

**KODIAK CITY COUNCIL**

**WORK SESSION AGENDA**

**Tuesday, January 22, 2013**

**Kodiak Island Borough Conference Room**

**7:30 p.m.**

*Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

1. Public Comments (limited to 3 minutes)
2. Compensation and Classification Final Report Presentation....(PowerPoint at meeting)
3. DOT Bike Path Memorandum of Understanding .....1
4. Thelma C Exhibit Lease Request.....10
  - a. Harbor Interpretation; Landscape Master Plan .....13
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5. FY2014 Revenue Projection and Budget Calendar Presentation .....29
6. January 24, 2013, Agenda Packet Review

# DRAFT

## **Memorandum of Agreement Between the State of Alaska and The City of Kodiak Kodiak Island Pathway Project #59761**

The parties to this agreement of the State of Alaska acting through its Department of Transportation and Public Facilities (hereafter DOT&PF) and the city of Kodiak, a city established under Alaska law (hereafter the City):

WHEREAS, DOT&PF has the authority to plan, design, and construct Phase 1 of the Kodiak Island Pathway, identified as Project #59761, located within the boundaries of the City (hereafter the project);

WHEREAS, the Municipality desires that DOT&PF plan, design and construct the project; and

WHEREAS; the DOT&PF owns adequate right-of-way along Rezanof Drive to construct such a pathway; and

IT IS THEREFORE AGREED by the parties, in consideration of the mutual promises contained in this agreement, as set forth below, regarding the planning, design, construction, maintenance, and operation of the project.

### **1. PROJECT RANKING**

- a. DOT&PF shall, while ranking this project with other projects during the preparation of the State Transportation Improvement Plan (STIP) and capital budgeting process, recognize that the Municipality has agreed to provide a nine point zero three percent (9.03%) match towards the total costs of the project and agrees to maintain the project, commencing upon the substantial completion of the construction project.
- b. If the City withdraws its promise to provide the funds listed in 1.a, above, DOT&PF will reevaluate the project nominated by the City without consideration of local contribution. The project will be placed in the Surface Transportation Improvement Plan (STIP) in accordance with the revised score.

### **2. FINANCIAL PARTICIPATION**

DOT&PF requires the local government to provide local matching funds necessary to utilize available federal funds.

Based on DOT&PF estimates done prior to design work, the preliminary engineering (design) costs are estimated at \$440,000. Right-Of -Way (ROW) costs, utilities relocation and construction work are estimated at \$2,990,000.

Given the preliminary nature of the estimate, an additional 50% contingency shall be used for this agreement, bringing the total with contingencies to \$660,000 for preliminary engineering (design) costs and \$4,485,000 for Right-Of -Way (ROW) costs, utilities relocation and construction work.

The City hereby agrees to provide the 9.03% matching funds required to utilize federal funding for this project.

The City's initial payment for the project match is therefore \$59,598 and covers the project through Design. This sum is due within 30 days of execution of this agreement.

The City's subsequent matching fund contributions shall be lump sum payments due prior to initiation of each subsequent phase authorizations from the Federal Highway Administration. Currently estimated non-federal matching funds for all subsequent phases (ROW, utilities relocation and construction) that the City hereby agrees to provide is \$ 404,995.

Once the design phase is completed, the agreement shall be amended to revise the cost estimates and schedules for the ROW, utilities relocation and construction phases, and reduce the required contingency from 50% to 15% of the revised estimate for these phases.

Contingency funds collected may be used to offset cost increases in any project phase. Upon project completion and final project closeout, if the final cost is less than the Agreement cost, the local contribution will be recalculated and excess contribution will be refunded to the City.

If the project cost increases beyond the initial 50% contingency for the total project (\$5,145,000), DOT&PF may, at its sole discretion, amend the project scope to decrease costs accordingly.

### **3. PLANNING, DESIGN, AND CONSTRUCTION**

DOT&PF shall plan, design, and construct the project within the approved scope and funding.

### **4. SCOPE OF WORK**

DOT&PF shall design and construct a 1.3 mile pathway within the existing DOT&PF-owned right-of-way along the ocean side of Rezanof Drive in Kodiak. This 10 foot-wide pathway will be from Pier 2, near Shelikof Street up to the existing Rotary Vista.

### **5. MAINTENANCE AND OPERATIONS**

- a. The Municipality agrees to maintain and operate the project in perpetuity commencing upon the substantial completion of the construction of the project.
- b. The Municipality agrees to maintain and operate the project consistent with 23 CFR 81.27 and DOT&PF's Alaska Highway Maintenance and Operations Manual (AHMOM).
- c. The City shall perform its activities under this agreement at its sole cost and expense and without reimbursement from DOT&PF. These maintenance activities include, but are not limited to:
  - a. planning, scheduling, administration, and logistics of maintenance activities,
  - b. traffic control and safety;
  - c. preservation of drainage in an as-built condition, including maintenance of all culverts, ditches, storm sewers, gutters, dry wells, and under-drains;

- d. embankment protection, including erosion control, to as-built conditions;
- e. guardrails and guardrail end treatments, if applicable;
- f. snow and ice control, including any plowing, sanding, culvert thawing, snow hauling, ice scraping, drift control, snow slide removal, and associated tasks as may be required for safe public use;
- g. maintaining signs in an as-built condition and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
- h. removal of debris, rubbish, and dead animals;
- i. pothole repair using asphalt products on an as-needed basis;
- j. crack sealing;
- k. repairs of minor rutting, waves, sags, humps, corrugations, raveling, alligator cracks, pitting and bleeding on a basis; and

d. Maintenance staff may be employees of the City, another unit of government, or a contractor under agreement with the City. All maintenance will be performed at regular intervals or as required for efficient operation of the complete project improvements. The City's maintenance responsibilities commence the date of project substantiated completion.

## **6. PROPERTY MANAGEMENT**

The right-of-way where the pathway will be constructed is owned by the DOT&PF.

The Municipality agrees that its maintenance activities within the right of way are subject to the provisions of 23 CFR 51.23, in perpetuity commencing upon the substantial completion of the construction of the project.

The Municipality may not allow any encroachment within the right of way of the project without the prior consent of DOT&PF and the Federal Highway Administration. The Municipality may not sell any portion of the right of way without the prior consent from DOT&PF and the Federal Highway Administration. In the event that DOT&PF and the Federal Highway Administration give their consent to the disposal of any portion of the right of way for the project, the municipality shall pay proceeds of the sale to DOT&PF, which DOT&PF will credit to the appropriate federal aid accounts.

## **7. BILLING**

DOT&PF will invoice the Municipality for the full amount of the initial matching funds of \$59,598 upon execution of this agreement. The Municipality shall provide the funds within 30 days of receipt of the billing after which DOT&PF work on the project may begin. The DOT&PF design project manager will initiate subsequent billings for the ROW, construction and utility phases as outlined in paragraph 2. Financial Participation.

## **5. TERM OF THE AGREEMENT**

The Municipality agrees to perform property management and maintain and operate the project in perpetuity commencing upon the substantial completion of the construction of the project. DOT&PF shall inform Municipality of that date.

## 6. DISPUTE RESOLUTION

- a. If a dispute arises under this agreement between the City and DOT&PF, and the parties cannot resolve the matter between them within 45 days after the notice is given by the aggrieved party to the other party, the aggrieved party may request that the matter be resolved by arbitration.
- b. Each party shall appoint an arbitrator to hear the dispute. The two arbitrators acting together shall select a third arbitrator with all appointments to occur in accordance with State Procurement code, AS 36.50. The three arbitrators shall hear the matter under such rules and procedures, as they deem necessary to conduct the proceedings.
- c. Each party shall pay the expenses of the arbitrator it appoints and shall pay half of the cost of the proceedings and the third arbitrator.
- d. Except when the provisions of this paragraph provide otherwise, an arbitration under this paragraph is subject to AS 09.43.010 – 09.43.180, the Uniform Arbitration Act.

