

**City of Kodiak Regular Council Meeting Agenda for November 8, 2012**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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| <b>I. Call to Order/Roll Call</b>  |    |
| Pledge of Allegiance/Invocation  |    |
| <b>II. Previous Minutes</b>  |    |
| Approval of Minutes of the October 25, 2012, Regular Council Meeting .....   | 1  |
| <b>III. Persons to Be Heard</b>  |    |
| a. Public Comments (limited to 3 minutes) (486-3231)   |    |
| b. Update From and Discussion With the City’s Juneau Lobbyist  |    |
| <b>IV. Unfinished Business</b>   |    |
| a. Second Reading and Public Hearing, Ordinance No. 1301, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2011 and Ending on the Thirtieth Day of June 2012, and Repealing Ordinance No. 1296..... | 8  |
| <b>V. New Business</b>   |    |
| a. Resolution No. 2012–34, Accepting a 2012 State Homeland Security Program Grant ....   | 14 |
| b. Authorization of FY2013 Special Services Contract with Alaska Department of Public Safety .....   | 20 |
| c. Authorization of Amendment No. 4 to the Professional Services Agreement With Cornerstone General Contractors, Inc. for Balance of Construction Work for New Library, Project No. 6012 .....   | 26 |
| d. Authorization of Professional Services Contract for Construction Administration for Shelikof Street Pedestrian Improvements Project, Project No. 10-04/8016 .....   | 32 |
| e. Authorization of Contract Amendment No. 1 for Additional Design Services for Aleutian Homes Water and Sewer Replacement Project, Phase V, Project No. 10-3/7026 .....   | 42 |
| <b>VI. Staff Reports</b>   |    |
| a. City Manager  |    |
| b. City Clerk  |    |
| <b>VII. Mayor’s Comments</b>   |    |
| <b>VIII. Council Comments</b>  |    |
| <b>IX. Audience Comments (limited to 3 minutes) (486-3231)</b>   |    |
| <b>X. Executive Session</b>  |    |
| a. Clerk’s Annual Evaluation.....  | 52 |
| <b>XI. Adjournment</b>   |    |

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| <p><b>DRAFT</b></p> |
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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, OCTOBER 25, 2012  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Terry J. Haines, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Matthew Gandel were also present.

After the Pledge of Allegiance, Salvation Army Sergeant Major Dave Blacketer gave the invocation.

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the October 11, 2012, regular meeting as presented.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

**III. PERSONS TO BE HEARD**

**a. Proclamation: Extra Mile Day**

Mayor Branson read the proclamation, which urges citizens to take time to not only “go the extra mile” in his or her own life, but to also acknowledge those who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

**b. Public Comments**

**Vikki Jo Kennedy** expressed concerns about the use of the Kodiak Police Department K-9 unit.

**Sandra West** encouraged the City Council to sign an agreement with the Alaska Department of Transportation to construct a bike path from Pier 2 to Deadmans Curve.

**IV. UNFINISHED BUSINESS**

None

**V. NEW BUSINESS**

- a. First Reading, Ordinance No. 1301, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2011 and Ending on the Thirtieth Day of June 2012, and Repealing Ordinance No. 1296**

Mayor Branson read Ordinance No. 1301 by title. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. These adjustments are for the operating funds, as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. Supplemental Appropriation No. 2 to the FY2012 budget totaled \$165,086 identified in Ordinance No. 1296. Ordinance No. 1296 contained minor errors, which must be corrected by adopting a new ordinance.

Councilmember Haines MOVED to pass Ordinance No. 1301 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

**b. Resolution No. 2012–33, Adopting the FY2014 Prioritized State Capital Improvements Program List**

Mayor Branson read Resolution No. 2012–33 by title. Each year the City Council adopts a resolution identifying the City’s top funding priorities for capital improvement projects important to the maintenance or improvement of the City’s infrastructure. This year’s proposed list identifies and prioritizes four projects: funding for an upgrade to the Monashka pumphouse, funding to replace the failing E911 system, funding for Phase 3 of the ongoing Shelikof pedestrian improvement project, and funding assistance for a new fire engine.

Councilmember Bishop MOVED to adopt Resolution No. 2012–33.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

**c. Acceptance of Compensation and Classification Report**

The City began the classification and compensation project in the spring of 2011. The City Manager reported she had informed the Council at the October 23rd work session that the final compensation and classification report, which had been scheduled for approval at this meeting, needed to be postponed due to unexpected issues that require further review.

Councilmember Whiddon MOVED to accept the Fox Lawson and Associates’ report on the classification and compensation study conducted for the City of Kodiak.

Councilmember Davidson MOVED to postpone the vote on acceptance of the Fox Lawson and Associates’ classification and compensation study until a future meeting to be determined by the City Manager.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion to postpone passed.

**d. Authorization of a Professional Services Contract for Biosolid Management, Project No. 7517**



The City has been evaluating potential long-term disposal options for biosolids produced by the City's wastewater treatment plant since 2008. A sludge disposal study and a composting pilot project were completed between 2008 and 2010. City staff has been in discussion with Peter Olsen of Quayanna Development Corporation (QDC) since September 2010, following completion of the composting pilot project. In June of 2012, the Kodiak Island Borough formally notified the City that, within six months, they would no longer be able to accept biosolids for a period of time that ranged from roughly six months up to two years. Staff has continued discussions with the Borough over the operational timeline that affects biosolid disposal as well as discussions with QDC to avoid an extremely serious situation with no plan or place for the disposal of biosolids. Based on ongoing discussions with QDC and a recent meeting with the Alaska Department of Environmental Conservation about the QDC permit application for the composting facility, staff recommends Council authorize the five-year agreement with QDC for the purpose of biosolid disposal.

Councilmember Haines MOVED to authorize a five-year agreement, Contract No. 205796, with Quayanna Development Corporation with annual disposal payments of \$332,250, with funds coming from the Sewer Utility Enterprise Fund, Sewer Service Charges account and authorize the City Manager to execute the necessary paperwork.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

## **VI. STAFF REPORTS**

### **a. City Manager**

City Manager Kniazowski said she was happy to have Councilmember Saravia on the Council for another term and welcomed Councilmember Walker to the Council. She reported on a recent meeting in Anchorage with the Alaska Department of Environmental Conservation to discuss the City's biosolids permit and said it had been a successful meeting. She said only two councilmembers had attended the recent capital projects tour and said she would be organizing another tour in November. She said the City would be holding an upcoming auction for goods and vehicles in the old Kodiak Police Department building. She said the Mission Road retaining wall project had been completed. She introduced Dan Keyes, an applicant for the Parks and Recreation Director position. She encouraged everyone be careful due to increased bear activity and reviewed a handout provided by the Kodiak Interagency Bear Safety Group with bear safety tips for Halloween.

Mayor Branson asked City Manager Kniazowski to respond to the public comments made by Vikki Jo Kennedy, and City Manager Kniazowski said the KPD K-9 unit was currently active and there were no restrictions on its use. She said there had been discussion of possible cuts during the FY2013 budget cycle, but no cuts had been made.

### **b. City Clerk**

City Clerk Marlar welcomed Councilmembers Saravia and Walker, and informed the public of the next scheduled City Council-Borough Assembly joint work session, and Council work session and regular meeting.

**VII. MAYOR'S COMMENTS**

Mayor Branson welcomed Councilmembers Saravia and Walker. She said the projects on the City CIP list were important infrastructure projects that contributed to the safety of Kodiak. She reminded the public of the general election on November 6, 2012, and explained one of the items on the state ballot was a general obligation bond to fund various transportation projects around the state, including the replacement of Pier 3. She said Pier 3 was a vital piece of Kodiak's infrastructure, and that replacing it was a very important and costly project for the City and that the GO bond was a great opportunity to get funding to complete the project. She said she hoped voter turnout for the state and federal election would be higher than the recent municipal election.

**VIII. COUNCIL COMMENTS**

Councilmember Walker thanked everyone for welcoming him to the Council and said he looked forward to working with everyone to make a better Kodiak.

Councilmember Haines welcomed Councilmembers Saravia and Walker. He said he appreciated the sentiment of the Extra Mile Day proclamation and encouraged everyone to take some time to volunteer or help out their neighbors. He said the Council would be having upcoming discussions on the budget, and unless changes were made to the sales tax rate or cap, budget cuts would have to be made. He said the Council will look closely at each area of the City budget.

Councilmember Bishop welcomed Councilmembers Saravia and Walker. He said the projects on the CIP list were vital to Kodiak's infrastructure and helped sustain our quality of life. He encouraged everyone to take part in Halloween festivities.

Councilmember Saravia welcomed Councilmember Walker. He said he was excited to serve another three years and work with the Council and City staff to make Kodiak a better place. He said there were some places the KPD K-9 unit could not go due to conflicting laws and that cutting the K-9 unit would not save much money. He said the Council would continue to discuss the proposed bike path from Pier 2 to Deadmans Curve, but it was important to know how much it was going to cost and where the funding was coming from. He encouraged everyone to be safe on Halloween.

Councilmember Whiddon welcomed Councilmembers Walker and Saravia. He encouraged everyone to vote for the state general obligation bond and reminded the public that there would be no cost to local taxpayers. He said the City had taken a strategic approach to developing its CIP list to compete with other communities looking for funding. He said before approving new projects the Council had to make sure they were a wise use of City money and that there would be some value for the money that was spent.

Councilmember Davidson welcomed Councilmembers Saravia and Walker. He encouraged everyone to vote for the state general obligation bond saying it was the best opportunity to get funding for replacing Pier 3 without using City money.

**IX. AUDIENCE COMMENTS**

**Sandra West** said it was important to replace Pier 3 and encouraged everyone to vote for the general obligation bond on the upcoming state ballot.

**X. ADJOURNMENT**

Councilmember Whiddon MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, Walker, and Whiddon in favor. The motion passed.

The meeting adjourned at 8:31 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:



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# **UNFINISHED BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Thru:** Mary Munk, Finance Director   
**Date:** November 8, 2012

**Agenda Item: IV.a. Second Reading and Public Hearing, Ordinance No. 1301, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2011 and Ending on the Thirtieth Day of June 2012, and Repealing Ordinance No. 1296**

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**SUMMARY:** It is customary for the City Council to approve at least one supplemental budget amendment each year that authorizes the adjustments of current revenues and expenses. These adjustments are for operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. The Supplemental Appropriation No. 2 to the FY2012 budget totaled \$165,086 identified in Ordinance No. 1296. Ordinance No. 1296 contained errors, which must be corrected by adopting a new ordinance. Ordinance No. 1301 corrects the errors. Staff recommends Council approve Ordinance No. 1301.

### **PREVIOUS COUNCIL ACTION:**

- On April 26, 2012, Council adopted Ordinance No. 1296 for the Fiscal Year 2012 budget, which adjusted the budget by \$165,086, for a total FY2012 budget of \$58,091,024 commencing on the first day of July 2011 and ending on the thirtieth day of June 2012. This ordinance contained errors of the budget beginning and ending dates and an error in the general fund revenues with the total being \$2,358,764 instead of the correct amount of \$2,356,764.
- On October 25, 2012, Council passed Ordinance No. 1301 in the first reading and advanced to second reading and public hearing at the next regular or special Council meeting. Ordinance No. 1301 corrects the errors found in Ordinance No. 1296.

**DISCUSSION:** The adoption of the budget by the City Council puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year through a supplemental budget ordinance, which is introduced as an ordinance at one Council meeting and adopted at the next regular or special meeting. Short timeframes in preparing supplemental ordinances contributed to the errors in Ordinance No. 1296. The errors included the budget beginning and ending dates and an error in the general fund revenues, with the total being \$2,358,764, instead of the correct amount of \$2,356,764. There are no new appropriations in this ordinance. An ordinance is required to move funds, to add permanent personnel, to grant unscheduled salary increases, or to correct errors in previous ordinances.

