING ON SUCCESSORS AND ASSIGNS**

All provisions of this Agreement shall inure to the benefit of and be binding on the parties, their successors, and permitted assigns.

#### **XXI. COMPLETE AGREEMENT**

This Agreement, including Exhibit A hereto, and the Terminal Operation Contract, both dated August 1, 2018, between APL and the City, constitutes the final agreement between

the parties. They are the complete and exclusive expression of the parties' agreement on the matters contained in this Agreement. All prior and contemporaneous oral and written negotiations and agreements between the parties on the matters contained in this Agreement are expressly merged into and superseded by the aforementioned agreements.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date or dates indicated beneath the signature of their respective officers or agents.

City of Kodiak

American President Lines, LLC

Mike Tvenge 8-9-2018  
Mike Tvenge, City Manager Date

Edward Aldridge 8/4/2018  
Edward Aldridge Date  
President North America

ATTEST:

ATTEST:

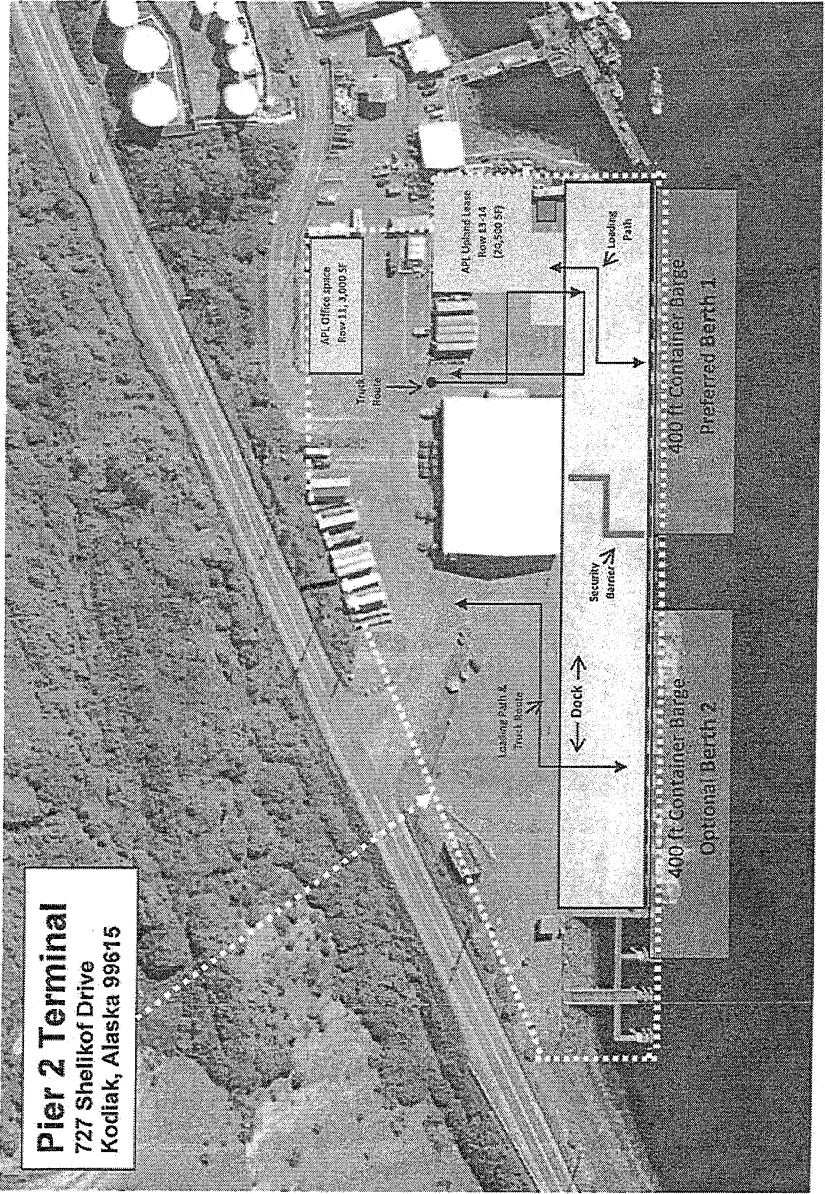
Debra L. Marljar 8/9/18  
Debra L. Marljar Date  
City Clerk