## 7. PENALTY FOR BREACH

- a. Any withdrawal of the City's promise to maintain and operate the project upon completion, including a withdrawal at any time after construction is completed, shall be considered a breach. If, prior to advertising for construction, the City withdraws its promise to maintain and operate the project upon completion, DOT&PF will reevaluate each project nominated by the City without consideration of Municipal maintenance. If the City withdraws its promise after the advertisement of a project for bid, the DOT&PF may proceed with construction of the project and seek recovery of maintenance costs from the City. In the evaluation of other projects in the City in the succeeding six years after the breach, DOT&PF will not include consideration of Municipal contribution until the City has cured the breach to DOT&PF's satisfaction.
- b. If notified by DOT&PF in writing that it is in violation of any of the terms, conditions, or provisions of this Agreement, and a default has occurred, the City shall have thirty (30) days from the date of such notification to remedy the default or, if the remedy will take in excess of thirty (30) days to complete, the City shall have thirty (30) days to satisfactorily commence a remedy of the causes preventing its compliance and curing the default situation. Expiration of the thirty (30) days and failure by the City to remedy, or to satisfactorily commence the remedy of, the default shall result in the termination of this Agreement by DOT&PF. If this Agreement is terminated pursuant to this clause, the City shall be liable to repay to DOT&PF all of the Federal Funds disbursed to it under this Agreement.
- c. If the City makes a written request for the cancellation of a federal-aid project, the City shall bear 100 percent of all costs as of the date of cancellation. If DOT&PF was the sole cause of the cancellation, DOT&PF shall bear 100% of all costs incurred. If it is determined that the cancellation was caused by third parties or circumstances beyond the control of DOT&PF or the City, the City shall bear all development costs, whether incurred by DOT&PF or the City, either directly or through contract services, and DOT&PF shall bear any administrative costs incurred. After settlement of payments, DOT&PF shall deliver surveys, maps, field notes, and all other data to the City.

## 8. INDEMNIFICATION

The City shall hold the DOT&PF, its officers, employees, and agents harmless from and defend and indemnify the DOT&PF for liability, claims, or causes of action arising out of this Agreement. Notwithstanding the foregoing, the City shall have no obligation to hold harmless and indemnify the DOT&PF to the extent the DOT&PF is determined to be liable for its own act or omissions, except that:

- A. To the maximum extent allowed by law, the City shall hold the DOT&PF harmless from and indemnify the DOT&PF for liability, claims, or causes of action arising from an alleged defect in the design or construction of facilities existing on the premises at the date of this Agreement or constructed or improved pursuant to this Agreement, regardless of negligence or other fault, if such liability, claim, or cause of action arises out of an incident that occurs more than two years after the City assumes maintenance duties.
- B. The City's duty to defend shall apply regardless of whether it is also alleged that the DOT&PF's acts or omissions contributed to the injury (including injury to personal property, real property or persons, including fatal injury).
- C. Neither liability, claims, or causes of action arising from injuries which occurred prior to the date of this transfer nor liabilities imposed by, or claims or causes of action arising from or asserted under AS 46.03.822 shall be governed by the paragraph.

## **9. CONTACTS**

The DOT&PF's contact is Wolfgang Junge, P.E., Design Project Manager (907-269-0608). The City's contact is Aimee Kniazowski, City Manager, or as may be redesignated in writing from time to time.

## **9. AMENDMENT OF AGREEMENT**

This agreement may only be modified or amended by written agreement on the prescribed Supplemental Agreement forms signed by both parties.

## **10. THE WHOLE AGREEMENT**

This agreement constitutes the entire agreement between the parties. There are no other understandings or agreements between the parties, either oral or memorialized in writing regarding the matters addressed in this agreement. This agreement may not be amended by the parties unless agreed to in writing with both parties signing through their authorized representatives.

**SIGNATURES**

Dated: \_\_\_\_\_

State of Alaska  
Department of Transportation and Public  
Facilities

\_\_\_\_\_

Ken Morton, P.E.  
Preconstruction Engineer

Dated: \_\_\_\_\_

Municipality of Kodiak

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

Aimee Kniazowski, City Manager

## **Kniazowski, Aimee**

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**From:** Kniazowski, Aimee  
**Sent:** Monday, December 10, 2012 5:12 PM  
**To:** 'Biloon, Joselyn (DOT)'  
**Subject:** RE: Trail Questions

Joselyn,

Thanks for the information. I believe we will be discussing the project at a joint work session with the Borough in January. I will also share this information with the City Council and call you if I need clarification.

### **Aimée Kniazowski**

City Manager  
City of Kodiak  
710 Mill Bay Road  
Kodiak, AK 99615  
Phone (907) 486-8640 Fax (907) 486-8600

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**From:** Biloon, Joselyn (DOT) [mailto:joselyn.biloon@alaska.gov]  
**Sent:** Monday, December 10, 2012 4:28 PM  
**To:** Kniazowski, Aimee  
**Subject:** Trail Questions

Hello Aimee,

Sorry about the delay. Here are our answers to your questions. You asked:

- 1.) *What date will the MAP-21 rules go into effect and be implemented? Will the new rules & regulations affect this project if the City decides to move forward? We need a specific timeline so we will know how much time we will have to decide on the project.*

Some MAP-21 regulations are already in place and guidance for these regulations is still in development. My understanding is yes, the new rules and regulations could affect funding for this project once the Department develops new guidelines for initiating projects such as this. However, once we have an agreement in place with the City and a separate project agreement in place with the federal government the Department is unlikely to deviate from such an agreement except in the remote chance there is a need to reduce funding. Future federal funding is difficult to predict since the current Transportation Authorization Bill (MAP -21) only defines funding levels through 2014. There is not a specific deadline for you and the current public review draft STIP amendment has moved this project's start date to 2014 (meaning funds will be available October 1, 2013) but if we see progress in executing this agreement it may be possible to move the project back into FY2013.

- 2.) *Can you confirm that once the City signs the MOA, we are committed to the project and our share of the funding? Is this true even though the total cost is unknown at this time and, if the cost increases and redesign isn't possible, we would still be required to match the required share of the funds whether they come through another legislative grant or through a direct City appropriation? Can you also clarify that, only if the project cost exceeds \$5.15 million that DOT may, at its discretion, rescope the project (Last sentence in Section 2 of the MOA)?*



Yes, I can confirm that once the City signs the MOA, you are committed to the project and your share of the funding. This is the case even if the cost increases. How the City comes up with those funds (legislative appropriation, bonding, other) is a matter for the city to decide. It is correct, that if the project exceeds \$ 5.15 million, that DOT may re-scope the project. This would happen in close consultation with the city.

- 3.) *When and how will DOT be able to identify the cost of the project? As we discussed, Council is concerned about signing the MOA with an undefined project cost. Based on our meeting yesterday, I understand that the project cost are refined once design starts which happens after the City signs the MOA. Please clarify or confirm.*

It is correct that only after the design stage has begun, will we have a refined estimate, rather than the current planning level estimate. It is correct that DOT cannot begin the Project at all, until a match agreement with the city is in place.