**FINANCIAL IMPLICATIONS:** There are no financial impacts to adopting this ordinance. The total Fiscal Year 2012 budget remains at \$58,091,024.

**LEGAL:** The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required. Due to the errors found in Ordinance No. 1296, the City Attorney said corrections must be made by ordinance.

**STAFF RECOMMENDATION:** Staff recommends Council adopt Ordinance No. 1301, Supplemental Appropriation No. 2 with corrections to the budget for the fiscal year commencing on the first day of July 2011 and ending on the thirtieth day of June 2011 in the second reading following the public hearing.

**CITY MANAGER'S COMMENTS:** Supplemental No. 2 to the FY2012 budget was approved by Ordinance No. 1296. It contained \$165,086 in adjustments to departmental expenses, added the Community Development Software application to the Building Inspection Division of the Public Works Department, and transferred funds to initiate the Vehicle and Equipment Replacement Fund approved in January by the City Council. Ordinance No. 1296 contained several errors, including the budget beginning and ending dates and an error in the general fund revenues. The City Attorney said staff was not able to correct the errors in Ordinance No. 1296, but that a new ordinance to correct the errors was needed. I support staff's recommendation that Council adopt Ordinance No. 1301 at tonight's meeting.

**ATTACHMENTS:**

Attachment A: Ordinance No. 1301

**PROPOSED MOTION:**

Move to adopt Ordinance No. 1301.

**CITY OF KODIAK  
ORDINANCE NUMBER 1301**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING SUPPLEMENTAL APPROPRIATION NO. 2 TO THE BUDGET FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2011 AND ENDING ON THE THIRTIETH DAY OF JUNE 2012, AND REPEALING ORDINANCE NUMBER 1296**

WHEREAS, on April 26, 2012, the Council adopted Ordinance Number 1296, establishing Supplemental Appropriation No. 2 to the budget for the fiscal year commencing July 1, 2011 and ending June 30, 2012; and

WHEREAS, to correct errors in Ordinance Number 1296, it is necessary to replace Ordinance Number 1296 with this ordinance.

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

**Section 1:** The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Kodiak for fiscal year 2012.

| <b>GENERAL FUND</b>          |                           |                            |                           |
|------------------------------|---------------------------|----------------------------|---------------------------|
|                              | <b>Amended<br/>Budget</b> | <b>Supplemental<br/>#2</b> | <b>Revised<br/>Budget</b> |
| <b>Anticipated Revenues:</b> |                           |                            |                           |
| Sales Tax                    | \$ 9,337,650              | \$ -                       | \$ 9,337,650              |
| PERS Relief                  | 564,880                   | -                          | 564,880                   |
| State Revenue Sharing        | 534,300                   | -                          | 534,300                   |
| Fish Tax - Dept of Revenue   | 1,123,200                 | -                          | 1,123,200                 |
| State Grants                 | 54,500                    | 1,836                      | 56,336                    |
| Federal Grants               | 71,700                    | -                          | 71,700                    |
| Police Protective Custody    | 3,000                     | -                          | 3,000                     |
| Vehicle Replacement          | -                         | 21,850                     | 21,850                    |
| Use of Fund Balance          | 4,138,770                 | (2,380,450)                | 1,758,320                 |
| All Other Revenues           | 4,334,818                 | -                          | 4,334,818                 |
| Total Amended Revenues       | <u>\$ 20,162,818</u>      | <u>\$ (2,356,764)</u>      | <u>\$ 17,806,054</u>      |
| <b>Planned Expenditures:</b> |                           |                            |                           |
| Legislative                  | \$ 255,640                | \$ -                       | \$ 255,640                |
| Legal                        | 80,000                    | -                          | 80,000                    |
| Executive                    | 329,780                   | -                          | 329,780                   |
| Emergency Preparedness       | 56,500                    | -                          | 56,500                    |
| City Clerk                   | 411,200                   | -                          | 411,200                   |
| Finance                      | 1,323,780                 | -                          | 1,323,780                 |
| Police                       | 6,047,895                 | 38,900                     | 6,086,795                 |
| Fire                         | 1,823,980                 | -                          | 1,823,980                 |
| Public Works                 | 2,748,903                 | 80,650                     | 2,829,553                 |
| Engineering                  | 255,820                   | -                          | 255,820                   |
| Parks & Recreation           | 1,207,000                 | -                          | 1,207,000                 |
| Library                      | 843,120                   | 1,836                      | 844,956                   |
| Non-Departmental             | 713,700                   | -                          | 713,700                   |
| Transfers                    | 4,065,500                 | (2,478,150)                | 1,587,350                 |
| Total Amended Expenditures   | <u>\$ 20,162,818</u>      | <u>\$ (2,356,764)</u>      | <u>\$ 17,806,054</u>      |



**SPECIAL REVENUE FUNDS**

|                            | Amended<br>Budget | Supplemental<br>#2  | Revised Budget      |
|----------------------------|-------------------|---------------------|---------------------|
| Anticipated Revenues:      |                   |                     |                     |
| Tourism Development        | \$ 142,860        | \$ -                | \$ 142,860          |
| KFDA                       | 60,050            | -                   | 60,050              |
| City Enhancement           | 500,000           | 2,500,000           | 3,000,000           |
| Total Amended Revenues     | <u>\$ 702,910</u> | <u>\$ 2,500,000</u> | <u>\$ 3,202,910</u> |
| Planned Expenditures:      |                   |                     |                     |
| Tourism Development        | \$ 142,860        | \$ -                | \$ 142,860          |
| KFDA                       | 60,050            | -                   | 60,050              |
| City Enhancement           | 500,000           | 2,500,000           | 3,000,000           |
| Total Amended Expenditures | <u>\$ 702,910</u> | <u>\$ 2,500,000</u> | <u>\$ 3,202,910</u> |

**CAPITAL PROJECTS**

|                                 | Amended<br>Budget    | Supplemental<br>#2 | Revised Budget       |
|---------------------------------|----------------------|--------------------|----------------------|
| Anticipated Revenues:           |                      |                    |                      |
| 300 General Capital Projects    | \$ 1,457,230         | \$ -               | \$ 1,457,230         |
| 315 Vehicle Replacement Capital | \$ -                 | \$ 21,850          | 21,850               |
| 301 Street Improvements         | 1,802,000            | -                  | 1,802,000            |
| 302 Building Improvements       | 9,400,000            | -                  | 9,400,000            |
| 305 Water Capital Fund          | 628,645              | -                  | 628,645              |
| 306 Sewer Capital Fund          | 1,325,000            | -                  | 1,325,000            |
| 307 Cargo Development Fund      | 2,778,000            | -                  | 2,778,000            |
| 308 Harbor Development          | -                    | -                  | -                    |
| 309 Parks & Recreation Fund     | 3,074,000            | -                  | 3,074,000            |
| Total Amended Revenues          | <u>\$ 20,464,875</u> | <u>\$ 21,850</u>   | <u>\$ 20,486,725</u> |
| Planned Expenditures:           |                      |                    |                      |
| 300 General Capital Projects    | \$ 1,457,230         | \$ -               | \$ 1,457,230         |
| 315 Vehicle Replacement Capital | -                    | 21,850             | 21,850               |
| 301 Street Improvements         | 1,802,000            | -                  | 1,802,000            |
| 302 Building Improvements       | 9,400,000            | -                  | 9,400,000            |
| 305 Water Capital Fund          | 628,645              | -                  | 628,645              |
| 306 Sewer Capital Fund          | 1,325,000            | -                  | 1,325,000            |
| 307 Cargo Development Fund      | 2,778,000            | -                  | 2,778,000            |
| 308 Harbor Development          | -                    | -                  | -                    |
| 309 Parks & Recreation Fund     | 3,074,000            | -                  | 3,074,000            |
| Total Amended Expenditures      | <u>\$ 20,464,875</u> | <u>\$ 21,850</u>   | <u>\$ 20,486,725</u> |

**ENTERPRISE FUNDS**

|                        | Amended<br>Budget    | Supplemental<br>#2 | Revised Budget       |
|------------------------|----------------------|--------------------|----------------------|
| Anticipated Revenues:  |                      |                    |                      |
| Cargo Fund 500         | \$ 1,112,672         | \$ -               | \$ 1,112,672         |
| Harbor Fund 510        | 4,250,214            | -                  | 4,250,214            |
| Boat Yard/Lift 512     | 1,355,042            | -                  | 1,355,042            |
| Electric Fund 515      | 660,913              | -                  | 660,913              |
| Water Fund 550         | 3,468,573            | -                  | 3,468,573            |
| Sewer Fund 570         | 4,305,610            | -                  | 4,305,610            |
| Trident Basin Fund 580 | 348,811              | -                  | 348,811              |
| E-911 Services         | 73,800               | -                  | 73,800               |
| Total Amended Revenues | <u>\$ 15,575,635</u> | <u>\$ -</u>        | <u>\$ 15,575,635</u> |

**Enterprise Funds Continued**

|                            |                      |             |                      |
|----------------------------|----------------------|-------------|----------------------|
| Planned Expenditures:      |                      |             |                      |
| Cargo Fund 500             | \$ 1,112,672         | \$ -        | \$ 1,112,672         |
| Harbor Fund 510            | 4,250,214            | -           | 4,250,214            |
| Boat Yard/Lift 512         | 1,355,042            | -           | 1,355,042            |
| Electric Fund 515          | 660,913              | -           | 660,913              |
| Water Fund 550             | 3,468,573            | -           | 3,468,573            |
| Sewer Fund 570             | 4,305,610            | -           | 4,305,610            |
| Trident Basin Fund 580     | 348,811              | -           | 348,811              |
| E-911 Services             | 73,800               | -           | 73,800               |
| Total Amended Expenditures | <u>\$ 15,575,635</u> | <u>\$ -</u> | <u>\$ 15,575,635</u> |

**INTERNAL SERVICE FUND**

|                            | Amended<br>Budget    | Supplemental<br>#2 | Revised<br>Budget    |
|----------------------------|----------------------|--------------------|----------------------|
| Anticipated Revenues:      |                      |                    |                      |
| Self Insurance Fund        | \$ 1,019,700         | \$ -               | \$ 1,019,700         |
| Total Amended Revenues     | <u>\$ 1,019,700</u>  | <u>\$ -</u>        | <u>\$ 1,019,700</u>  |
| Planned Expenditures:      |                      |                    |                      |
| Self Insurance Fund        | \$ 1,019,700         | \$ -               | \$ 1,019,700         |
| Total Amended Expenditures | <u>\$ 1,019,700</u>  | <u>\$ -</u>        | <u>\$ 1,019,700</u>  |
| <b>Total Revenues</b>      | <b>\$ 57,925,938</b> | <b>\$ 165,086</b>  | <b>\$ 58,091,024</b> |
| <b>Total Expenditures</b>  | <b>\$ 57,925,938</b> | <b>\$ 165,086</b>  | <b>\$ 58,091,024</b> |

**Section 2:** Ordinance Number 1296 is repealed.

**Section 3:** This ordinance shall be in full force and effect from and after its passage as required by law.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

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

First Reading: October 25, 2012

Second Reading:

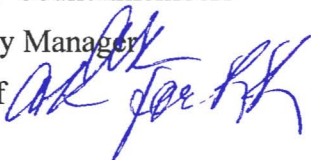
Effective Date:

# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager  
**Thru:** Rome Kamai, Fire Chief   
**Date:** November 8, 2012

**Agenda Item:** V.a. **Resolution No. 2012-34, Accepting a 2012 State Homeland Security Program Grant**

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**SUMMARY:** The City has been awarded a State Homeland Security Program Grant to provide funding to participate in the Alaska Shield 2014 statewide emergency response exercise. The exercise is one of many being conducted statewide, as required every three years by the Homeland Security Exercise and Evaluation Plan. This grant, No. 12SHSP-GR34077, will repay costs associated with local Red Cross disaster training and will cover the cost of expenses for City staff to attend key Alaska Shield 2014 planning meetings in Anchorage and position specific training in the National Incident Management System for City staff. Staff recommends Council accept this grant in the amount of \$13,860 by adopting Resolution No. 2012-34.