Shirley Wang 8-2-2018  
Shirley Wang Date  
Executive Assistant

Pier II Use and Upland Lease Agreement,  
**Exhibit-A: Terminal Operation Contract, American President Lines, LLC**

10/17/18 MS

**Pier 2 Terminal**  
 727 Shellkof Drive  
 Kodiak, Alaska 99615





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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
**Thru:** Timothy Putney, Chief of Police  
**Date:** October 25, 2018

**Agenda Item: V. b. Authorization of Bid Award for Vehicle Purchase for the Kodiak Police Department From Alaska Sales and Service**

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**SUMMARY:** The FY2019 budget authorizes the purchase and up fitting of three new police department vehicles for the uniform patrol division. This purchase includes the addition of one police vehicle to the existing fleet and the replacement of a 2008 Ford Taurus and a 2006 Ford Expedition, which are recommended for replacement this year pursuant to the City's Vehicle Replacement Policy and the Long-Term Capital Improvement Plan. Staff recommends Council authorize the purchase of three new police vehicles from Alaska Sales and Service with up fitting to be completed by Alaska Safety Inc. for a total of \$140,916.00 plus other costs for accessories purchased separately.

**PREVIOUS COUNCIL ACTION:**

- The purchase of three new police department vehicles was included in the FY2019 budget summary and subsequent budget presentation.
- Council adopted the FY2019 budget at the April 12, 2018, regular meeting.

**BACKGROUND/DISCUSSION:** The police department is seeking to purchase and up fit (equip) three new police vehicles this fiscal year. The City's Long-Term Capital Improvement Plan recommended the replacement of five police department vehicles this year; however, three of the vehicles are not needed for patrol and we determined their replacement could be delayed. This purchase request includes the remaining two vehicles that are recommended for replacement this year, and one vehicle that is a new addition to the fleet to augment increased patrol efforts downtown. The 2006 Ford Expedition (patrol unit #9) was removed from service in 2016 when the vehicle's body was found to be rusting off the frame. No new vehicles were authorized in the FY2018 budget, so the replacement of unit #9 was delayed to this year.

The Police Department purchases special duty police vehicles from dealerships who participate in the State of Alaska's light duty/police vehicle bid process. This allows us to get the best possible pricing on purpose built vehicles manufactured specifically for public safety. These vehicles are equipped with safety features that aren't included in consumer models, and they are designed to be up-fitted (or equipped) with emergency lights and sirens, prisoner partitions, police radios, locking gun racks, in-car

video cameras, and docking stations for a computer. This year Alaska Sales and Service entered a winning bid and are offering a purpose built 2019 Chevrolet Tahoe PPV for \$36,192.

Alaska Safety Inc. specializes in up-fitting emergency vehicles throughout the State of Alaska. They are master distributors, which mean they have factory-trained technicians. Alaska Safety Inc. is the only full service emergency vehicle installation shop in the Anchorage area. Ordering vehicles through an Anchorage area dealership and having them delivered to Alaska Safety, Inc. will limit downtime and delivery costs. The cost to up-fit each vehicle is \$10,780, which includes installation of accessories purchased separately.

The police department tries to keep up-fitting costs to a minimum by reusing some of the equipment installed in earlier vehicles; however, both of the vehicles being replaced have been in service for more than 10 years and the equipment is old or obsolete. The accessories including VHF police radios in each vehicle are more than 15 years old and are no longer supported by Motorola. New Motorola radios will cost \$4,162.57 each. In addition to the radios, new in-car video cameras and reflective vehicle decal kits will be purchased and delivered to Alaska Safety, Inc. for installation. The total cost of each vehicle is \$54,311.57, which includes shipping to Kodiak.