- 4.) *Can the project be rescoped or redesigned to construct the path in a more cost-effective way at this point in time? For example, can the design start at Pier 3 and go out to Deadman's Curve rather than the entire length to avoid the difficult terrain between Piers 2 and 3? There was one person who spoke in opposition to the project who said, no matter whose money was used, the bike path cost per linear foot would be far higher that what they would be willing to spend in their personal lives.*

The project cannot be significantly re-scoped at this time as it competed against other projects statewide based on the current pathway scope. The project was scored highly based on the contiguity of the proposed pathway with the planned Islands Trails Network and the specifics of the termini for this stretch of pathway. To change those termini of the pathway would require a new evaluation. Using the federal process AKDOT&PF must conform to design standards that don't allow for a narrower pathway.

- 5.) *When we met yesterday you mentioned that the City might be able to outsource some of the maintenance, which we estimate could cost about \$30k/yr based on the MOA details. Can you verify that the City would be required to maintain the bike path to State DOT&PF standards? What types of maintenance tasks identified in 23 CFR 81.27 & the AHMOM would be required by the City and what types of tasks could be done under a maintenance contract? This is important for us because Andy Schroeder with Island Trails Network said the Borough passed a resolution in 2010 saying the Borough would be the responsible party for maintenance of the trail in their CIP and thought it included the City's portion as well. I can check up on this, but would like to know about the types of maintenance required & what DOT would find acceptable to outsource. One supporter said the City would not have to perform snow removal, similar to Anchorage trails.*

I can verify that the City would be responsible for maintenance. AKDOT&PF seems to accept community standards for usability—meaning that if the path can be used by the travelling public, that it is sufficiently maintained. Other municipalities with maintenance responsibilities for similar pathways have a range of service. Some only clear brush in summer and may or may not clear snow in winter. Some communities have user groups and community members pick up trash and clear obstructions on the pathway. It is also true that while AKDOT&PF enters into maintenance agreements with municipalities on a regular basis, there are no staff resources for enforcement. Section 4.3.1 in AASHTO's Guide for the Planning, Design and Operation of Pedestrian Facilities offers this guidance: In northern climates, snow and ice blockages can force pedestrians onto the street at a time when walking in the roadway is particularly treacherous. ... public works agencies should adopt a snow removal program that includes ensuring that the most heavily used pedestrian routes are cleared, including bus stops and curb ramps at street crossings so that snow plows do not create impassible ridges of snow. Snow should not be piled so as to create new sight distance restrictions

...The U.S. DOJ has advised that agencies maintain a citizen request program for curb ramps, APS, snow removal, and other retrofits to provide program access in existing facilities.

Please consider these answers and perhaps we can talk further if you have more questions.

Thank you,  
Joselyn

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## KODIAK MARITIME MUSEUM

PO Box 1876 Kodiak, AK 99615

907-486-0384

info@kodiakmaritimemuseum.org www.kodiakmaritimemuseum.org

Kodiak City Council Work Session, January 22, 2013

### ***Thelma C Exhibit Long Term Lease Request.***

Kodiak Maritime Museum requests that the Kodiak City Council:

1. Reaffirm support for the *Thelma C Exhibit* project and
2. Begin the process of drafting a resolution to grant a long term lease for the *Thelma C exhibit* site on the harbor spit, as described herein..

*(Note- This project is not to be confused with KMM's other major project- a long term effort to build a permanent museum building in the downtown area.)*

***Thelma C Outdoor Exhibit Project Background*** Kodiak Maritime Museum was founded in 1996 to help visitors and residents understand and appreciate Kodiak's unique bond with the sea. While Kodiak's maritime history includes Alutiiq sea hunters, Russian fur traders, the Russian and American navies and the Coast Guard, Kodiak Maritime Museum's mission has focused on Kodiak's commercial fishing industry. However, Kodiak's harbor has been the point of embarkation and return for all of these activities, the physical center of the island's maritime history and an integral part of Alaska's maritime history as well. As such, the harbor remains the economic, social, and cultural center of Kodiak. It is also Kodiak's signature tourist attraction, and nearly all visitors to Kodiak visit the harbor at least once. According to Discover Kodiak, about 35,000 visitors a year come to Kodiak for business and pleasure, and that number is increasing every year.

To explain the history of the harbor and its commercial fishing industry, and to help visitors feel welcome there, in 2002 Kodiak Maritime Museum designed and built a series of fourteen all-weather interpretive panels on Shelikof St., along the west side of the harbor. Funding for the \$50,000 project came from the City of Kodiak, the Kodiak Island Borough, and KMM. The signs are informative, free, available 24 hours a day, and have become one of the most heavily visited attractions in downtown Kodiak.

However, with increasing visitor traffic and the soon to be constructed sidewalk from Pier II to the harbor, there is more need than ever to offer pedestrian-friendly interpretive experiences to visitors in the downtown area. To meet that need, the *Thelma C Exhibit* was developed by Kodiak Maritime Museum staff and board in 2004 as part of a harbor-wide interpretive plan,

Recognizing the importance of the exhibit to the within the downtown core, the City's 2010 Landscape Master Plan incorporated the *Thelma C* Exhibit as part of its overall interpretive design for the harbor area. (**Landscape Master Plan, pgs. 18-20- Attachment 1**)

With funding from the Alaska Legislature, Kodiak Island Borough and other sources, the project is now well underway, with a target completion date of March, 2014.

***Thelma C* Exhibit Design**            The *Thelma C*, a historically significant 36 wooden fishing boat built in 1965, will be mounted on a small concrete plaza adjacent to the small boat harbor, on the water's edge between Oscar's Dock and the green Coast Guard buoy. Pedestrian walkways will allow visitors to view both the deck level and the hull, and interpretive panels and a cell phone tour will provide multi-media information about the boat, Kodiak's salmon industry, and the history of the harbor. An open sided steel frame pavilion overhead will keep weather off the boat while allowing for the boat to be viewed from outside the exhibit site. (**Exhibit Site Map and Aerial View-Attachments 2 and 3**)

**Project Interpretive Goals**            The *Thelma C* Exhibit will tell several stories- the story of the *Thelma C* herself, a general history of Kodiak's salmon fishery, the story of the 1964 earthquake and tsunami and its effect on Kodiak's harbor and fishing fleet, and the personal stories of Kodiak salmon fishermen and cannery workers. The boat was originally built in 1965 by Ken Christoffersen, who grew up in Kodiak, and whose original boat was destroyed in the 1964 tsunami. With these threads of local history and culture winding through the exhibit, and with its proximity to the downtown core, KMM believes the exhibit will be a major addition to the cultural infrastructure of Kodiak's city center.

**Project Permissions and Permitting**            The exhibit is designed to lie seaward of the harbor spit sidewalk, away from existing parking areas. Recognizing that, and the fact that the exhibit site does not infringe on other existing or planned harbor uses, in 2009 the Kodiak Ports and Harbors Advisory Board passed a resolution approving the site for the exhibit. More recently, in December 2012, the Kodiak Island Borough Planning and Zoning Commission expressed the opinion that if the exhibit site were designated an honorary boat moorage slip by the City, the exhibit would be congruent with existing harbor uses and would therefore need no zoning commission review or approval. P&Z also believes that if the site were designated as a harbor moorage slip, a parking plan and designated parking spaces would not be required for the exhibit. KMM expects Barnes Architecture to provide final construction documents within the next few weeks, at which time we can proceed with the building permit process with the city Building Inspector. KMM has hired PND Engineering to investigate what, if any, Corps of Engineers permits may be required. We expect an opinion on this from PND in the near future.