**PREVIOUS COUNCIL ACTION:** Council routinely accepts grants from federal or state agencies by resolution.

**DISCUSSION:** The City plans to participate in the statewide emergency response exercise, Alaska Shield 2014. Fire Chief Rome Kamai wrote a grant to request funding support to enable the City to participate in the exercise. The \$13,860 grant was awarded to the City through the Alaska Department of Military and Veteran Affairs.

The grant provides \$2,500 to repay costs associated with the local Red Cross disaster training, \$5,900 for training City staff in the National Incident Management System, and \$5,460 in exercise related expenses, including travel for key City employees to attend the initial, mid-planning, and final planning meetings in Anchorage. Staff recommends Council accept the grant funds to offset the expenses to participate in the Alaska Shield 2014 exercise.

**ALTERNATIVES:**

1. Adopt Resolution No. 2012-34, which is the recommendation of staff because it will offset the costs for the City to participate in the exercise.
2. Do not adopt Resolution No. 2012-34, which is not recommended because it would shift the cost burden for participation directly on the City.

**FINANCIAL IMPLICATIONS:** The grant amount of \$13,860 will be used for reimbursement of City costs to participate in the exercise and will provide training and travel for Red Cross personnel who will attend training in preparation for this exercise.

**STAFF RECOMMENDATION:** Staff recommends Council adopt Resolution No. 2012-34 to accept the 2012 State Homeland Security Program Grant No. 12SHSP-GR34077. The City benefits from the financial support and demonstrates our commitment to participate in statewide Homeland Security exercises like Alaska Shield.

**CITY MANAGER'S COMMENTS:** I appreciate Rome's efforts to find funding, especially for this statewide exercise. It takes a tremendous amount of staff time to plan and prepare to participate in this large statewide exercise, so I appreciate that he was able to get funding to help offset costs to participate in Alaska Shield 2014. It is awhile down the road, but the planning and training have long lead times to ensure we are prepared to participate fully like we did for Alaska Shield 2012. Therefore, I recommend Council adopt Resolution No. 2012-34.

**ATTACHMENTS:**

Attachment A: Resolution No. 2012-34

Attachment B: SHSP grant award notice

**PROPOSED MOTION:**

Move to adopt Resolution No. 2012-34.

**CITY OF KODIAK  
RESOLUTION NUMBER 2012-34**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ACCEPTING  
A 2012 STATE HOMELAND SECURITY PROGRAM GRANT**

WHEREAS, the City of Kodiak has been awarded a 2012 State Homeland Security Program Grant, Grant No. 12SHSP-GR34077, in the amount of thirteen thousand, eight hundred sixty dollars (\$13,860) to assist with costs associated with the City’s participation in the State’s Alaska Shield 2014 exercise; and

WHEREAS, these funds will be used to support activities associated with participation in Alaska Shield 2014; and

WHEREAS, emergency management and all-hazards preparations have been incorporated into the on-going operations of the City of Kodiak; and

WHEREAS, the grant funds will ensure that the City of Kodiak can participate in the State’s Alaska Shield 2014 exercise; and

WHEREAS, the City of Kodiak will accept funds through this grant for training costs associated with Red Cross disaster training and enter into a Memorandum of Understanding (MOU) with the State to allow the State to arrange travel for Red Cross personnel for training delivery.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the City Manager is hereby authorized to sign the State of Alaska Department of Military and Veterans Affairs, Division of Homeland Security Grant document and execute the associated MOU with the State to facilitate training and travel for Red Cross personnel in preparation for the City’s participation in Alaska Shield 2014.

BE IT FURTHER RESOLVED by the Council of the City of Kodiak that the City Manager is hereby authorized to execute and administer any and all documents required for the acceptance and management of this grant award.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

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

Adopted:

SEAN PARNELL, GOVERNOR

**DEPARTMENT OF MILITARY  
AND VETERANS AFFAIRS  
DIVISION OF HOMELAND SECURITY  
AND EMERGENCY MANAGEMENT**

P.O. Box 5750  
JBER, AK 99505-5750  
Phone: (907) 428-7000  
Fax: (907) 428-7009  
Toll Free: (800) 478-2337  
www.ready.alaska.gov

October 10, 2012

**COPY**

Ms. Aimée Kniaziowski, City Manager  
City of Kodiak  
710 Mill Bay Road  
Kodiak, AK 99615

RE: 2012 State Homeland Security Program, EMW-2012-SS-00127  
State Grant No.: 12SHSP-GR34077

Dear Ms. Kniaziowski:

The Alaska Division of Homeland Security and Emergency Management (DHS&EM) is pleased to award the City of Kodiak the amount of \$13,860.00 under the 2012 State Homeland Security Program for the performance period of October 1, 2012 through March 31, 2014.

Funding from this program is provided to enhance the ability of states, territories, and urban areas to prepare for, prevent, and respond to terrorist attacks and all-hazards events.

The City of Kodiak was allocated \$2,500.00 for Red Cross Disaster training. This training will be provided within the City of Kodiak at a date set by the City of Kodiak and coordinated through DHS&EM. The City of Kodiak must enter into a Memorandum of Understanding (MOU) with state allowing for the state to arrange travel of Red Cross personnel for training delivery.

If the full Red Cross Training allocation is not expended on costs related to the delivery of the identified course(s), the remaining funds will combined into one fund source and made available to all jurisdictions for eligible projects through the reallocation process.

The performance period of this grant is 18 months. If a project cannot be operational within the first reporting quarter, the sub-grantee should provide notice to DHS&EM, stating the implementation delay and expected starting date. At the discretion of DHS&EM, the grant award is subject to cancellation and funds may be de-obligated and reallocated to other projects if project implementation is unjustifiably delayed.

Ms. Kniaziowski  
RE: 2012 State Homeland Security Program  
October 10, 2012  
Page 2 of 2


Attached are two pre-signed Obligating Award and MOU documents. Please review the information for accuracy and review the Special Conditions. Sign the obligating documents, keep one original for your records, and return the other original within 30 days of jurisdiction receipt to:

State Administrative Agency (SAA) Point of Contact  
PO Box 5750  
JBER, AK 99505

If the Obligating Award Documents cannot be returned within 30 days due to local jurisdiction policies, a Notice of Intent to Accept Grant Award form and instructions is available for download on DHS&EM's Grants website, <http://ready.alaska.gov/grants.htm>.

If signatory points of contacts have changed since submittal of the application, please complete and return a Signatory Authority Form with the signed Obligating Award Document. The Signatory Authority Form is available for download on DHS&EM's Grants website. If needed, Electronic Payment (EDI) enrollment forms are also available upon request.

If you have questions, or need further assistance, the DHS&EM project manager for this grant, Adrian Avey, may be contacted at 907-428-7027, toll-free at 800-478-2337, or by email at [adrian.avey@alaska.gov](mailto:adrian.avey@alaska.gov).

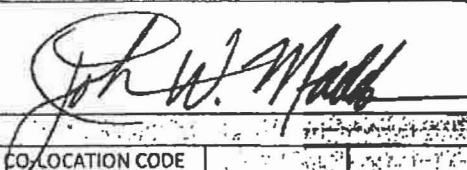
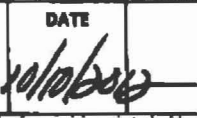
Sincerely,  
  
John W. Madden  
Director

jwm:ama:cas

Enclosures: Obligating Award Document (2 originals)  
Project Budget Details  
Memorandum of Understanding (2 originals)  
State Managed Project Budget Details  
Environmental and Historical Preservation (EHP) Statement of Work Request Form  
*\*Only provided to applicable jurisdictions*

CC: Rome Kamai, Jurisdiction Project Manager  
Mary C. Munk, Jurisdiction Chief Financial Officer





|   |  |   |   |  |  |
|---|--|---|---|--|--|
| <b>State of Alaska</b><br><b>Division of Homeland Security and Emergency Management</b><br>Under<br>US Department of Homeland Security<br>Federal Emergency Management Agency<br>Grant Programs Directorate |  |   |   | Page 1 of 6<br><b>COPI</b>   |  |
| <b>OBLIGATING AWARD DOCUMENT</b>  |  |   |   | AMENDMENT: _____   |  |
| RECIPIENT NAME AND ADDRESS (Including Zip Code)   |  |   |   | PERFORMANCE PERIOD   |  |
| City of Kodiak<br>710 Mill Bay Road<br>Kodiak, AK 99615   |  |   |   | FROM: October 01, 2012   |  |
|   |  |   |   | TO: March 31, 2014   |  |
| DUNS NUMBER: 078191970  |  |   |   | FEDERAL GRANT NUMBER: EMW-2012-SS-00127  |  |
| EIN: 92-6000083   |  |   |   | AWARD AMOUNT: \$11,360.00  |  |
| METHOD OF PAYMENT: Electronic   |  |   |   | STATE GRANT NUMBER: 12SHSP-GR34077   |  |
| PURPOSE OF AWARD  |  |   |   | FUNDING ALLOCATION   |  |
| The attached Project Budget Details is the funding allocation. Grant program guidelines and federal, state, and local contracting and procurement compliance requirements apply.                            |  |   |   | PLANNING: \$5,900.00<br>EXERCISE: \$5,460.00<br>EQUIPMENT: _____   |  |
| GRANT TERMS AND CONDITIONS  |  |   |   | GRANT REQUIREMENTS, ASSURANCES AND AGREEMENTS (Continued, see attached)  |  |
| See Attached  |  |   |   | The acceptance of a grant from the United States government creates a legal duty on the part of the grantee to use the funds or property made available in accordance with the conditions of the grant. (GAO Accounting Principles and Standards for Federal Agencies, Chapter 2, Section 16.8(c)) |  |
| SPECIAL CONDITIONS (Grant funds cannot be expended until these conditions have been met. See Obligating Award for details)  |  |   |   |  |  |
| See Attached  |  |   |   |  |  |
| <b>AGENCY INFORMATION</b>   |  |   |   |  |  |
| ADDRESS: Division of Homeland Security and Emergency Management<br>PO Box 5750<br>JBER, AK 99505-5750   |  |   | WEBSITE: <a href="http://ready.alaska.gov">http://ready.alaska.gov</a><br>EMAIL: <a href="mailto:mva.grants@alaska.gov">mva.grants@alaska.gov</a><br>PHONE: 907-428-7000<br>FAX: 907-428-7009 |  |  |
| AGENCY PROJECT MANAGER: Adrian Avey   |  | PHONE: 907-428-7027                       |   | FAX: 907-428-7009  |  |
| EMAIL: <a href="mailto:adrian.avey@alaska.gov">adrian.avey@alaska.gov</a>   |  |   |   |  |  |
| <b>AGENCY APPROVAL</b>  |  |   | <b>RECIPIENT ACCEPTANCE</b>   |  |  |
| NAME AND TITLE OF APPROVING AGENCY OFFICIAL<br><i>John W. Madden, Director</i>  |  |   | NAME AND TITLE OF AUTHORIZED RECIPIENT OFFICIAL<br>Almee Kniazowski, City Manager   |  |  |
| SIGNATURE OF APPROVING AGENCY OFFICIAL<br>   |  |   | SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL<br>   |  |  |
| DATE: 10/10/2012  |  |   | DATE: _____   |  |  |
| <b>FOR STATE USE ONLY</b>   |  |   |   |  |  |
| CO-LOCATION CODE: 9292251   |  | DIVISION FILE NUMBER: 12 SHSP 1.6.10.1.11 |   | DATE RETURNED: _____   |  |

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Thru:** TC Kamai, Chief of Police   
**Date:** November 8, 2012

**Agenda Item: V.b. Authorization of FY2013 Special Services Contract with Alaska Department of Public Safety**

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**SUMMARY:** The Alaska Department of Public Safety (DPS) requests a renewal of their contract with the City to provide services that support the mission and operations of the Alaska State Troopers and Alaska Wildlife Troopers based in Kodiak. The contract and services would continue to be administered through the Kodiak Police Department. In exchange for providing these services, DPS will pay the City \$19,687.50 every quarter, for a total of \$78,750. Staff recommends authorization of the FY2013 Special Services Contract with the Alaska Department of Public Safety.