#### **ALTERNATIVES:**

- 1) Authorize the purchase of three new police vehicles from Alaska Sales and Service with up fitting to be completed by Alaska Safety Inc. for a not to exceed total of \$141,000, which is staff's recommendation.
- 2) The police department could solicit quotes from dealerships offering regular consumer model vehicles. Vehicles manufactured for regular consumers are not manufactured with any special modifications for use in public safety, and are not ready for the installation of police radio, emergency lights, sirens, in-car cameras, locking gun racks, computers, and prisoner partitions. Purchasing consumer model vehicles could change the up-fitting cost because the available equipment and mounting options would change.
- 3) The police department could continue using the vehicles in the fleet without adding or replacing any of the current vehicles. According to the Long-Term Capital Improvement Plan, this would put the police department nine vehicles behind their scheduled replacement date by next fiscal year. Police department vehicles can operate 24 hours a day. They need to be mechanically sound and reliable.

**FINANCIAL IMPLICATIONS:** The funding for replacing the vehicles was approved in the FY2019 budget. All three vehicles and equipment are funded through the uniform patrol machinery and equipment greater than \$5,000 account.

#### **LEGAL:**

**STAFF RECOMMENDATION:** Staff recommends Council authorize the sole source purchase of three purpose built police vehicles from Alaska Sales and Service with up-fitting to be completed by Alaska Safety, Inc. in the amount not to exceed \$141,000.

**CITY MANAGER'S COMMENTS:** Each vehicle will be used by patrol officers for routine patrol and emergency response.

**NOTES/ATTACHMENTS:**

Attachment A: Alaska Sales and Service quote

Attachment B: Alaska Safety Inc. quote

**PROPOSED MOTION:**

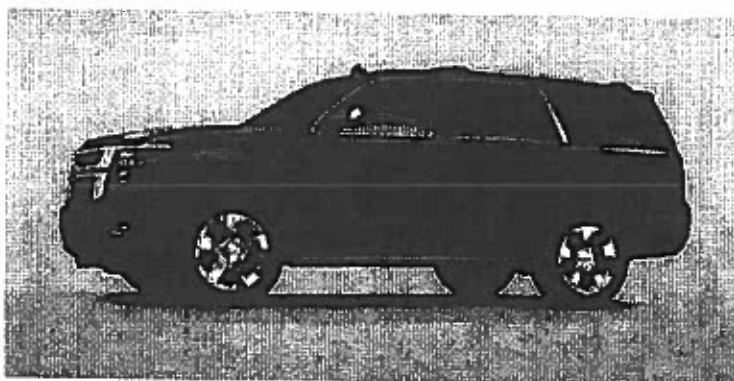
Move to authorize the purchase of three new police vehicles from Alaska Sales and Service with up fitting to be completed by Alaska Safety Inc. for a total amount not to exceed \$141,000 with funds from the Uniform Patrol Machinery and Equipment greater than \$5,000 account and authorize the City Manager to execute the documents on behalf of the City.



**Alaska Sales and Service**

Daniel Bacon | 907 265 7535 | danielb@aksales.com

**[Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)**



City of Kodiak Police Department  
Lt Francis de la Fuente  
email: fdelafuente@city.kodiak.ak.us

Piggy Back SOA  
End User Fan: 812617

*Requote  
without Autostart  
and engine Block  
heater  
\$36,192*



# Alaska Sales and Service

Daniel Bacon | 907 265 7535 | danielb@aksales.com

[Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)

## Window Sticker

### SUMMARY

[Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)

MSRP:\$49,700.00

Interior:Jet Black, Cloth seat trim

Exterior 1:Black

Exterior 2:No color has been selected.

Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing

Transmission, 6-speed automatic, electronically controlled

### OPTIONS

CODE	MODEL	MSRP
CK15706	[Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)	\$49,700.00
<b>OPTIONS</b>		
1FL	Commercial Preferred Equipment Group	\$0.00
1LR	Brake system, modified, Police "City Brake Package"	\$0.00
5HP	Key, 6 additional keys	\$41.00
5T5	Seats, 2nd and 3rd row vinyl with front cloth seats	\$0.00
6C7	Lighting, red and white front auxiliary dome	\$170.00
6N5	Switches, rear window inoperative	\$57.00
6N6	Door locks and handles, inside rear doors inoperative	\$59.00
9C1	Identifier for PPV	(\$3,835.00)
ATD	Seat delete, third row passenger	Inc.
AZ3	Seating, front 40/20/40 split-bench	\$0.00
C5Y	GVWR, 7100 lbs. (3221 kg)	Inc.
FE9	Emissions, Federal requirements	\$0.00
GBA	Black	\$0.00
GU4	Rear axle, 3.08 ratio	\$0.00
H0U	Jet Black, Cloth seat trim	\$0.00
IO5	Audio system, 8" diagonal color touch-screen with Chevrolet Infotainment	\$0.00
K4B	Battery, Auxiliary, 730 CCA	Inc.
KW7	Alternator, 170 amps, high output	Inc.

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Data Version: 8731. Data Updated: Oct 8, 2018 9:25:00 PM PDT.



# Alaska Sales and Service

Daniel Bacon | 907 265 7535 | danielb@aksales.com

## [Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)

L83	Engine, 5.3L EcoTec3 V8 with Active Fuel Management, Direct Injection and Variable Valve Timing		\$0.00
MYC	Transmission, 6-speed automatic, electronically controlled		\$0.00
NQH	Transfer case, active, 2-speed electronic Autotrac	Inc.	
NZZ	Skid Plate Package	Inc.	
QAR	Tires, P265/60R17 all-season, police, V-rated	Inc.	
R9Y	Fleet Free Maintenance Credit		(\$33.75)
RAP	Wheels, 17" x 8" (43.2 cm x 20.3 cm) steel, police, Black	Inc.	
RM7	Wheel, 17" x 8" (43.2 cm x 20.3 cm) full-size, steel spare	Inc.	
UE0	OnStar, delete		(\$85.00)
VK3	License plate front mounting package		\$0.00
VPV	Ship Thru, Produced In Arlington Assembly	Inc.	
VQ2	Fleet processing option		\$0.00
Z56	Suspension Package, heavy-duty, police-rated	Inc.	
ZAK	Tire, spare, P265/60R17 all-season, police, V-rated	Inc.	
ZY1	Paint scheme, solid application		\$0.00
—	Safety belts, 3-point, driver and front passenger in all seating positions	Inc.	
—	Capless fuel fill	Inc.	
—	Recovery hooks, standard removed	Inc.	
—	Door handles, body-color	Inc.	
—	Instrumentation, analog	Inc.	
—	Key, 2-sided	Inc.	
—	Luggage rack, delete	Inc.	
—	Exterior ornamentation delete	Inc.	
—	Power outlets, 4 auxiliary, 12-volt	Inc.	
—	Power supply, 100-amp, auxiliary battery, rear electrical center	Inc.	
—	Power supply, 50-amp, power supply, auxiliary battery	Inc.	
—	Power supply, 120-amp, (4) 30-amp circuit, Primary battery	Inc.	
—	Theft-deterrent system, vehicle, PASS-Key III	Inc.	

**SUBTOTAL** **\$46,073.25**

Adjustments Total \$0.00

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Data Version: 6731. Data Updated: Oct 8, 2018 9:25:00 PM PDT.