### **Project History and Proposed Timeline**

**2004** KMM Board members present a concept plan for a downtown fishing boat display to the Kodiak City Council. The Council discusses and voices support for the project, with the stipulation that the project be reviewed by the Kodiak Ports and Harbors Advisory Board. **(2009 City Work Session Notes- Attachment 4)**

**2006** KMM acquires the *Thelma C* and begins searching for funding for the project.

**2009** KMM brings the project before the PHAB, which votes to approve a site for it on City owned land on the harbor spit between Oscar's Dock and the green Coast Guard buoy, pending City Council approval. **(Ports and Harbors Resolution- Attachment 5)**

**2011** The Alaska Legislature grants KMM \$298,000 to reconstruct the *Thelma C*, and design and build an outdoor exhibit around the boat. The grant requires that KMM provide evidence of site control for the exhibit location. **(Legislative Grant Site Permission Requirements- Attachment 6)**

**Spring 2012** KMM moves the *Thelma C* to a temporary building at Kodiak College and with a team of volunteers and two hired shipwrights, rebuilds the boat to its original 1965 configuration. **(Before and After Photos- Attachment 7)**

**Fall 2012** KMM receives construction drawings from Barnes Architecture describing the exhibit site and overhead pavilion roof. **(Barnes Architecture Design Documents-Attachment 8)**

**March 2014** Current plans call for the project to be complete by early 2014, in time for the 50<sup>th</sup> anniversary of the March 27, 1964.

### **Attachments**

1. Kodiak 2010 Landscape Master Plan, Interpretation, pgs. 18-20
2. Project Site Map
3. Project Site Aerial Photo
4. City Council Work Session Notes February 10, 2004
5. Ports and Harbors Advisory Board Minutes, January 7, 2009, pgs 1 & 5
6. Legislative Grant Site Control Specifications, 2 pages
7. *Thelma C* Before and After Photos
8. Barnes Architecture Design Drawings, 5 pages

# THE "DOCK" CONCEPT

The circulation and composition of downtown Kodiak is similar to that of a dock. The main route is along the harbor with branches penetrating into the town providing access to the community and businesses.



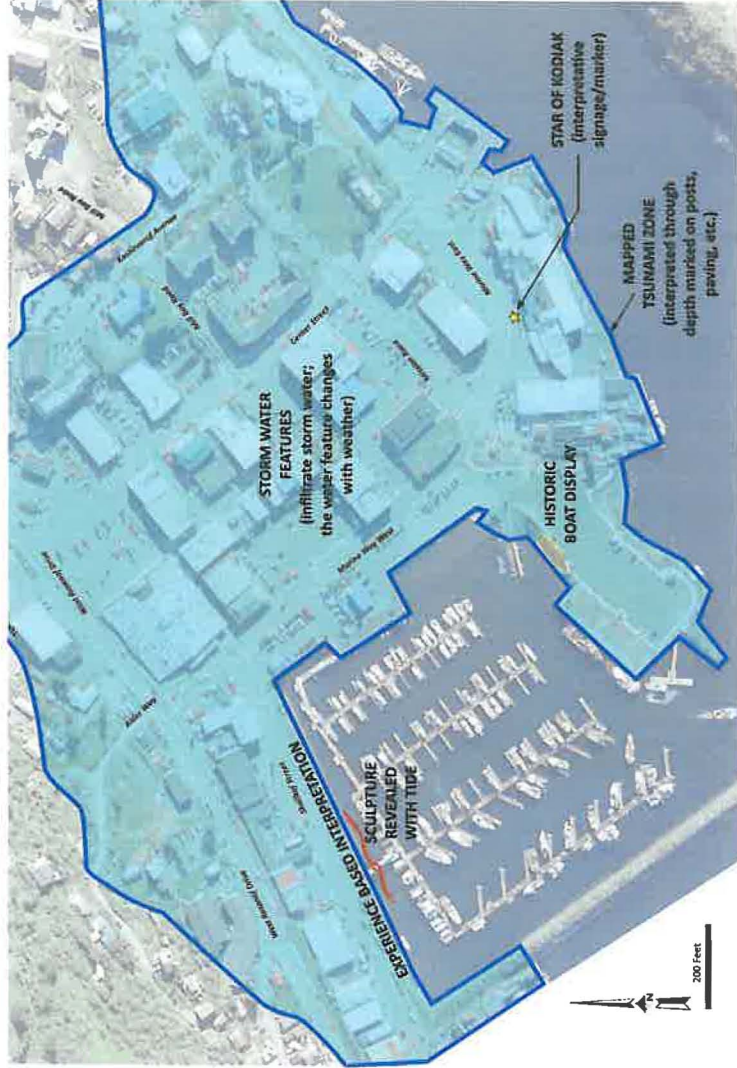
# INTERPRETATION

Kodiak offers many opportunities for interpretation with its interesting history, culture, and fishing based industry. The following concepts have been incorporated into this master plan.

1. Using a dock theme (road-water, parking-slips, pedestrian zones-dock), details from the harbor and dock could be incorporated throughout Kodiak.
2. In addition to physical details of the dock and harbor, providing an awareness of other qualities important to fishing and the harbor, such as direction, tide, wind, time, storms, etc. would create a much more interesting experience. Examples include compass paving, sundial, sculpture revealed at low tides, and storm water features.
3. Interpretive sites could be designed to allow you to experience the site with less narration.
4. The tsunami zone could be "mapped" throughout Kodiak on posts, through paving, etc., so one would be aware if they are in the zone and how deep the water was.
5. A dock ramp could provide pedestrian access into the mall.
6. Interpretive signage and/or a marker could be incorporated for the Star of Kodiak.
7. Include interpretation concepts and ideas for the St. Paul Harbor outlined by the Kodiak Maritime Museum (KMM).