**PREVIOUS COUNCIL ACTION:** The City Council has authorized similar contracts with the Alaska Department of Public Safety in past years.

**BACKGROUND:** The Alaska Department of Public Safety (DPS) has contracted with the City to provide support services to Kodiak troopers for many years. The FY2012 contract consisted of three general provisions:

1. Dispatch services to troopers working in vehicle, vessel, foot or in aircraft during specified times, equivalent to approximately 257 hours per month
  - a. This included specified administrative support involving primarily entering records into the APSIN/NCIC data base, answering telephones, taking messages, etc.
2. Court process service relative to Kodiak Police Department cases, investigations and business
  - a. Serving Summons, Subpoenas, and other Orders
3. Prisoner transport and guarding services for prisoners appearing at the Kodiak Trial Court
  - a. One correctional officer or one police officer

In exchange for providing these services DPS paid the City \$19,687.50 every quarter, for a total of \$78,750 per year.

In the second quarter of FY2012, DPS notified the City that they intended to transfer all dispatching services to their Fairbanks Regional Dispatch Center. As a practical matter this would mean that the City

would no longer be needed to provide dispatch services, but DPS still wanted the City to continue to provide process service and prisoner guarding services.

DPS and the City reached an agreement that would allow DPS to make this change without amending the contract or compensation for the remainder of FY2012.

In May 2012, DPS informed the City that it would be permanently consolidating its call taking and dispatch services for the Kodiak Post into the Fairbanks Regional Dispatch Center. Despite this change DPS still wanted to maintain a modified contract for special services with the City.

**DISCUSSION:** The details of the modified contract for FY 2013 are identified below. The City will provide the following services:

1. Provide dispatch service and support to troopers working in vehicle, vessel, foot or in aircraft during emergency situations for up to 48-consecutive hours.
  - a. Emergency situations are defined as those instances where natural or man-made disasters have disabled Department dispatch capabilities.
  - b. In the event the City is required to provide more than 48-consecutive hours of dispatch service, the City shall be reimbursed for the costs of services at a rate of \$24.43 per hour.
2. Provide administrative support to the Department by processing, filing, recording, entering into/deleting from the APSIN/NCIC data base, and returning to the court all process relative to Kodiak Police Department cases, investigations and business.
3. Provide field support to the Department by serving in the corporate limits of the City of Kodiak court process relative to Kodiak Police Department cases, investigations, and business.
4. Provide one correctional transport officer or one police officer to transport and guard prisoners appearing in the Kodiak Court.

Staff is recommending authorization of the FY2013 Special Services Contract with the Alaska Department of Public Safety.

**ALTERNATIVES:**

1. Approve this contract. Approval of this contract will ensure continuity of operations with essential criminal justice services, i.e. process service, and prisoner guarding and transportation. It will also provide DPS with an alternative dispatching site should they ever lose connectivity with the Fairbanks Regional Dispatch Center. Staff believes that it is in the best interest of public safety to renew this contract.
2. Do not approve this contract. If this contract is not approved DPS will be responsible for providing these services. DPS does not have the local resources to do this. Staff's assessment is that this would be contrary to the interest of public safety.

**FINANCIAL IMPLICATIONS:** The City regards this contract as revenue and not an expense. Under the terms of FY2013 contract, staff believes the City is adequately compensated for the services the agreement requires the City to provide.

**STAFF RECOMMENDATION:** Staff recommends authorization of the FY2013 Special Services Contract with the Alaska Department of Public Safety in the amount of \$78,750.

**CITY MANAGER'S COMMENTS:** The City has contracted these services with the Alaska State Troopers to support Trooper operations in Kodiak for more than eleven years. The FY2013 contract has taken awhile to finalize due to the changes in DPS, but staff is comfortable with the terms of this contract. I support Chief Kamai's recommendation and ask Council to authorize me to sign the contract for FY2013.

**ATTACHMENTS:**

Attachment A: FY2013 Alaska Department of Public Safety Contract for Special Services

**PROPOSED MOTION:**

Move to authorize the City Manager to sign the FY2013 Special Services Contract with the Alaska Department of Public Safety, Division of Alaska State Troopers.

**ALASKA DEPARTMENT OF PUBLIC SAFETY  
CONTRACT FOR SPECIAL SERVICES**

**July 1, 2012 to June 30, 2013**

**GENERAL PROVISIONS**

The parties. The parties to this contract are the Alaska Department of Public Safety (hereinafter referred to as the "Department") and the City of Kodiak (hereinafter referred to as the "City").

Sole Agreement. The City and the Department undertake this contract under the terms set forth below. This contract is the sole agreement between the parties relating to special services, and there are no other agreements, express or implied.

Effective Date/Termination/Amendments. This contract is effective July 1, 2012 and continues in force until June 30, 2013. Either party may terminate the agreement with thirty (30) days written notice to the other party. This agreement may be amended by written agreement of the parties.

1. The Department will pay the City for services provided in accordance with, and under the terms of, this contract. Payments will be made quarterly in the amount of \$19,687.50, for a total of \$78,750.00. Payment for services provided under this contract will be made in four payments in the amount of and covering the period indicated below:

| <b>Period Covered</b> | <b>Amount</b>      | <b>Payment Process<br/>Can Be Initiated</b> |
|-----------------------|--------------------|---|
| 07/01/12 - 09/30/12   | \$19,687.50        | 10/01/12                                    |
| 10/01/12 - 12/31/12   | \$19,687.50        | 01/01/13                                    |
| 01/01/13 - 03/31/13   | \$19,687.50        | 04/01/13                                    |
| 04/01/13 - 06/30/13   | \$19,687.50        | 06/01/13                                    |
| <b>12 Month Total</b> | <b>\$78,750.00</b> |   |

2. The City will provide and perform the services specified in this contract to the satisfaction of the Department, in support of Department personnel and operations.

**ALASKA DEPARTMENT OF PUBLIC SAFETY  
CONTRACT FOR SPECIAL SERVICES**

**July 1, 2012 to June 30, 2013**

**SPECIFIC PROVISIONS**

4. The City will:
- a. Dispatch services will be provided in emergency situations. Emergency situations are those instances where natural or man-made disasters disable DPS dispatch capabilities; such as earthquakes, fires, etc. The need for the City to provide dispatch service in these situations is not anticipated to last longer than forty eight hours. In the event the City is required to provide more than 48 consecutive hours of dispatch service, the City shall be reimbursed for all dispatch related services provided at the rate of \$24.43 per hour.
  - b. Provide administrative support to the Department by processing, filing, recording, entering into/deleting from APSIN/NCIC, and returning to the court, all process relative to Kodiak Police Department cases, investigations, and business;
  - c. Provide field support to the Department by serving in the corporate limits of the City of Kodiak court process relative to Kodiak Police Department cases, investigations, and business;
  - d. Provide one correctional transport officer or one police officer, to transport and guard prisoners appearing in the Kodiak Court.

IN WITNESS OF THIS AGREEMENT, the undersigned duly authorized officers have subscribed their names on behalf of the Department and the City respectively.

For the City of Kodiak:

For the Department of Public Safety:

By \_\_\_\_\_

By \_\_\_\_\_

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

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

Official Title \_\_\_\_\_

Official Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniazowski, City Manager 

**Date:** November 8, 2012

**Agenda Item:** V.c. **Authorization of Amendment No. 4 to the Professional Services Agreement with Cornerstone General Contractors, Inc. for Balance of Construction Work for New Library, Project No. 6012**

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**SUMMARY:** The City Council authorized contract amendment No. 3 to Cornerstone General Contractors, Inc. for the structural package on the new library site on July 12, 2012. This action will award the final package that includes the balance of the construction work to complete the new library. City staff, the library building committee, and the project manager reviewed the elements and costs of the remaining construction work on October 28, 2012. Staff, the building committee members, and the project manager support authorization to award the balance of construction work to Cornerstone. Therefore, staff recommends Council authorize amendment No. 4 to the Cornerstone contract for the balance of construction work package for the new library for the Guaranteed Maximum Price (GMP) of \$4,322,932.

**PREVIOUS COUNCIL ACTION:**

- January 26, 2012, Council authorized support for the CMc construction delivery method as recommended by staff and the building committee.
- April 12, 2012, Council authorized a contract with Cornerstone General Contractors, Inc. for CMc pre-construction services for the New Library project.
- May 24, 2012, Council authorized contract amendment No. 1 to Cornerstone General Contractors, Inc. for civil site work.
- June 12, 2012, Council authorized contract amendment No. 2 to Cornerstone General Contractors, Inc. for foundation installation work.
- July 12, 2012, Council authorized contract amendment No. 3 to Cornerstone General Contractors, Inc. for installation of superstructure work.

**DISCUSSION:** As identified above, in January 2012 the City Council supported the use of the Construction Manager/General Contractor (CMc) construction delivery method for use on the new library project. Council agreed that, while the City has relied on the standard design-bid-build method for its projects, the CMc method would be beneficial because it brings the contractor into the project in the design phase to help develop the design, perform value engineering, and provide ongoing cost estimates.



Cornerstone General Contractors, Inc. was selected to be the City's CMc for the project in April 2012 and issued a professional services contract for pre-construction services. The contract provided for construction work to be added through separate approval processes in phases such as site work, utility work, foundation, superstructure, and final construction work to complete the library. The action before Council now is the approval of amendment No. 4 to Cornerstone's contract to complete the balance of construction work as referenced in the project manager's memo (Attachment A).

The project manager met with City staff and the building committee to review the project and the final construction package on October 28, 2012. This amendment is supported by the staff, the project manager, and the building committee (Attachment C). It covers the balance of construction work needed to complete the library for the GMP amount of \$4,322,932. Project Manager Roe Sturgulewski reports that the project remains on schedule and on budget with a completion date set for September 6, 2013, as part of this contract amendment. The building design is 100% complete, package No. 2 (civil site work) is nearly complete, package No. 3 (footings and foundation) is nearing completion with major structural elements to be installed this month and walls enclosed so this final phase of construction can continue through the winter.

In July 2012, the building committee requested additional funds be added in the event that the metal roof option, which was an additive alternate, was selected. Based on those discussions, the project manager included an additional \$103,682 in the GMP amount in the package No. 3 award in the event the additive alternate was selected. The building committee chose not to recommend the metal roof, so the cost of that additive alternate was deducted from the cost estimate for package No. 5.

**ALTERNATIVES:**

1. Authorize Amendment No. 4 to Cornerstone General Contractors, Inc. for package No. 5, which will complete the balance of construction work for the new library. This is staff's recommendation. This action supports Council's approval of the methodology, supports the project manager and building committee's efforts and keeps the project on track for winter work.
2. Do not authorize the contract amendment No. 4 at this time, which is not recommended because it would delay construction and increase construction costs due to weather and price escalation. This option would be inconsistent with Council direction to proceed with this form of construction methodology.