# Alaska Sales and Service

Daniel Bacon | 907 265 7535 | danielb@aksales.com

[Fleet] 2019 Chevrolet Tahoe (CK15706) 4WD 4dr (4)

Destination Charge

\$1,295.00

**TOTAL PRICE**

**\$47,368.25**

## FUEL ECONOMY

Est City:15 MPG

Est Highway:21 MPG

Est Highway Cruising Range:546.00 mi

36192  
Fob  
Anchor

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Data Version: 6731. Data Updated: Oct 8, 2018 9:25:00 PM PDT.



**Alaska Safety, Inc.**

Alaska Safety, Inc.  
4725 Gambell Street  
Anchorage, AK 99503  
Phone: (907) 561-5661 Fax: (907) 561-8484

Quotation# **036595**

Account ID <b>00001507</b>	Contact <b>Francis</b>	
Customer PO <b>None</b>	Telephone <b>(907) 486-8000</b>	Facsimile <b>(907) 486-8600</b>

**Bill To:**

**City of Kodiak - Police**  
Accounts Payable  
2160 Mill Bay Road  
Kodiak, AK 99615

**Ship To:**

**City of Kodiak - Police**  
Kodiak Police Dept.  
2160 Mill Bay Road  
Kodiak, AK 99615

Special Order  Drop Ship 

Quote Date	Comments			Special Instructions			Terms
09/20/2018	2018 Tahoe, 3 rigs total						NET 30
Ship Via	Date Required	FOB	Prepared By	Order#	Salesperson		
WC	09/20/2018	Anchorage	CLINT		Clint VanNoy		
Quantity	Item#	Description			Price	Total	
2 EACH	SOELUC2S01OW	*Universal Hide-a-Way LED Crnr LED Rear Only			\$85.00	\$170.00	
1 EACH	PE3892L6	*MASTERCOM 100W FULL FEATURE SIREN FULLFEATURE 100W SIREN ,PLUS NEW STYLE W/ Plug In Mic & Mic Jack			\$420.00	\$420.00	
1 EACH	FDES100	*New DynaMax Speaker 100W Compact			\$185.00	\$185.00	
1 EACH	FDESB-U	Universal Bail Bracket, all vehicles			\$20.00	\$20.00	
1 EACH	STGK11191B1SSVSCA	Dual T-Rail Gun Rack Blac-Rac & Sm Lock Sm Gun ock F/ Shot Gun and Blac-Rac F/ the AR			\$715.00	\$715.00	
1 EACH	SOEL3D08A00J	*Ultralite 8 Module Exterior Red/Blue RearWindow			\$395.00	\$395.00	
1 HOUR	LABOR	Install Shop Labor Installation of the above items as per KPD Spec. Customer supplied radio, and video system.			\$1,995.00	\$1,995.00	
1 EACH	INSS	Shop Supplies This charge covers wire terminals,fuse box,hardware, ect... Co-ax for supplied Radio			\$200.00	\$200.00	
1 EACH	INPJ623	Brother Pocker Jet Printer The Brother PocketJet 6 Plus mobile printers feature high-quality, 300 dpi printing for applications that require the best output for fine text and graphics. The PocketJet 6 Plus comes with integrated USB 2.0 and IrDA interfaces, and an optional Bluetooth technology interface is available. THIS PRICE INCLUDES LB3602(USB CABLE) & LB3692 (14FT ADAPTER)			\$420.00	\$420.00	
1 EACH	PE21TR52A3-RB	*21 TR Series Lightbar Custom Red/Blue			\$1,100.00	\$1,100.00	
1 HOUR	LABOR	Install Shop Labor Install customer supplied decal set.			\$495.00	\$495.00	

# Alaska Safety, Inc.

Alaska Safety, Inc.  
 4725 Gambell Street  
 Anchorage, AK 99503  
 Phone: (907) 561-5661 Fax: (907) 561-8484

Quotation# **036595**

Account ID <b>00001507</b>	Contact <b>Francis</b>	
Customer PO <b>None</b>	Telephone <b>(907) 486-8000</b>	Facsimile <b>(907) 486-8600</b>