INTERPRETATION EXAMPLES



## OVERALL MASTER PLAN

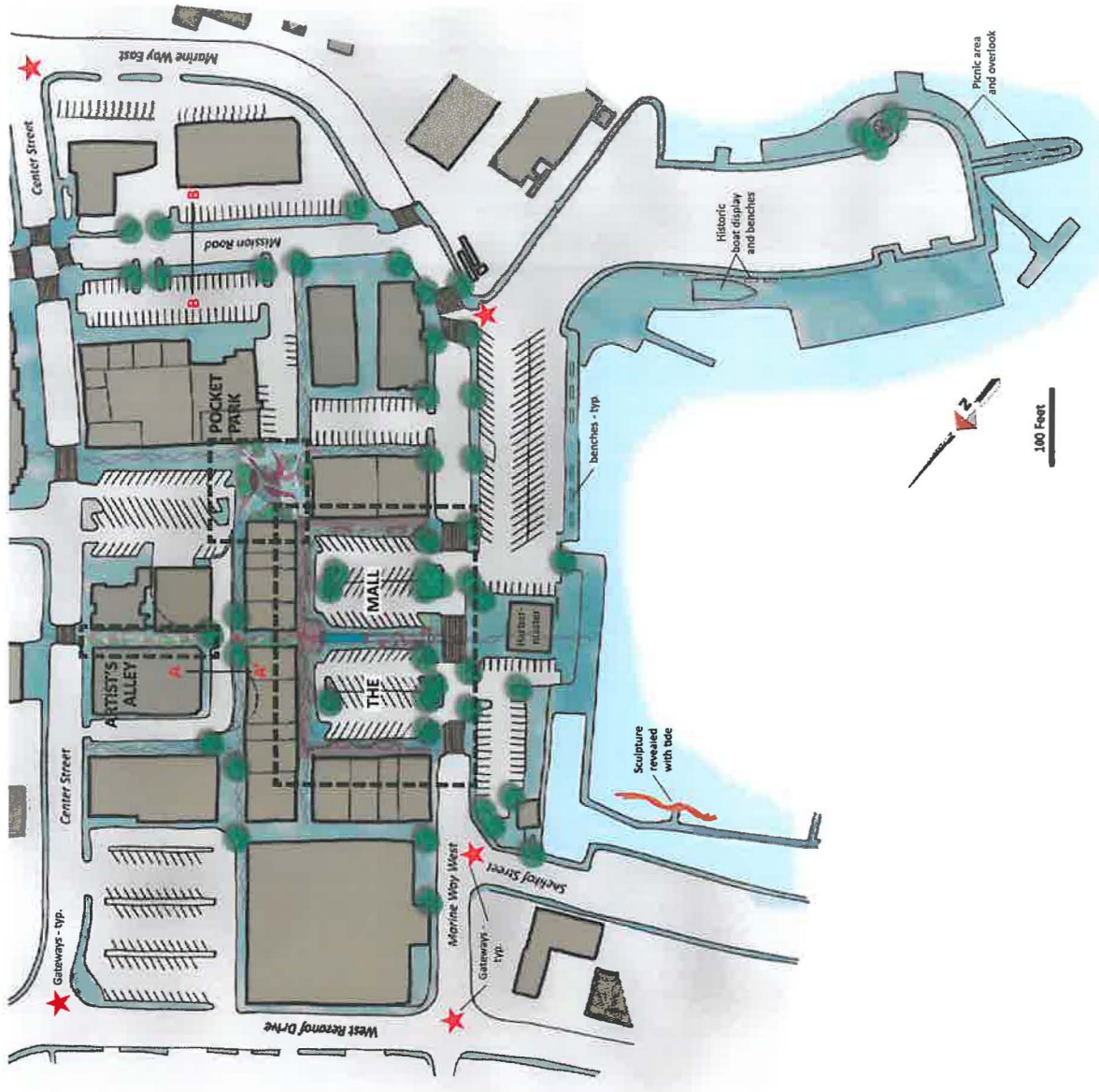
The design concept relates to the harbor and dock theme in that the circulation and composition of downtown Kodiak is similar to that of a dock. The main route is along the harbor with branches penetrating into the town providing access to the community and businesses. The vehicular and pedestrian access is separated yet functions efficiently. Parking is organized and provided throughout the downtown.

Details from the harbor and dock could be redefined into the downtown core, providing both an aesthetic and visual link. For example, a dock-like "boardwalk" could cross a parking lot or storm water could be part of a water feature that changes with natural processes similar to the tides affect on the raising and lowering of the dock. This concept would weave the entire community together, both on land and over water.

Kodiak has a walkable downtown. The buildings provide the framework for the pedestrian/greenspace connectors. The connections have been enhanced through the organization of the space and use, including the parking lots, walkways along the streets, the pocket park, and alleys/utilitarian spaces. The reorganization of the parking lots and drive lanes create and/or enhance the connections and provide interpretive opportunities along them.

A pedestrian zone was created to connect the downtown to the harbor and spit. Traffic calming strategies were implemented along Marine Way West and Center Street, including curb bulbs which provide for safer pedestrian crossings and slowing of traffic.

Gateways at the entrances into downtown Kodiak could include "Welcome to Kodiak" signage or interpretive signs or markers, such as the tsunami zone posts delineating the height of the historic flood waters at these gateways into downtown.

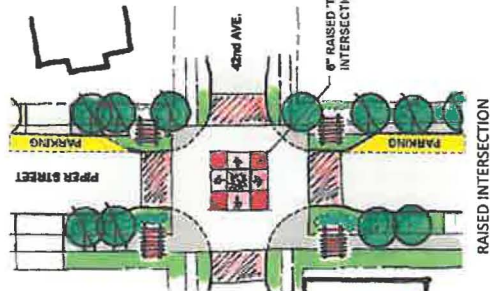
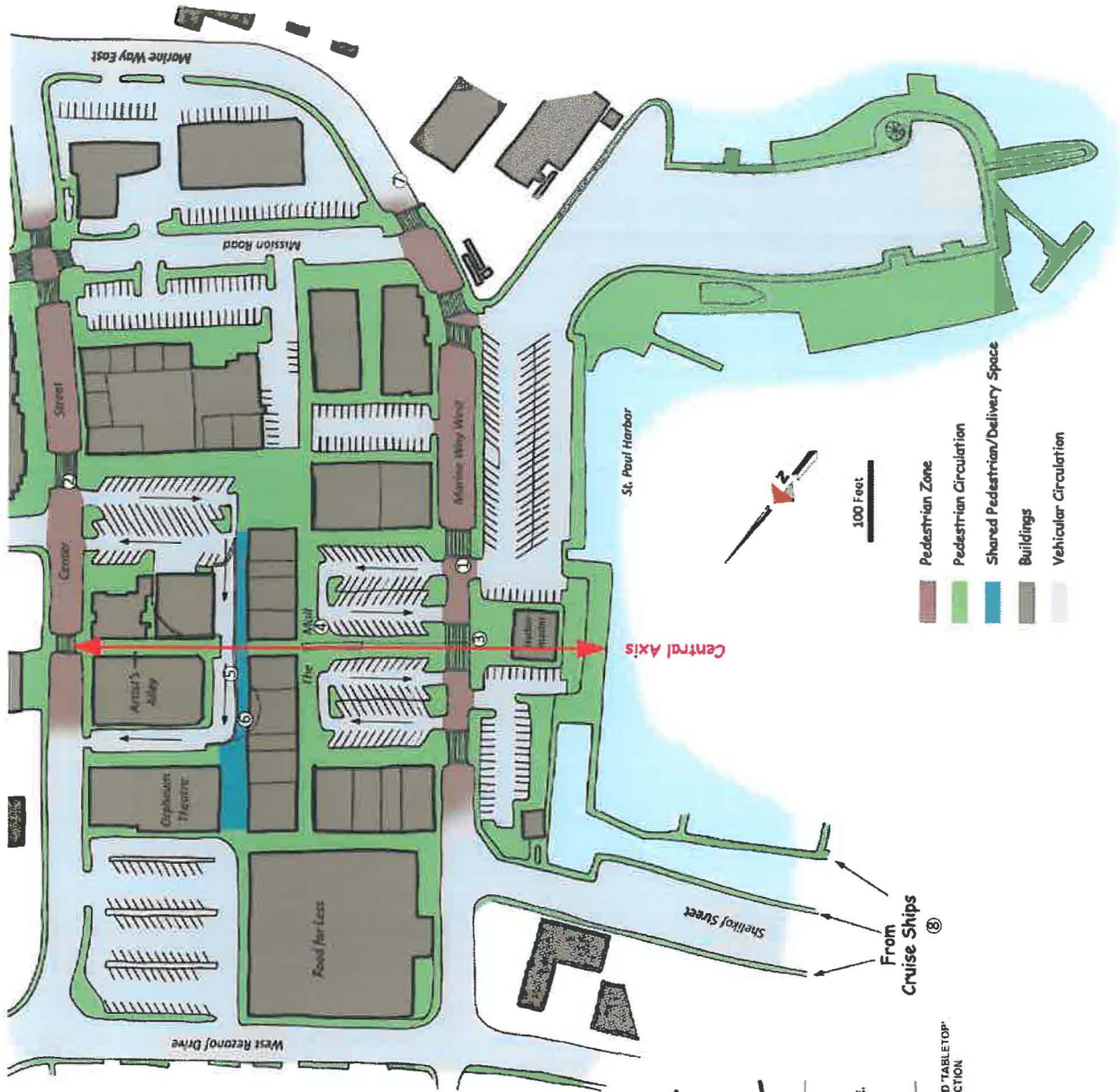




# PEDESTRIAN CIRCULATION

The organization of the parking and pedestrian areas provides for pedestrian circulation that takes advantage of pedestrian connections that are not interrupted by vehicular traffic.