**FINANCIAL IMPLICATIONS:** The library project has a budget of over \$12 million, including the Rasmuson grant award of \$500,000. The Kodiak Public Library Association's capital campaign has been very successful. They have raised \$573,000 and are now within \$177,000 of reaching their goal of \$750,000 in contributions. The project has funds available to cover this amendment for the GMP of \$4,322,932.

**STAFF RECOMMENDATION:** Staff recommends Council authorize Amendment No. 4 to the professional services contract with Cornerstone General Contractors, Inc. for package No. 5 to complete the balance of construction work for the new library for the GMP of \$4,322,932, with funds coming from the Building Improvement Fund, New Library Project, Project No. 6012.

**CITY MANAGER'S COMMENTS:** The approval of Amendment No. 4 to the Cornerstone contract is the last construction package needed to complete construction of the library. This meets the community's goal of having a new library built by 2013. Cornerstone continues to work as a partner with our project manager, City staff, and our architectural and engineering firm to complete the structural package in preparation for the remaining construction work on the project. This project has taken a great deal of effort and public participation to bring the project to where it is today. I recognize and appreciate the efforts of our project team in advancing the project, which means the project remains on schedule and on budget, a fact that's important to us all. I support the recommendation of our project manager and the building committee and ask Council to authorize this Amendment No. 4 with Cornerstone General Contractors, Inc.

**ATTACHMENTS:**

- Attachment A: RISE Alaska recommendation memo, dated October 29, 2012
- Attachment B: Updated library project budget, October 29, 2012
- Attachment C: Building Committee recommendation memo, dated October 29, 2012

**PROPOSED MOTION:**

Move to authorize Amendment No. 4 to the professional services contract with Cornerstone General Contractors, Inc. for completion of the balance of construction work on the new library for the guaranteed maximum price of \$4,322,932, with funds coming from the Building Improvement Fund, New Library Project, Project No. 6012.



## Memorandum

an  ARCADIS company

**TO:** Aimee Kniazowski  
**FROM:** Roe Sturgulewski  
**DATE:** October 29, 2012  
**RE:** Kodiak Public Library – Cornerstone CMc Contract  
 Amendment #4 Package 5 – Balance of Construction Work  
 Recommendation for Award

This memo is to recommend award of Amendment #4 for Package 5 (Balance of Construction Work) for the Kodiak Public Library CMc Contract with Cornerstone General Contractors creating a total Construction Phase Services Guaranteed Maximum Price (GMP) amount of \$8,429,388. The Council awarded the initial CMc pre-construction services portion of the Contract to Cornerstone General Contractors on April 12, 2012, site civil construction (Package 2 (P2)) on May 24, 2012, footing and foundation construction (P3) on June 14, 2012 and superstructure and exterior envelope construction (P4) on July 12, 2012.

The Council's superstructure GMP authorization included \$103,682 for a metal roof additive alternate in lieu of an asphalt shingle roof. The project team's request for this funding noted implementation of the alternate was subject to an affirmative vote supporting the upgrade from the Building Committee. This approach was schedule driven and was done to allow the Building Committee more time to review the issue prior to recommending a final roof type decision. After deliberation, the Building Committee elected to stay with the base bid asphalt roof and the Contract Amendment was executed at the lower base bid amount.

This Amendment will add \$4,322,932 to the Cornerstone Construction Phase Services GMP. HMS, a professional cost estimating firm, performed a third party review. Their cost estimate was \$4,458,035 for the P5 work. The Building Committee has recommended award of Cornerstone's proposal for this work.

The project remains on schedule and budget. The Substantial Completion date for the Project will be contractually established as September 6, 2013 as part of this Amendment.

Design is 100% complete. Cornerstone has completed most Package 2 (preliminary civil site and utilities) and Package 3 (footings and foundation) work. They have started perimeter wall framing and anticipate starting erection of the major structural elements in the latter part of November.

A Project Budget update is attached. Certain budget line item amounts were adjusted to reflect current and estimated future expenditures with the modifications approved by the Building Committee. Purchase of additional property from ATT/Alascom is no longer contemplated as they have granted a fill easement. \$40,000 in funding has been left in this budget line item to address dish removal. The net effect of the budget changes is to reduce Project Contingency to \$907,000. This exceeds 10% of the Construction budget and is considered conservative at this stage of the project.

The Capital Campaign is within \$177,000 of reaching its goal. The Campaign has raised more than \$1,073,000 including the \$500,000 Rasmuson grant. Campaign cash in hand exceeds \$304,000.

Please contact me at (907) 343-3013 if you have any questions.



**New Kodiak Public Library  
Project Budget Update  
10/29/12**



| Site Acquisition                             | 1/17/12<br>Budget   | 10/28/12<br>Revised Budget | 10/23/12<br>Obligations | 10/23/12<br>Spent  |
|--|---------------------|----------------------------|-------------------------|--------------------|
| <i>Lots 6B-1A+1B "Barn Site" *</i>           | \$650,000           | \$650,000                  | \$650,000               | \$650,000          |
| <i>Potential Additional Parcel</i>           | \$230,000           | \$40,000                   |                         |                    |
| <b>Subtotal</b>                              | <b>\$880,000</b>    | <b>\$690,000</b>           | <b>\$650,000</b>        | <b>\$650,000</b>   |
| <b>Soft Costs</b>                            |                     |                            |                         |                    |
| <i>Pre-Development Costs *</i>               | \$85,000            | \$85,000                   | \$85,000                | \$85,000           |
| <i>Miscellaneous Professional Services</i>   | \$80,000            | \$120,000                  | \$108,626               | \$99,250           |
| <i>Miscellaneous Administrative</i>          | \$35,000            | \$35,000                   | \$30,243                | \$28,063           |
| <i>1% for Art</i>                            | \$80,000            | \$80,000                   | \$4,000                 |                    |
| <b>Subtotal</b>                              | <b>\$280,000</b>    | <b>\$320,000</b>           | <b>\$227,869</b>        | <b>\$212,313</b>   |
| <b>Management and Design</b>                 |                     |                            |                         |                    |
| <i>Architecture/Engineering</i>              | \$1,050,000         | \$1,050,000                | \$1,027,385             | \$722,392          |
| <i>Project Management</i>                    | \$350,000           | \$350,000                  | \$345,922               | \$211,284          |
| <i>Special Inspections</i>                   | \$25,000            | \$33,000                   | \$32,095                | \$4,840            |
| <b>Subtotal</b>                              | <b>\$1,425,000</b>  | <b>\$1,433,000</b>         | <b>\$1,405,402</b>      | <b>\$938,516</b>   |
| <b>Construction</b>                          |                     |                            |                         |                    |
| <i>General Contractor</i>                    | \$8,000,000         | \$8,485,000                | \$4,160,403             | \$928,312          |
| <i>Furniture, Fixtures and Equipment</i>     | \$400,000           | \$350,000                  |                         |                    |
| <b>Subtotal</b>                              | <b>\$8,400,000</b>  | <b>\$8,835,000</b>         | <b>\$4,160,403</b>      | <b>\$928,312</b>   |
| <b>Enhancements</b>                          | <b>\$263,372</b>    | <b>\$263,372</b>           |                         |                    |
| <b>Project Contingency</b>                   | <b>\$1,200,000</b>  | <b>\$907,000</b>           | <b>\$0</b>              | <b>\$0</b>         |
| <b>Total Project Costs</b>                   | <b>\$12,448,372</b> | <b>\$12,448,372</b>        | <b>\$6,443,674</b>      | <b>\$2,729,141</b> |
| <i>* Pre-funded Items Totaling \$735,185</i> |                     |                            |                         |                    |

October 29, 2012

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

Dear Aimee:

The Kodiak Library Building Committee met yesterday afternoon to consider Package 5 (Balance of Work) construction, and unanimously recommended awarding a contract amendment to Cornerstone General Contractors for a \$4,322,932 increase to their Construction Phase Services Guaranteed Maximum Price (GMP). This Amendment brings the Cornerstone Construction Phase Services to a Guaranteed Maximum Price of \$8,429,388.

The Building Committee also approved reallocation of the project budget to reflect actual and anticipated expenditures. These changes included allocating \$240,000 of the land purchase and FFE components to the direct construction budget and making smaller changes to certain of the other budget line items.

Present during the October 28<sup>th</sup> discussion were the following Building Committee members:

Will Anderson  
Pat Branson  
Erin Harrington  
Doug Hogen  
Aimee Kniazowski  
Glenn Melvin

Also participating, via telephone were Roe Sturgulewski of RISE Alaska and Corey Wall of MRV.

Please contact me if you have any questions,

Sincerely,



Erin Harrington  
KPLA Liaison to the Building Committee



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager *AK*  
**Thru:** Mark Kozak, Public Works Director *MK* and Glenn Melvin, City Engineer *GM*  
**Date:** November 8, 2012

**Agenda Item:** V.d. **Authorization of Professional Services Contract for Construction Administration for Shelikof Street Pedestrian Improvements Project, Project No. 10-04/8016**

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**SUMMARY:** The City Council approved a construction contract with Brechan Enterprises, Inc. for the Shelikof Street Pedestrian Improvement Project at the September 27, 2012, meeting. With the nature of this project, City staff expects to need technical engineering support at various times throughout the project, particularly with the large rock cut area. Staff recommends that Council authorize a professional services contract to DOWL HKM on a time and materials basis with an amount not to exceed \$50,000 for construction administration and management.

**PREVIOUS COUNCIL ACTION:**

- December 2009: Council authorized an award to DOWL HKM to oversee a public process to identify the preferred pedestrian route and to complete 35% design for the sidewalk and pedestrian amenities to accommodate cruise ship passenger foot traffic.
- June 2010: DOWL presented the design study to Council and identified Shelikof as the preferred route for a sidewalk and associated pedestrian improvements.
- October 2011: Council approved a contract for the final design of the Shelikof Pedestrian Improvements to DOWL HKM in the amount of \$218,336.
- September 13, 2012: Council approved an amendment to the design contract for additional engineering services with DOWL HKM in the amount of \$24,463.
- September 27, 2012: Council approved a construction contract with Brechan in the amount of \$1,719,130.

**BACKGROUND:** In 2008 and 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate the increasing number of cruise ship passengers coming to Kodiak. The City hired DOWL HKM to manage a public process to identify the preferred pedestrian route, conduct geotechnical investigations and surveys, prepare a concept design of the options, and prepare 35% design documents for the preferred route. Shelikof Street was identified as the preferred pathway location, and DOWL completed the 35% design on an eight-foot wide, ADA accessible sidewalk along Shelikof Street. The 35% design level provided the City with early level cost estimates for construction, including needed parking improvements. Council approved the design contract with DOWL HKM in October 2011, and the project was advertised for bid in July 2012 with

bids opened in late August 2012. Brechan was the sole bidder on the project and because the bid price was high, staff negotiated the removal of the concrete revetment wall in order to reduce project costs. The Council awarded the construction contract at September 27, 2012, meeting.

**DISCUSSION:** The construction management may include several tasks such as part time field inspection of the construction activities, testing of construction materials for conformance with the project specifications, review of contractor submittals, and timely responses to contractor requests for information. These tasks are described in more detail below.

Part Time Inspection: During portions of the work special inspection or geo-technical support may be needed as work progresses with large rock cut and face.