**Bill To:**

**City of Kodiak - Police**  
 Accounts Payable  
 2160 Mill Bay Road  
 Kodiak, AK 99615

**Ship To:**

**City of Kodiak - Police**  
 Kodiak Police Dept.  
 2160 Mill Bay Road  
 Kodiak, AK 99615

Special Order  Drop Ship

Quote Date <b>09/20/2018</b>	Comments <b>2018 Tahoe, 3 rigs total</b>	Special Instructions	Terms <b>NET 30</b>
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Ship Via <b>WC</b>	Date Required <b>09/20/2018</b>	FOB <b>Anchorage</b>	Prepared By <b>CLINT</b>	Order#	Salesperson <b>Clint VanNoy</b>
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Quantity	Item#	Description	Price	Total
2 EACH	SOEMPS2STS5RBW	<b>*Mpower 4" LED Light Tri Color STUD</b> mpower 4" Fascia Light w/ Stud Mount, 18" hard wire w/ sync option, SAE Class 1 & CA Title 13, 9-32 Vdc, Black Housing, 18 LED, Tri Color - Red/Blue/White Installed on Grill	\$125.00	\$250.00
1 EACH	STWK0514TAH15	<b>Window Barrier for 2018 Tahoe, Steel</b>	\$210.00	\$210.00
1 EACH	ADSUVTH1511	<b>Prisoner Seat and Cage,15+ Tahoe</b> This part number includes the prisoner seat AND rear partition	\$1,350.00	\$1,350.00
1 EACH	TYCC-TMC-14	<b>Tahoe Console, 7" slope,7" level</b>	\$450.00	\$450.00
1 EACH	TYAC-INBHG	<b>4" Internal beverage holder w/ grommets</b>	\$40.00	\$40.00
1 EACH	STPK1155TAH15	<b>Tahoe Front Partition, 10XL, 2015-2017</b> provides extra leg room on passenger side rear.	\$750.00	\$750.00
1 EACH	HSPKG-PSM-376	<b>Computer Mount for 2015-2018 Chevy</b> 2015-2017 Chevrolet Tahoe, Suburban, 2015-2018 Silverado C3500HD Chassis Cab and 2014-2018 Chevrolet Silverado 1500, 2500 and 3500 pickup Passenger Side Mount Package.Premium PKG-PSM package includes a heavy-duty vehicle specific base plate, heavy-duty pole with height adjust handle, swing arm motion device with tilt-swivel and stability support arm. Does NOT include the Docking Station.	\$650.00	\$650.00
1 EACH	HSC-ARPB-103	<b>Brother Arm Rest Printer Brkt. Side Mnt.</b> Arm rest printer bracket: side mounted pedestal,Brother PocketJet 6 and Brother PJ-673 compact Wi-Fi PocketJet printer mount. Paper loads from end of housing by removing a "spin on" cap, 4" inches adjustable height.	\$295.00	\$295.00

# Alaska Safety, Inc.

Alaska Safety, Inc.  
 4725 Gambell Street  
 Anchorage, AK 99503  
 Phone: (907) 561-5661 Fax: (907) 561-8484

Quotation# **036595**

Account ID <b>00001507</b>	Contact <b>Francis</b>	
Customer PO <b>None</b>	Telephone <b>(907) 486-8000</b>	Facsimile <b>(907) 486-8600</b>

Bill To:

City of Kodiak - Police  
 Accounts Payable  
 2160 Mill Bay Road  
 Kodiak, AK 99615

Ship To:

City of Kodiak - Police  
 Kodiak Police Dept.  
 2160 Mill Bay Road  
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Special Order  Drop Ship