1. A major pedestrian zone across Marine Way will connect the harbor and spit to downtown. Traffic speeds are lowered with curb bulbs providing for safer pedestrian crossings.
2. A smaller pedestrian zone across Center Street will connect the northwest part of town; as well as some areas of interest, such as the Baranov Museum; Russian Orthodox Church; and park to the downtown.
3. The use of curb bulbs in pedestrian zones will slow traffic.
4. A central axis/major pedestrian connection from the harbor through downtown: from the harbor through the center of the Mall parking lot, then through Artist's Alley.
5. The one-way alley behind mall will retain access to both banks' drive-through lanes.
6. A pedestrian walkway behind the Mall with rolled curbs will retain delivery access to the back side of the Mall buildings and Orpheum Theatre.
7. A sidewalk from the spit will cross Marine Way East and will continue on the north side of the street.
8. The pedestrian entrance from the cruise ships forks out into three choices: the north side of Sheikof Street along the shops; the south side of Sheikof Street along the harbor, or the dock that continues through to the Harbormaster Building.

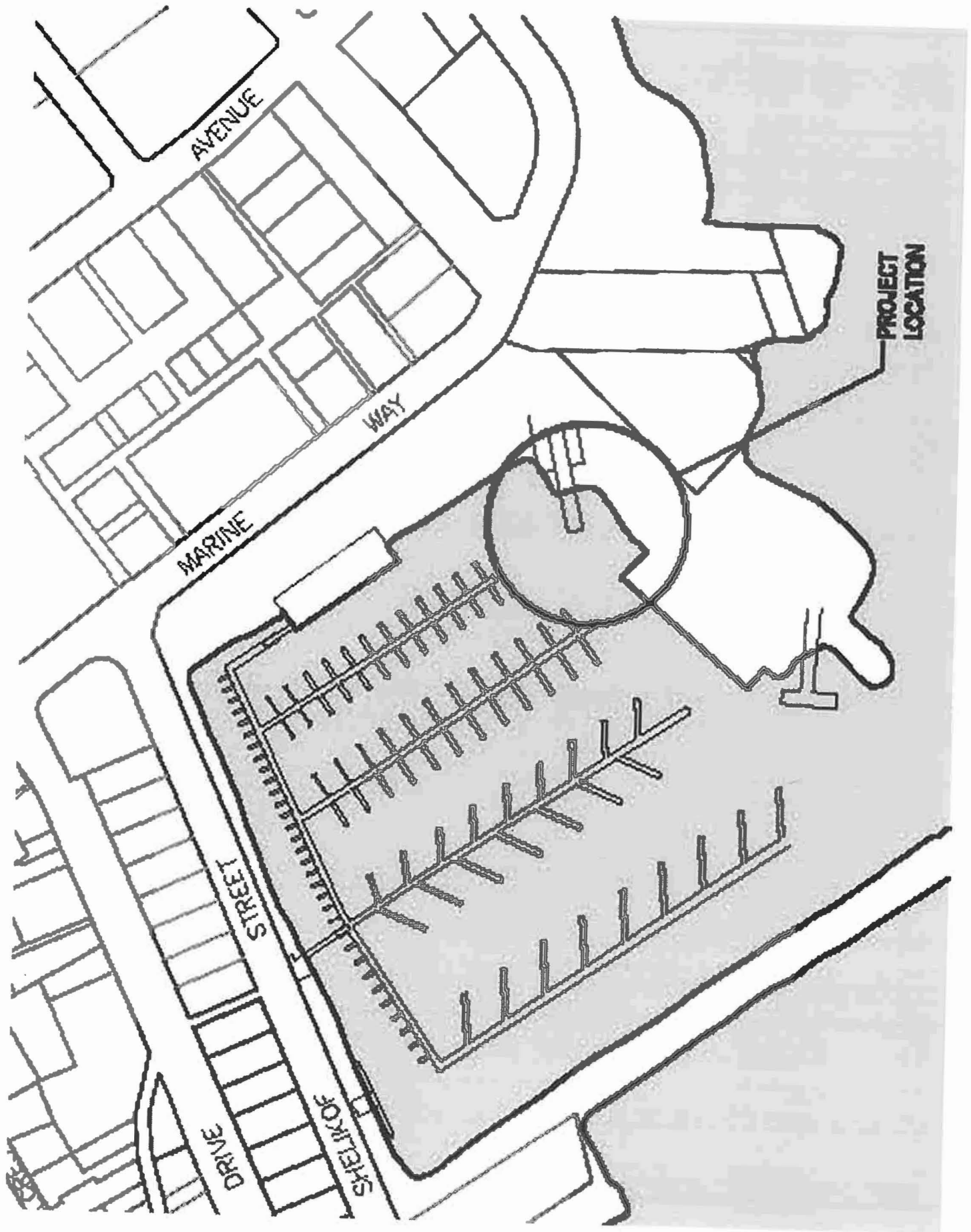


TRAFFIC CALMING EXAMPLES



CURB BULBS

RAISED INTERSECTION





**WORK SESSION NOTES**  
**Tuesday, February 10, 2004**

The work session began at 7:30 p.m.

Mayor Carolyn L. Floyd and Councilmembers Charles E. Davidson, Josefina F. Rosales, Gabriel T. Saravia, Barbara J. Stevens, Thomas D. Walters, and David M. Woodruff were present. City staff present: City Manager Linda Freed, City Clerk Debra Marljar, and Deputy Clerk Patti Kirkpatrick.

**Public Comments.** None

**FY'03 Audit Report.** John Bost, partner with Mikunda, Cottrell & Co. summarized the FY'03 Audit Report for the year ending June 30, 2003, and commended staff for their continued efforts in strengthening internal controls and operating efficiencies of the City.

**Meeting with Parks and Recreation Advisory Board.** The Council discussed current and future recreation projects with the Parks and Recreation Advisory Board (PRAB). After reviewing Resolution No. 01-7, Rescinding Resolution 03-84 and Re-creating a Nine-member Parks and Recreation Advisory Board, staff was directed to amend Resolution No. 01-7, Section 4 (a) to read, "Seven members from the community. Cultural and ethnic diversity is encouraged."

Dana Reid, PRAB Chair, expressed enthusiasm for the success of the ice rink, noting that with the hockey and ice skating programs, the rink was fast becoming a first class facility. In response to Councilmember questions, Mr. Reid explained the PRAB had not participated in the proposed swimming pool discussions that had been held by the Kodiak Island Borough. The next project they would be reviewing was replacement bleachers for the Baranof Park field.

**Kodiak Maritime Museum Request.** Chris Lynch, Vice-President of the Kodiak Maritime Museum (KMM) Board of Directors, explained that the Museum was seeking the Council's support for an area on the St. Paul Harbor spit to permanently display a classic seine boat, stating that KMM would apply for grants to cover all costs associated with the restoration, installation, and maintenance of the display. The display would allow the general public a glimpse into the types of vessels used in the salmon fishing industry during the past fifty years. The Council voiced support for the project, and directed that KMM's request be reviewed by the Port and Harbors Advisory Board.