Construction Materials Testing: It is very important that the soils, concrete, and asphalt pavements used in the project meet City and design requirements. Soils containing too many fines are subject to frost heave. Soils that are not well compacted will settle. Pipe bedding that is too coarse will cause the mains to break. Asphalt pavement that does not have sufficient asphalt oil and is poorly compacted will fail prematurely, and portland cement concrete with insufficient entrained air will spall and fail prematurely. Unfortunately, none of these material parameters can be measured by eye regardless of how many hundreds of miles of utility and road construction the contractor has performed. A trained individual with the proper equipment must be on-site when fill, pavement, and concrete are being placed. Contractors generally do not perform this testing without specific requirements and additional pay.

Submittal Review: The contractor is required to submit information identifying the brand and design characteristics of each item to be incorporated into the project, e.g. water valves, pipe, manholes, etc. The City has specific requirements, but it isn't unusual for the contractor to submit on materials that simply do not comply or an alternate material that may or may not be suitable. Each submittal must be reviewed for conformance to the specifications and the intent of the design. For example, the City uses a specific brand and model of fire hydrant to limit the number of different brands of repair parts that Public Works must stock. A contractor may submit a perfectly good brand of hydrant that is used in other municipalities, but, due to our design intent, is unacceptable to Kodiak. It is costly for the contractor and causes delays if the work must be stopped while nonconforming materials are removed and new materials are ordered. Such costs and delays can lead to construction claims.

Response to Requests for Information (RFI): The contractor often has legitimate questions regarding the plans and specifications or wants the City to consider alternate designs or materials. It is important to respond to the contractor as quickly as possible to assure the work is not delayed and that the City can take advantage of the good ideas contractors may have to improve the project and lower costs.

Swing Ties: The City uses a simple method of locating important features such as water valves and sewer cleanouts, by measuring the distance to the feature from two different permanent points. This allows the Public Works crews to quickly find valves in the field regardless of snow cover or vegetation.

The full time inspector assures these measurements are made and clear drawings are produced for the crew to use.

Record Drawings: As discussed above, often the design is modified during construction to accommodate utility conflicts or betterments. These changes must be documented on a set of as-built drawings. The reason there are so many unknown subsurface conditions in the older areas of town is there are no as-built drawings of the utilities from that time period.

**ALTERNATIVES:**

1. Award a professional services contract to DOWL HKM for work to be performed on a time and materials basis in the not to exceed amount of \$50,000. Staff believes this alternative will best protect the City's \$1.7 million investment in this project and is recommended.
2. Do not perform construction management on this project. This alternative is not recommended because of the risk that materials and workmanship will not always meet the City's requirements for quality construction and low long term maintenance costs.

**FINANCIAL IMPLICATIONS:** This project has adequate funds within the budget account for Project No. 8016 to cover the cost of this contract.

**STAFF RECOMMENDATION:** Staff recommends Council authorize the professional services contract to DOWL HKM for construction administration and management of the Shelikof Street Pedestrian Improvements Project, Project No. 10-04/8016 on a time and material basis with a not-to-exceed cost of \$50,000, with funds coming from the Cargo Capital Development Fund, Project No. 8016.

**CITY MANAGER'S COMMENTS:** I support staff's recommendation to have DOWL perform the construction management and administration for this project. There are aspects to this project that require additional expertise, time, and testing beyond what the City staff can provide. The City often uses this type of service for more complex projects with elements and results that must meet specific construction specifications.

**ATTACHMENTS:**

Attachment A: DOWL HKM Proposal

**PROPOSED MOTION:**

Move to authorize the professional services contract to DOWL HKM for construction administration and management of the Shelikof Street Pedestrian Improvements Project, Project No. 10-04/8016, on a time and material basis with a not-to-exceed amount of \$50,000, with funds coming from the Cargo Capital Development Fund, Project No. 8016 and authorize the City Manager to sign the agreement on behalf of the City.





Attachment: A

August 28, 2012  
W.O. 60397

Mr. Glenn Melvin  
City of Kodiak  
2410 Mill Bay Road  
Kodiak, Alaska 99615

Subject: Shelikof Street Pedestrian Upgrades  
Contract Amendment: Construction Management Services

Dear Mr. Melvin:

DOWL HKM is pleased to submit a proposed scope of work and budget for construction management services for the pedestrian improvements along Shelikof Street from Pier II to Jack Hinkel Way.

#### **SCOPE OF WORK**

DOWL HKM's team will perform the following duties:

- DOWL HKM will work with the City of Kodiak (COK) to establish inspection and reporting procedures.
- If needed, DOWL HKM will attend a pre-construction conference in person or via teleconference. This can be discussed in detail with the COK staff before this meeting occurs.
- Natasha Hayden, E.I., will provide regular inspection and reporting during construction activities.
- Aaron Christie, P.E., and/or Howard Weston, P.E., will make periodic visits to the site and consult with DOWL HKM's inspector. They will help resolve field issues and provide direction for the inspector.
- Inform the COK of out-of-scope construction items.
- DOWL HKM will create, review, and approve inspection reports. You or your on-site representative will receive a copy of these daily, preliminary field inspection reports at the end of each day.
- It is anticipated that inspection services will be required over a non-continuous 60-calendar day period, with the Contractor likely beginning construction during the 2012 season and completing construction in 2013.

#### **SCHEDULE**

Construction is expected to begin in October 2012 and potentially extend to October 31, 2013.

Mr. Glenn Melvin  
City of Kodiak  
August 28, 2012  
Page 2

**PROPOSED FEE**

DOWL HKM proposes to provide the services as outlined above on a time and materials (T&M) basis. Our estimated fee for this work is \$44,530. For budgetary purposes, we recommend that you budget \$50,000 to account for unknowns in the schedule, scope, etc.

Thank you again for considering DOWL HKM for this construction management project. We look forward to working with you on this project and will be happy to answer any additional questions you may have.

Sincerely,  
DOWL HKM



Aaron R. Christie, P.E.  
Project Manager

Attachments: As stated

D60397.Melvin.ARC.082812.cam

This proposal/agreement and the Standard Contract Terms and Conditions are accepted, and DOWL HKM is authorized to proceed with the work.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**DOWL HKM  
ESTIMATE FOR PROFESSIONAL SERVICES**

|                 |   |              |           |
|-----------------|---|--------------|-----------|
| <b>PROJECT:</b> | Shelikof Street Pedestrian Upgrades -<br>Construction Management Services | WO#          | D60397    |
|                 |   | DATE:        | 28-Aug-12 |
|                 |   | Prepared by: | ARC/NMH   |
| <b>CLIENT:</b>  | City of Kodiak  |              |           |

| <b>Tasks</b> | <b>Construction Management Services (T&amp;M)</b> | <b>Total Fees</b> |
|--------------|---|-------------------|
| Task AS-9    | Construction Management Services                  | \$44,530          |
|              | <i>Grand Total For Additional Services</i>        | <b>\$44,530</b>   |



## DOWL HKM STANDARD CONTRACT TERMS AND CONDITIONS (Alaska)

### SECTION 1 - SERVICES OF DOWL HKM

#### A. Basic Services

DOWL HKM shall provide Client the services as described in this Agreement within the periods stipulated herein. Services will be paid for by Client as indicated herein.

#### B. Schedule

DOWL HKM's services and compensation under this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion. Unless specific periods of time are specified in this Agreement, DOWL HKM's obligation to render services hereunder will be for a period that may reasonably be required for the completion of said services.

#### C. Authorization to Proceed

Execution of this Agreement by Client will be authorization for DOWL HKM to proceed with the Work as scheduled, unless otherwise provided for in this Agreement.

#### D. Delay

If in this Agreement, specific periods of time for rendering services are set forth, or specific dates by which services are to be completed, are provided, and if such periods of time or dates are changed through no fault of DOWL HKM, the rates and amounts of compensation and time for completions provided herein shall be subject to equitable adjustment

#### E. Changes/Additional Services

The Scope of Services set forth in this Agreement is based on facts known at the time of execution of this Agreement, including, if applicable, information supplied by the Client. For some projects the scope may not be fully definable during the initial stages and/or the Client may at any time during the term of this Agreement make changes within the general scope of the Agreement. If such facts discovered as the Project progresses, or changes that are requested by the Client, change the cost of, or time for, performing the services hereunder, DOWL HKM will promptly provide Client with an amendment to this Agreement to recognize such changes.

### SECTION 2 - TERMS OF PAYMENT

#### A. Invoicing

DOWL HKM will submit invoices to Client for services rendered and reimbursable expenses incurred each month. Invoices will be prepared in accordance with DOWL HKM's standard invoicing practices. Such invoices will represent the value of the completed Work and will be in accordance with the terms for payment in this Agreement.

#### B. Progress Payments

Invoices are due and payable within 30 calendar days of the date of the invoice. If Client fails to pay undisputed invoices when due, the amounts due will be increased at the rate of 1.0% per month from said 30<sup>th</sup> day. In addition DOWL HKM may at any time, without waiving any other claim against the Client, and without thereby incurring any liability to the Client, suspend or terminate performing work hereunder in accordance with Section 5.C of this Agreement. Payments will be credited first to interest and then to principal. In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.

### SECTION 3 - OBLIGATIONS OF CLIENT

#### A. Furnish Data

Client shall provide all criteria and full information as to Client's requirements for the Project and furnish all available information pertinent to the Project, including reports and data relative to previous designs or investigations at or adjacent to the site. Client shall provide such legal, independent cost estimating, and insurance counseling services as may be required for the Project.

#### B. Representative

Client will designate a person to act with authority on Client's behalf in respect of all aspects of the Project.

#### C. Timely Review

Client will examine DOWL HKM's studies, reports, drawings and other project-related work products and render decisions required in a timely manner.

#### D. Prompt Notice

Client will give prompt written notice to DOWL HKM whenever Client observes or otherwise becomes aware of hazardous environmental conditions or of any development that affects the scope or timing of DOWL HKM's Scope of Services or any defect in the Services of DOWL HKM or the work of any Contractor.

#### E. Site Access

Client will arrange for safe access to and make provisions for DOWL HKM and DOWL HKM's sub consultants to enter upon public or private property as required for DOWL HKM to perform the Services under this Agreement.

### SECTION 4 - OBLIGATIONS OF DOWL HKM

#### A. Independent Contractor

DOWL HKM is an independent contractor and will maintain complete control of and responsibility for its employees, subcontractors and sub consultants. DOWL HKM shall also be solely responsible for the means and methods for carrying out the Scope of Services and for the safety of its employees.

#### B. Performance

DOWL HKM will perform its Services using that degree of care and skill ordinarily exercised under the same conditions by Design Professionals practicing in the same field at the same time in the same or similar locality. Professional services are not subject to, and DOWL HKM cannot provide any warranty or guarantee, express or implied, including warranties or guarantees contained in any uniform commercial code. Any such warranty or guarantee contained in any purchase order, requisition or notices to proceed issued by the Client are specifically objected to.

#### C. Technical Accuracy

Owner shall not be responsible for discovering deficiencies in the technical accuracy of DOWL HKM's work. DOWL HKM shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in the Client furnished information.

#### **D. Publicity**

DOWL HKM will not disclose the nature of its Scope of Services on the Project, or engage in any publicity or public media disclosures with respect to this project without the prior written consent of Client.

#### **E. Insurance**

DOWL HKM will maintain insurance coverage for Professional, Comprehensive General, Automobile, Worker's Compensation and Employer's Liability in amounts in accordance with statutory requirements, and DOWL HKM's business requirements. Certificates evidencing such coverage will be provided to Client upon request.

#### **F. Compliance with Laws**

DOWL HKM will use reasonable care to comply with applicable laws in effect at the time the Services are performed hereunder, which to the best of its knowledge information and belief, apply to its obligations under this Agreement.

#### **G. No responsibility for Site Safety**

Construction contractors shall be solely responsible for the supervision, directions and control of their work; means, methods, techniques, sequences and procedures of construction; safety precautions and programs and compliance with applicable laws and regulations.