Quote Date <b>09/20/2018</b>	Comments <b>2018 Tahoe, 3 rigs total</b>			Special Instructions		Terms <b>NET 30</b>
Ship Via <b>WC</b>	Date Required <b>09/20/2018</b>	FOB <b>Anchorage</b>	Prepared By <b>CLINT</b>	Order#	Salesperson <b>Clint VanNoy</b>	
Quantity	Item#	Description			Price	Total
1 EACH	HSUT-2001	<b>Universal Cradle for most Tablets</b> Smooth glide functionality for easier stationing and removing of computing device for ultimate portability. Compatible computer sizes: width: 9.30" (23.622cm) to 11.24" (28.54cm), height: 6.830" (17.34cm) to 8.13" (20.65cm), depth: 0.55" (1.39cm) to 0.93" (2.36cm)			\$220.00	\$220.00
1 EACH	UN213010-263	<b>Post Mount, 14+ Chevy Trucks, Tahoe</b>			\$450.00	\$450.00

**Comments**

This quotation is good for 30 days from the date listed above. Thank you for the opportunity!

Sub Total	\$10,780.00
EXMT 0% Tax	\$0.00
Freight	\$0.00
<b>Grand Total</b>	<b>\$10,780.00</b>
Deposit	\$0.00
Balance	\$10,780.00

Approved By: \_\_\_\_\_ Date \_\_\_\_\_

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**MEMORANDUM TO COUNCIL**

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Date:** October 25, 2018

**Agenda Item: V. c. Authorization to Cancel the November 22, and December 27, 2018, Regular Meetings and Authorize the City Manager to Schedule Additional Special Meetings if Needed**

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**SUMMARY:** The regularly scheduled Council meetings for November and December may be cancelled to reflect the holidays and elected official and staff travel schedules. Elected Officials and staff attend the Annual Alaska Municipal League Conference November 12 through November 16. Thanksgiving is on November 22 and December 27 is following the Christmas holiday; these are both regular meeting days.

**PREVIOUS COUNCIL ACTION:** The City Council cancels regular meetings and schedules special meetings from time to time due to travel and other scheduling conflicts.

**LEGAL:** Kodiak City Code identifies regular meetings are held on the second and fourth Thursdays of each month. If a regular meeting must be cancelled, a special meeting may be scheduled. The attendance requirements do not apply to special meetings.

**PROPOSED MOTION:**

Move to cancel the November 22, and December 27, 2018, regular meetings and authorize the City Manager to schedule additional special meetings if needed.

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**MEMORANDUM TO COUNCIL**

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**To:** Mayor Branson and City Councilmembers  
**From:** Debra Marlar, City Clerk  
**Date:** October 25, 2018

**Agenda Item:** V. d. Certification of Election

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**SUMMARY:** The City of Kodiak held a regular election October 2, 2018, and voters cast ballots for the two three-year City Council positions. The Canvass Board met October 10, 2018, to tally the votes of the admissible questioned and absentee ballots, together with votes counted on election night. The final results of the October 2, 2018, Municipal City election were:

City Council—Two Three-Year Terms  
Terry J. Haines .....294  
Rich Walker .....247  
Write-Ins .....26

Of the 4,013 registered City voters, 403 cast eligible City ballots, for a 10% voter turnout, which is 7% lower than last year.

**NOTES/ATTACHMENTS:**

Attachment A: Certificate of Election  
Attachment B: Canvass Report of Final Results

**PROPOSED MOTION:**

Move to certify the results of the October 2, 2018, regular election and declare Terry J. Haines and Rich Walker elected to the City Council for three-year terms.

**CITY OF KODIAK, ALASKA**  
**2018 Municipal Election**  
*Certificate of Election*

WE, the undersigned MAYOR and CITY CLERK of the City of Kodiak, Alaska, do hereby certify that the Council of the City of Kodiak, Alaska, in accordance with KCC 2.28.015, have received the report of the Canvass Board for the 2018 Municipal Election, held on the 2nd day of October 2018 and have determined that the election was validly held and have certified the following results:

**Councilmember, two three-year terms**

Number of ballots cast: .....403

<b>Candidates</b>	<b>Votes Received</b>
Terry J. Haines.....	294
Rich Walker.....	247
Write-ins.....	26

By the authority vested in us by the laws of the State of Alaska and the Charter and Code of the City of Kodiak, Alaska, we do hereby affix our hand and seal.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

DATED this 25th day of October 2018.