**Items To Be Scheduled:**

**Kodiak Wireless Pillar Mt. Lease Request.** The Council directed staff to proceed with the process to prepare a lease with Kodiak Wireless.

The work session ended at 8:26 p.m.

**MINUTES OF THE PORT AND HARBOR ADVISORY BOARD REGULAR MEETING  
OF THE CITY OF KODIAK  
HELD WEDNESDAY JANUARY 7, 2009  
IN FISHERMEN'S HALL**

**I. MEETING CALLED TO ORDER**

PHAB Vice-Chairman Stosh Anderson called the meeting to order at 12:07 p.m. Board members, Stosh Anderson, Oliver Holm, Daniel Miller and Jeffrey Stewart were present and constituted a quorum.

Staff members present were Harbormaster Martin Owen, City Manager Linda Freed and Harbor Administrative Assistant Judy Mullican.

PHAB meeting sign-in sheet (attached).

**II. APPROVAL OF AGENDA**


PHAB member Stewart MOVED, seconded by PHAB member Holm, to approve the agenda of the January 7, 2009 regular PHAB meeting with the addition of (C) Kristina Anderson of URS, added under new business. The motion passed.

**III. APPROVAL OF MINUTES**

PHAB member Holm MOVED, seconded by PHAB member Miller to approve the minutes of the September 30, 2008 regular PHAB meeting as presented. The motion passed.

**IV. UNFINISHED BUSINESS**

**a. Maritime Museum Update**



Vice-Chairman Anderson introduced Toby Sullivan the new director of the Kodiak Maritime Museum (KMM). Sullivan gave insight into the Harbor Gateway Project that museum staff has been working on. He stated the project is devised of three components. The first is that the City has donated to the museum the use of the Saint Paul Harbor (SPH) office located on the corner of Marine Way and Shelikof St. Secondly, Sullivan announced that grant funding has been applied for and he hopes to turn the new location into a mini museum. In addition, the museum staff has been working on the F/V THELMA C, a salmon seiner built in 1965 with money from 1964 AK earthquake disaster relief fund. He plans to have the THELMA C placed on the spit as part of the museum's public exhibit. He announced to the Board that the City has agreed in principle to this idea. Sullivan asked the Board for their support, and if the project is to move forward, where they might consider a good location on the spit.

Harbormaster Owen informed the Board of the proposed site location. City Manager Freed announced that the Council would like a recommendation from the PHAB for a location and anything else that they determined to be important regarding the display. She added that KMM would be responsible for the leased area. Vice-Chairman Anderson asked if a time frame had been determined to move the project forward. Sullivan said if the grant is approved, then museum staff would like to start the project early

3 is safe for development. Owen will add a geo-tech survey of Pillar Mt. [Re. stability] issue to RFP scope of work.

Vice-Chairman Anderson inquired as to whether funds are available if the dock needs to be rebuilt and or replaced. Harbormaster Owen informed Anderson, that he has asked Rick Kniazowski manager of Horizon Lines in Kodiak to come up with a concept, or design plan and to let the City know what their plans are. Owen has yet to receive a response from Horizon Lines. Anderson strongly recommends being proactive because a last minute build could cost the community a lot of money.

**g. Pacific Marine Expo and Seattle Boat Show**

Harbormaster Owen stated he attended the Pacific Marine expo and it was very well attended. Next he will be attending the Seattle Boat show with harbormasters from Juneau and Ketchikan in late January. The Alaska Association of Harbormasters is sponsoring the booth. Owen said their goal will be promoting pleasure crafts to come to the State of Alaska.

**h. Economic Stimulus Proposal—Letter to Congressman, Don Young**

City Manager Freed informed the Board that the City has written a letter requesting infrastructure project priorities to be included as part of the U. S. Senate's deliberation of an Economic Stimulus package. She advised the PHAB that Senator Murkowski and Senator Begich were also sent letters. A copy of the letter was given to members and guest in attendance. Freed said the letter identifies those projects of importance and once the City receives the money, they will be ready to go forward. She stated Senator Begich sent the City forms to be filled out for projects in which they were interested. She said that since the letter, two more projects were added; and lobbyists in Washington are promoting these projects. In addition, EPA is hoping to receive capital and they have also asked the City to send them their projects. She is looking to EPA to be the primary funding source for these projects including the heavy lift dock.

**i. Location for F/V THELMA C**

Owen and members of the Board took a walk to the proposed location for the THELMA C and returned to the meeting. After a short discussion the following motion ensued.

PHAB member Holm MOVED, seconded by PHAB member Miller to recommend to the City Council a location for the F/V THELMA C as an exhibit (a) first choice on the spit area between green Coast Guard buoy and the North access of gravel grid support piling, and (b) second choice the fenced off area of Oscar's Dock.

No discussion followed. Board members Anderson, Holm and Miller voted in favor and member Stewart abstained. A short discussion ensued as to whether three "Aye" votes, no "nay" votes, and one "Abstain" vote were sufficient to pass the measure in that only four voting members were in attendance. At the end of this discussion, the Vice-chairman declared the motion "passed".

**Moorage rates** were revisited. After a brief discussion, the following motion was made.

PHAB member Miller MOVED, seconded by PHAB member Holm to approve the proposed fee schedule changes striking item 9.16 public showers to go into effect on July 1, 2009 and to approve the moorage rate increase effective July 1, 2010.

A short discussion ensued, Harbormaster Owen informed the Board of the reasons behind the new charges.

## Appendix E Site Control

### 1. Site Control

The Grantee must provide evidence of site control for a project that involves any use of land, including but not limited to, construction, renovation, utility projects, fuel storage, roads, and trails.

As a minimum requirement, the Grantee should obtain a "sufficient interest" that allows the Grantee the right to use and occupy the site for the expected useful life of the building, structure or other improvement. Generally, the interest obtained should be for at least 20 years. A sufficient interest depends upon the nature of the project and the land status of the site. Site control options are identified in Section 2.

For a project planned on land that is controlled by a public agency, the Grantee must obtain whatever authorization for use that is required by the public agency.

### 2. Site Control Options

Below are some examples of documents that may be used to satisfy site control requirements for various community facilities/projects. The terms and conditions contained in each document must be examined to determine adequacy for a specific project.

	Deed	Lease	Easement	Use Permit	License
Community Hall	✓	✓			
Clinic	✓	✓			
Fire Station	✓	✓			
Bulk Fuel Storage	✓	✓			
Dump	✓	✓			
Shop/Storage Building	✓	✓			
Cemetery	✓	✓			
Dock	✓	✓			
Campground	✓	✓			
Generator Building	✓	✓			
Multi-purpose building	✓	✓			
Laundromat	✓	✓			
Water well/Septic	✓	✓		✓	
Village Relocation	✓	✓	✓	✓	
Agriculture Project	✓	✓			
Sewage Lagoon	✓	✓			
Communication Site	✓	✓			
Road (.25')			✓	✓	
Trail (.25")			✓	✓	
Boardwalk			✓	✓	✓
Powerline			✓	✓	✓
Water/Sewer Line			✓	✓	✓
Pipeline			✓	✓	✓

**Article 25. Site Control**

If the grant project involves the occupancy and use of real property, the Grantee assures that it has the legal right to occupy and use such real property for the purposes of the grant, and further that there is legal access to such property.

**Article 26. Insurance**

The Grantee is responsible for obtaining any necessary liability insurance. In addition, the Grantee shall provide and maintain Workers' Compensation Insurance as required by AS 23.30 for all employees engaged in work under this Grant Agreement. The Grantee shall require any contractor to provide and maintain Workers' Compensation Insurance for its employees as required by AS 23.30. The Grantee shall require any contractor hired to work on the project be licensed, bonded and insured for at least the amount of the project and if appropriate provide and maintain Professional Liability Insurance.