#### **H. No responsibility for Contractor Performance**

DOWL HKM shall not be responsible for the quality of any Contractor's work, or for any Contractor's failure to furnish or perform its work in accordance with the contract documents.

#### **I. Equal Opportunity Employment**

DOWL HKM is committed to the principles of equal opportunity and affirmative action in employment and procurement. DOWL HKM does not discriminate against applicants, employees, or suppliers on the basis of factors protected by federal or applicable state laws.

### **SECTION 5 - GENERAL CONSIDERATIONS**

#### **A. Reuse of Documents**

1. All documents are instruments of service in respect to this Project, and DOWL HKM shall retain an ownership and property interest therein (including the right of reuse at the discretion of DOWL HKM) whether or not the Project is completed. Client may make and retain copies for information and reference in connection with the use and occupancy of the Project. Such documents are not intended or represented to be suitable for reuse by Client or others on extensions of the Project or on any other project. Any reuse without written verification of DOWL HKM will be at Client's sole risk. Client shall indemnify and hold harmless DOWL HKM and DOWL HKM's Consultants from all claims, damages, losses, and expenses, including attorney fees arising out of or resulting therefore.
2. Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) that are signed or sealed by DOWL HKM. Files in electronic media format are furnished for convenience.
3. Because data stored in electronic media format can deteriorate or be modified, inadvertently or otherwise, without authorization of DOWL HKM, the party receiving the electronic files agrees to perform acceptance tests or procedures within 60 days, after which the receiving party shall have deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by DOWL HKM. DOWL HKM will not be responsible to maintain documents stored in electronic media format after acceptance by Client.

4. DOWL HKM makes no representations as to long term compatibility, usability, or readability of documents resulting from use of software application packages, operating system, or computer hardware differing from those used by DOWL HKM at the beginning of this Project.

#### **B. Indemnification**

1. To the fullest extent permitted by law, DOWL HKM agrees to indemnify and hold harmless Client from and against any liability, damages and costs, (including reasonable attorney's fees and costs of defense) arising out of the death or bodily injury to any person or the destruction or damage to any property, to the extent caused during the performance of professional services under this Agreement, by the negligent acts, errors, and omissions of DOWL HKM or anyone for whom DOWL HKM is legally responsible.
2. To the fullest extent permitted by law, Client agrees to indemnify and hold harmless DOWL HKM from any liability, damages and costs, (including reasonable attorney's fees and costs of defense) to the extent caused by the negligent acts, errors, and omissions of the Client, Clients contractors, consultants, and anyone for whom Client is legally responsible.
3. To the fullest extent permitted by law, DOWL HKM's total liability to Client and anyone claiming by, through or under Client for any claim, cost, loss or damage caused in part by the negligence of DOWL HKM and in part by Client or any other negligent entity or individual, shall not exceed the percentage share that DOWL HKM's negligence bears to the total of all other negligent entities and individuals.

#### **C. Termination / Suspension**

1. Client may terminate this Agreement for convenience. In such event, DOWL HKM will be entitled to compensation for Services performed up to the date of termination, including profit related thereto, plus any expenses of termination.
2. The obligation to provide further Services under this Agreement may be suspended by either party upon 7 days written notice or terminated by either party upon thirty (30) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof (including Client's obligation to make payments required hereunder) through no fault of the suspending or terminating party, and defaulting party does not commence correction of such nonperformance within five (5) days of written notice and diligently completes the correction thereafter.

#### **D. Mutual Waiver / Limitation of Liability**

To the fullest extent permitted by law, DOWL HKM and Client waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project.

#### **E. Limits of Agreement**

This instrument contains the entire Agreement between the parties, and no statement, promise or inducements made by either party that are not contained in this written Agreement shall be valid or binding. This Agreement upon execution by both parties hereto, can only be amended by written instrument signed by both parties

#### **F. Severability and Survival**

The various terms, provisions and covenants herein contained shall be deemed to be separate and severable, and the invalidity of unenforceability





of any of them shall not affect or impair the validity or enforceability of the remainder.

**G. Waiver**

No waiver by either party of any default by the other party in the performance of any particular section of this Agreement shall invalidate any other section of this Agreement or operate as a waiver of any future default, whether like or different in character.

**H. Choice of Law and Venue**

The parties agree that any action at law or judicial proceeding for the enforcement of this Agreement or any provision thereof shall be instituted only in the courts of the State of Alaska, and it is mutually agreed that this Agreement shall be governed by the laws of the State of Alaska, both as to interpretation and performance.

**I. Material Adverse Effect**

This Agreement may be amended if an event, change or effect creates a material adverse effect upon the operation of DOWL HKM. Such material adverse effect may be created by, or be the effects of Acts of God (including fire, flood, earthquake, storm, or other natural disaster), war (whether declared or not declared), terrorist activities, labor dispute, strike, lockout or interruption or failure of electricity or telephone service which materially impairs DOWL HKM's ability to operate in business in accordance with the standard of professional practice ordinarily exercised by our profession and which formed the basis for this Agreement.

**J. No Third Party Beneficiaries**

Nothing contained in this Agreement nor the performance of the parties hereunder, is intended to benefit, nor shall inure to the benefit of, any third party, including Client's contractors, in any.

**K. Successor, Assigns, and Beneficiaries**

Neither Client nor DOWL HKM may assign, sublet, or transfer any rights under or interest (including but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except as mandated or restricted by law. No assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

**L. Prevailing Party Litigation Costs**

In the event any actions are brought to enforce this Agreement, the prevailing party shall be entitled to collect its litigation costs from the other party.

**M. Statutes of Limitation**

To the fullest extent permitted by law, parties agree that, except for claims for indemnification, the time period for bringing claims under this Agreement shall expire one year after Project completion.

**N. Authority**

The person signing this Agreement warrants that they have the authority to sign as, or on behalf of, the party for whom they are signing.

Shelikof Pedestrian Upgrades  
Project Name

Kodiak, AK  
Project Location

1124.60397.02  
DOWL HKM Project Number

City of Kodiak / Mark Kozak  
Client Name / Contact Name

907.486.8065  
Client Phone / Fax / Email

2410 Mill Bay Road  
Client Address

Kodiak, AK 99615  
City / State / Zip

IN WITNESS WHEREOF, the parties hereto have executed this Agreement:

Client: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

DOWL HKM  
By: [Signature]

Title: Project Manager

Date Signed: 8/29/12

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmember's  
**From:** Aimée Kniaziowski, City Manager  
**Thru:** Mark Kozak, Public Works Director and Glenn Melvin, City Engineer  
**Date:** November 8, 2012

**Agenda Item:** V.e. **Authorization of Contract Amendment No. 1 for Additional Design Services for Aleutian Homes Water and Sewer Replacement Project, Phase V, Project No. 10-03/7026**

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**SUMMARY:** The City started a phased utility replacement of the water and sewer utilities in the Aleutian Homes in 2005. The Aleutian Homes Subdivision was built in the early 1950s, and much of the water and sewer system is left from that original construction. The Council approved the design contract with DOWL HKM in August 2009 for Aleutian Homes Water and Sewer Replacement Phase V. The project is at 95% design and, with the award of an Alaska Municipal Matching Grant (AMMG) from the Alaska Department of Environmental Conservation (DEC) for a segment of this project, the City is ready to finalize plans and bid the project. Staff recommends Council approve the amendment to the DOWL HKM design contract to finalize plans and bid documents for Aleutian Homes Water and Sewer Replacement Project Phase V Project No. 10-03/7026 in the amount of \$24,928.

**PREVIOUS COUNCIL ACTION:**

- August 27, 2009: Council authorized the design contract for Aleutian Homes Water and Sewer Replacement Phase V project to DOWL HKM
- October 11, 2012: Council accepted Alaska Municipal Matching Grant (AMMG) grant number 50338 in the amount of \$1.3 million for design and construction cost on Aleutian Homes Water and Sewer Replacement Project, Phase V

**DISCUSSION:** The design for this project was approved in August 2009, and by the summer of 2011 was 95% complete. Staff submitted AMMG questionnaires for this project starting in 2010, but the project did not qualify for AMMG funding until FY 2013. By working with DEC, staff broke the Phase V project into smaller segments of work and this improved our score for grant funding.

With the award of the FY2013 AMMG # 50338 of \$1.3 million, the first segment of work is now fully funded in the City's FY2013 budget and the project is ready for final design and bid document preparation.

Phase V of the Aleutian Homes Water and Sewer Replacement project is the portion of Thorsheim Street from just north of the Oak Street intersection, which was the end of the Phase IV project, to just



south of the Maple Street intersection, which was the Phase III project. Phase V is roughly 2,050 feet long. Because of overall construction cost estimates and DEC policy that communities keep their project funding requests to \$2 million per project, staff evaluated and identified ways to break this project into smaller segments. This first segment is planned to start north of the Oak Street intersection and progress north of the Fir Street intersection, or roughly 700 feet of project, depending on project bids and available funds.

The DOWL HKM proposal will take the existing 95% design and develop a bid ready package that will include a transition from the new design utility alignment and the existing utilities. It will also include the 2012 edition of the City of Kodiak Standard Construction Specifications and Details in the bid documents and renew the DEC approval to construct the new water and sewer upgrades.

**ALTERNATIVES:**

1. Authorize the amendment to the existing Aleutian Homes Water and Sewer Replacement Design Contract with DOWL HKM to finalize the design of roughly 700 feet of the Phase V project. This is staff's recommendation because it supports the City's planned replacement of this neighborhood's aging utilities and uses grant funds to minimize impacts to the rate payers.
2. Do not authorize the amendment and wait until additional funding is available for completing the entire project. This is not recommended because new AMMG requirement, item # 11 requires construction to begin within one year of the grant offer, or they may, at their discretion, withdraw the grant award.

**FINANCIAL IMPLICATIONS:** Project number 10-03/7026 is budgeted in FY2013 Water Capital Improvement Fund. The total project budget is \$2,487,000.

**STAFF RECOMMENDATION:** Staff recommends Council approve Amendment No. 1 with DOWL HKM in the amount of \$24,928, with funds coming from the Aleutian Homes Water and Sewer Replacement Project, Phase V, Project No. 10-03/7026.

**CITY MANAGER'S COMMENTS:** It is good that we received this AMMG grant and can once again begin the phased replacement of the Aleutian Homes water and sewer utilities. These grants are competitive, and I'm pleased that Mark Kozak was successful in receiving funding after several years. I recommend Council authorize DOWL's design contract amendment and authorize me to sign the document on behalf of the City.

**ATTACHMENTS:**

- Attachment A: DOWL HKM Aleutian Homes Phase V contract amendment proposal, dated September 20, 2012

**PROPOSED MOTION:**

Move to authorize Amendment No. 1 to the DOWL HKM design contract in the amount of \$24,928, with funds coming from the Aleutian Homes Water and Sewer Replacement Project, Phase V, Project No. 10-03/7026 and to authorize the City Manager to sign the amendment on behalf of the City.



September 20, 2012  
W.O. 60311

Mr. Mark Kozak  
City of Kodiak  
2410 Mill Bay Road  
Kodiak, Alaska 99615

Subject: City of Kodiak, Aleutian Homes Phase V  
Amendment 1: Proposal for Additional Civil Engineering Services

Dear Mr. Kozak:

DOWL HKM is pleased to submit a proposed scope of work and budget to complete additional civil engineering services for Aleutian Homes Phase V to be constructed in the summer of 2013. The work includes revising existing 95% design drawing to reflect the revised project extents along 700 feet of Thorsheim Street beginning near Oak Street and terminating near the intersection with Fir Street. This portion of Phase V will be known as Segment A. Engineering services will include designing utilities to transition between existing and proposed, revising drawings to reflect the new project limits, and create a new engineer's estimate. The project special provisions will also be revised to reflect the recent updates to the City of Kodiak Construction Specifications and Details.