**Canvass Certificate of Election**  
**October 2, 2018, Regular Election**

**(Harbor)      (Teen)      Admissible**  
**32/820      32/825      Questioned      Total      Percent**

**REGISTERED VOTERS/BALLOTS CAST**

REGISTERED VOTERS	2,004	2,009		4,013	
BALLOTS CAST	178	186	39	403	10%

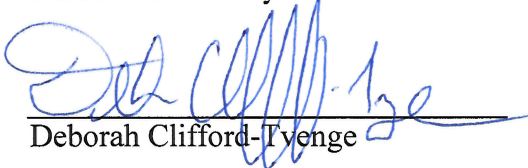
**VOTES CAST**

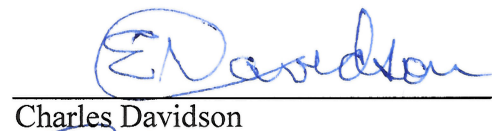
**City Council, Two Three-Year Terms**

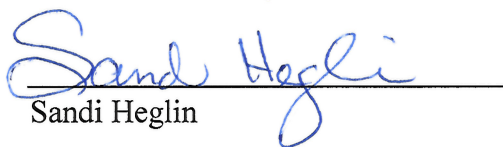
Terry J. Haines	137	127	30	294	51.9%
Rich Walker	113	116	18	247	43.6%
Write-ins	11	12	3	26	4.5%
Total	261	255	51	567	100%

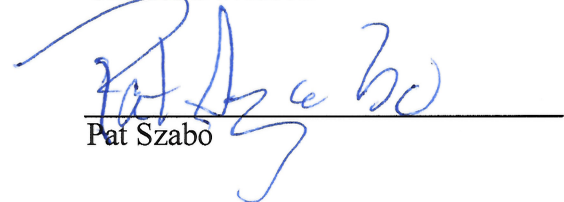
We, the undersigned Canvass Board for the 2018 City of Kodiak Municipal Election held October 2, 2018, hereby certify that the above is a true and correct statement of election results.

Dated this 10th day of October 2018.

  
 Deborah Clifford-Tyenge

  
 Charles Davidson

  
 Sandi Heglin

  
 Pat Szabo



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## MEMORANDUM TO COUNCIL

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**Date:** October 25, 2018

**Agenda Item:** X. Oath of Office

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**SUMMARY:** KCC 2.28.080 requires elected officials to take and subscribe to the Oath of Office. The City Clerk will now administer the Oath of Office to the City's re-elected officials.

**ATTACHMENT:**

Attachment A: Oath of Office

# CITY OF KODIAK, ALASKA

## *Oath of Office*

October 25, 2018

I, \_\_\_\_\_, do solemnly affirm that I will support the Constitution and laws of the United States, the laws of the State of Alaska, the ordinances of the City of Kodiak, and that I will faithfully and honestly perform the duties of \_\_\_\_\_, so help me God.

CITY OF KODIAK

\_\_\_\_\_  
Elected Official's Signature

ATTEST:

\_\_\_\_\_  
Debra L. Marlar, City Clerk

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Debra Marlar, City Clerk

**Date:** October 25, 2018

**Agenda Item:** **XI. a. City Clerk's Annual Evaluation**

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**SUMMARY:** Annually, the City Council reviews the performance of the City Clerk. In accordance with the Open Meetings Act, the City Clerk does not object to the evaluation being done in executive session.

**PROPOSED MOTION:**

Move to enter into executive session, as authorized by Kodiak City Code Section 2.04.100(b)(2), to conduct the City Clerk's annual performance evaluation.

OCTOBER 25, 2018  
Agenda Item XI. a. Memo Page 1 of 1