#### ASSUMPTIONS

This proposal is based on the following assumptions and qualifications. If further investigation into the project discloses conditions other than those assumed, we will advise you and assist in making appropriate adjustments to the scope of work and budget.

- The City of Kodiak Public Works will provide personnel and equipment necessary to perform test pits to determine the horizontal and vertical locations for water mains at proposed tie in locations.
- We will resubmit all necessary plans and applications required to obtain the "Approval to Construct" and "Approval to Operate" authorizations from State of Alaska Department of Environmental Conservation (DEC) for the water and sewer mains for Segment A.
- No categorical exclusion is required from the DEC.
- All construction will be bid under a single contract, without alternatives, which require additional drawings.

#### SCOPE OF WORK

DOWL HKM will provide bid ready drawings, specifications, and an engineer's cost estimate for the proposed upgrades for Aleutian Homes Phase V- Segment A.

The design will include the following tasks:

- **95% Design Submittal.** We will determine the most logical location for dividing Segment A from the remainder of Phase V by evaluating the proposed upgrades and taking into consideration future work that will continue after Segment A is complete.

Following determination of the project limits, recommended changes will be incorporated into the drawings and we will prepare the 95% design.

In this submittal we envision a total sheet count as follows:

| <u>Sheet Count (24" x 36")</u>                       | <u>Estimated Number of Sheets</u> |
|--|-----------------------------------|
| Cover Sheet  | 1                                 |
| Index, Notes, Key Map, Legend, and Abbreviations     | 4                                 |
| Survey Control Sheets                                | 1                                 |
| Demolition Sheets (20-Scale)                         | 1                                 |
| Typical Sections                                     | 1                                 |
| Road and Drainage Plan and Profile Sheets (20-Scale) | 3                                 |
| Intersection Grading Details                         | 1                                 |
| Water Plan and Profile Sheets (20-Scale)             | 3                                 |
| Sanitary Sewer Plan and Profile Sheets (20-Scale)    | 3                                 |
| Signing and Striping Plans (20-Scale)                | 1                                 |
| Details  | 3                                 |
| <b>Total</b>   | <b>22</b>                         |

Drawings will be prepared in English Units.

Special Provisions will be prepared based on the City of Kodiak Standard Special Provisions (2012 edition).

- **Final Design Submittal.** We will meet with the City of Kodiak to discuss the 95% drawings, respond to comments, and revise the design accordingly. The final submittal will consist of full-size plans and special provisions. An engineer's construction estimate will be included with this submittal.
- **DEC Permitting.** The previous Approval to Construct received from the DEC has expired. DOWL HKM will prepare and submit revised applications to the DEC for Approval to Construct the proposed water and sewer mains. Separate applications will be needed for the water and sanitary sewer extensions. We will complete this work under our current contract and no additional fees are requested as part of this amendment.
- **Communications.** I will be DOWL HKM's Project Manager and your primary point of contact on all civil engineering matters concerning this project. If you have questions or concerns, please call at any time.
- **Reproduction.** We will prepare three sets of the half size plans, specifications, and engineer's cost estimate for each submittal.

**DELIVERABLE PRODUCTS**

- 95% design submittal (Including drawings, special provisions and cost estimate).
- Final design submittal (Includes bid ready documents and drawings).

We are available to begin immediately after receipt of a Notice-to-Proceed (NTP). We understand the City of Kodiak would like the project to bid in November. We will make the final design submittal no later than six weeks after NTP.

**FEE PROPOSAL**

We propose to furnish the above-described services for a total lump sum of \$24,928. This total fee consists of the following components, which is covered in detail on the attached estimates:

| <u>Phase Description (Basic Services)</u> |                 |
|---|-----------------|
| 95% Submittal - Segment A .....           | \$12,976        |
| Final Submittal - Segment A.....          | \$11,952        |
| <b>TOTAL.....</b>                         | <b>\$24,928</b> |

A monthly statement will be provided showing the approximate percentage completion of each of these phases. Payment will be expected within 30 days.

Services performed by DOWL HKM under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this agreement, or in any report, opinion, document, or otherwise.

We trust this provided adequate information for evaluating our proposal. We look forward to working with you on this project and will be happy to answer any additional questions you may have.

Sincerely,  
DOWL HKM



Aaron R. Christie, P.E.  
Project Manager

D60311.01.Kozak.ARC.092012.tlc

Attachments: As stated

This proposal/agreement is accepted, and DOWL HKM is authorized to proceed with the work.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**DOWL HKM  
ESTIMATE FOR PROFESSIONAL SERVICES**

|                 |   |              |                  |
|-----------------|---|--------------|------------------|
| <b>PROJECT:</b> | <b>Aleutian Homes Phase V, Part A Water and Sewer Upgrade</b> | <b>WO#</b>   | <b>D60311</b>    |
|                 |   | <b>DATE:</b> | <b>29-Aug-12</b> |
|                 |   | Prepared by: | <b>ARC/NMH</b>   |
| <b>CLIENT:</b>  | <b>City of Kodiak</b>   |              |                  |

| <b>Tasks</b> | <b>Basic Services (Lump Sum)</b> | <b>Total Fees</b> |
|--------------|----------------------------------|-------------------|
| Task 7       | 95% Submittal - Segment A        | \$12,976          |
| Task 8       | Final Submittal - Segment A      | \$11,952          |
|              | <i>Total</i>                     | <b>\$24,928</b>   |

DOWL HKM  
ESTIMATE FOR PROFESSIONAL SERVICES

|                 |  |             |           |
|-----------------|--|-------------|-----------|
| <b>PROJECT:</b> | Aleutian Homes Phase V Water & Sewer Upgrade | WO#         | D60311    |
|                 |  | DATE:       | 29-Aug-12 |
|                 |  | Prepared by | ARC/NMH   |
| <b>CLIENT:</b>  | City of Kodiak                               |             |           |

|               | Labor Category                                 | Contract Manager | Project Manager | Design Engineer | Design Engineer | Technician | Admin Asst |        | Expenses   | TOTALS      |
|---------------|--|------------------|-----------------|-----------------|-----------------|------------|------------|--------|------------|-------------|
|               |  | S. Noble         | A. Christie     | C. Pletnikoff   | N. Hayden       |            |            |        |            |             |
|               | Hourly Rate                                    | \$150.00         | \$150.00        | \$95.00         | \$95.00         | \$85.00    | \$90.00    |        | 10% Markup |             |
|               | Task Description                               |                  |                 |                 |                 |            |            |        |            |             |
| <b>Task 7</b> | <b>95% Submittal - Segment A</b>               |                  |                 |                 |                 |            |            |        |            |             |
|               | Project Meetings (1 site visit)                |                  |                 |                 |                 |            |            |        |            |             |
|               | Project Management, Budgeting, Schedule        |                  | 2               |                 |                 |            |            |        |            |             |
|               | Evaluate Phase V to Determine Limits of Part A |                  | 2               |                 | 40              | 20         |            |        |            |             |
|               | QA/QC Review                                   |                  | 4               |                 | 20              |            |            |        |            |             |
|               | Respond to Review Comments                     |                  | 2               |                 | 22              | 20         |            |        |            |             |
|               | Reimbursable Expenses                          |                  |                 |                 |                 |            |            |        |            |             |
|               | Long Distance Phone Calls                      |                  |                 |                 |                 |            |            |        | \$200.00   |             |
|               | O/N Mail                                       |                  |                 |                 |                 |            |            |        | \$60.00    |             |
|               | <i>Subtotal - Hours</i>                        | 0                | 10              | 0               | 82              | 40         | 0          | 0      |            | 132         |
|               | <i>Subtotal - Costs</i>                        | \$0.00           | \$1,500.00      | \$0.00          | \$7,790.00      | \$3,400.00 | \$0.00     | \$0.00 | \$286.00   | \$12,976.00 |

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DOWL HKM  
ESTIMATE FOR PROFESSIONAL SERVICES

|                 |  |                    |           |
|-----------------|--|--------------------|-----------|
| <b>PROJECT:</b> | Aleutian Homes Phase V Water & Sewer Upgrade | <b>WO#</b>         | D60311    |
|                 |  | <b>DATE:</b>       | 29-Aug-12 |
| <b>CLIENT:</b>  | City of Kodiak                               | <b>Prepared by</b> | ARC/NMH   |

|               | Labor Category                            | Contract Manager | Project Manager | Design Engineer | Design Engineer | Technician | Admin Asst | Expenses   | TOTALS      |
|---------------|---|------------------|-----------------|-----------------|-----------------|------------|------------|------------|-------------|
|               | Hourly Rate                               | \$150.00         | \$150.00        | \$95.00         | \$95.00         | \$85.00    | \$90.00    | 10% Markup |             |
|               | Task Description                          |                  |                 |                 |                 |            |            |            |             |
| <b>Task 8</b> | <b>Final Submittal - Segment A</b>        |                  |                 |                 |                 |            |            |            |             |
|               | Project Meetings                          |                  | 2               |                 |                 |            |            |            |             |
|               | Project Management, Budgeting, Schedule   |                  | 2               |                 | 4               | 2          |            |            |             |
|               | Part A Final Design Submittal             |                  |                 |                 |                 |            |            |            |             |
|               | Survey Control                            |                  |                 |                 |                 |            |            |            |             |
|               | Typical Sections                          |                  |                 |                 | 2               | 4          |            |            |             |
|               | Demolition Sheets                         |                  |                 |                 | 4               | 4          |            |            |             |
|               | Road and Storm P&P Sheets                 |                  |                 |                 | 4               | 8          |            |            |             |
|               | Water P&P Sheets (700' of water main)     |                  |                 |                 | 4               | 8          |            |            |             |
|               | Sewer P&P Sheets (700' of sewer main)     |                  |                 |                 | 4               | 16         |            |            |             |
|               | Details                                   |                  |                 |                 | 4               | 16         |            |            |             |
|               | Cost Estimate                             |                  |                 |                 | 4               | 4          |            |            |             |
|               | Special Provisions                        |                  |                 |                 | 4               |            | 4          |            |             |
|               | Evaluate/Limit Private Property Impacts   |                  |                 |                 | 4               | 1          |            |            |             |
|               | QA/QC Review                              |                  | 4               |                 | 4               |            |            |            |             |
|               | Reimbursable Expenses                     |                  |                 |                 |                 |            |            |            |             |
|               | Long Distance Phone Calls                 |                  |                 |                 |                 |            |            | \$220.00   |             |
|               | Airfare (Anchorage to Kodiak) - 1 persons |                  |                 |                 |                 |            |            | \$660.00   |             |
|               | Car Rental - 1 day                        |                  |                 |                 |                 |            |            | \$66.00    |             |
|               | Per Diem @ \$35 per day                   |                  |                 |                 |                 |            |            | \$35.00    |             |
|               | O/N Mail                                  |                  |                 |                 |                 |            |            | \$66.00    |             |
|               | <b>Subtotal - Hours</b>                   | 0                | 8               | 0               | 42              | 63         | 4          | 0          | 117         |
|               | <b>Subtotal - Costs</b>                   | \$0.00           | \$1,200.00      | \$0.00          | \$3,990.00      | \$5,355.00 | \$360.00   | \$0.00     | \$11,047.00 |

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# **EXECUTIVE SESSION**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Debra Marlar, City Clerk *DM*  
**Date:** November 8, 2012

**Agenda Item:** X.a. 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.

NOVEMBER 8, 2012  
Agenda Item X.a Memo Page 1 of 1