**Article 27. Subcontracts for Engineering Services**

In the event that the Grantee subcontracts for engineering services, the Grantee will require that the engineering firm certify that it is authorized to do business in the State of Alaska. In the event that the engineering firm is also the project administrator, the Grantee shall require that the bond or insurance shall be for not less than the amount of the entire project.

**Article 28. Governing law**

This Grant Agreement is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in compliance with the appropriate laws and regulations. It is the responsibility of the Grantee to ensure that all permits required for the construction and operation of this project by the Federal, State, or Local governments have been obtained.

**Article 29. Budget Flexibility**

Notwithstanding the provisions of Article 11, Attachment C, the Grantee may revise the project budget in Attachment A without a formal amendment to this agreement. Such revisions are limited within each line item to a maximum of ten percent (10%) of the line item or \$10,000, whichever is less, over the entire term of this agreement. Such budget revisions shall be limited to changes to existing budget line items. Budget revisions may not be used to increase any budget item for project administrative expenses. Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this agreement.

**Article 30. Equal Employment Opportunity (EEO)**

The Grantee may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood. The Grantee shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The Grantee shall state, in all solicitations or advertisements for employees to work on state funded projects, that it is an equal opportunity employer (EEO) and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood.

The Grantee shall include the provisions of this EEO article in every contract relating to this Grant Agreement and shall require the inclusion of these provisions in every agreement entered into by





Thelma C, November 2010



Thelma C, October, 2012

# THELMA C - EXHIBIT PAVILION

## Kodiak Maritime Museum

OWNER  
**KODIAK MARITIME MUSEUM**  
 P.O. BOX 1878  
 KODIAK, ALASKA 99515  
 CONTACT: TONY SULLIVAN, EXECUTIVE DIRECTOR

ARCHITECT  
**BARNES ARCHITECTURE INC.**  
 218 E. 4TH AVENUE  
 ANCHORAGE, ALASKA 99501  
 CONTACT: JEFF BARNES, FLSHIMING-PETERSEN

CIVIL & STRUCTURAL ENGINEERS  
**PND ENGINEERS**  
 1508 W. 30TH AVENUE  
 ANCHORAGE, ALASKA 99503  
 CONTACT: STEVE LEWIS, JESSE GORBEI

**PROJECT DESCRIPTION:**  
 THIS PROJECT INVOLVES THE CONSTRUCTION OF AN OPEN AIR PAVILION STRUCTURE AND ASSOCIATED SITE IMPROVEMENTS FOR THE DISPLAY OF THE THELMA C - AN HISTORIC WOODEN FISHING BOAT. THE PROJECT IS LOCATED ON A WALK ADJACENT TO THE MARINA AT THE EXISTING BANK AND CONSTRUCTION OF A CONCRETE PLAZA, RETAINING WALL GUARDRAIL, RAMP, AND AN OPEN AIR STEEL AND GLASS PAVILION.

**DESIGN DATA:**  
 SEE STRUCTURAL DRAWINGS FOR STRUCTURAL DESIGN CRITERIA SCHEDULE.

**INDEX OF DRAWINGS:**

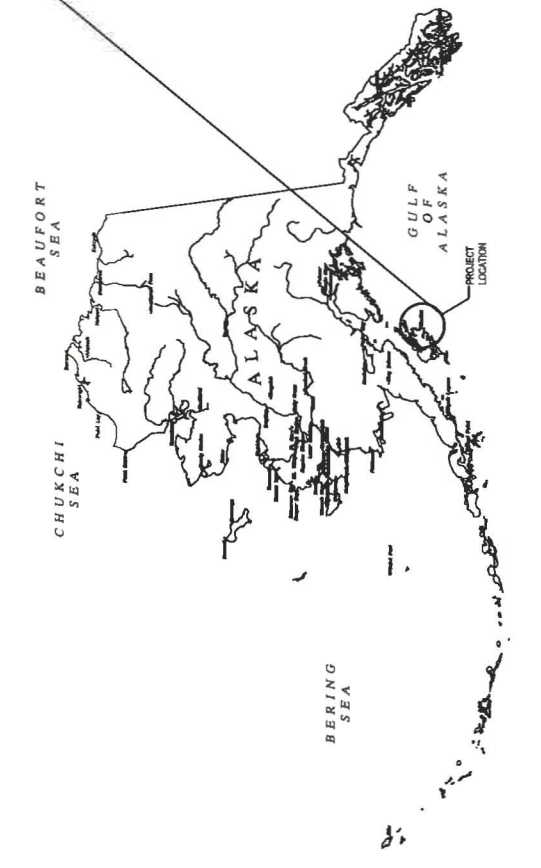
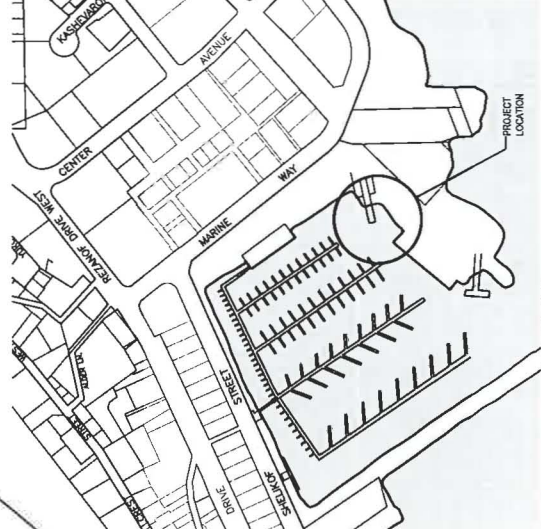
- T1 PROJECT INFORMATION
- A1 SITE PLAN AND SECTIONS
- A2 FOUNDATION PLANS AND DETAILS
- A3 OVERALL ELEVATIONS
- A4 PAVILION PLANS AND SECTIONS
- A5 PAVILION ELEVATIONS, GUARDRAIL PLAN & DETAILS
- C2.0 SITE PLAN
- C3.0 CIVIL DETAILS
- C3.0 CIVIL GENERAL NOTES
- S1.0 FOUNDATION PLANS AND DETAILS
- S2.1 FRAMING PLANS AND ELEVATIONS

**PROJECT NOTES:**

1. ALL WORK SHALL CONFORM TO THE CURRENT EDITIONS OF THE INTERNATIONAL BUILDING CODE (IBC), THE NATIONAL FIRE PROTECTION LIFE SAFETY CODE (NFPA 101), THE ACCESSIBILITY GUIDELINES IDENTIFIED BY THE AMERICANS WITH DISABILITIES ACT (ADA), THESE DRAWINGS AND THE PROJECT SPECIFICATIONS.
2. NO SURVEY WAS PERFORMED FOR THIS PROJECT. THE EXISTING CONDITIONS THAT ARE THE BASIS FOR THE DESIGN WERE DEVELOPED BY THE ARCHITECT AND ENGINEER. THE CONTRACTOR SHALL FIELD VERIFY ALL CONDITIONS AT THE SITE PRIOR TO THE COMMENCEMENT OF CONSTRUCTION. DISCREPANCIES SHALL BE REPORTED TO THE OWNERS REPRESENTATIVE IMMEDIATELY.
3. THESE DOCUMENTS INDICATE DESIRED CONDITIONS. IT IS THE CONTRACTOR'S RESPONSIBILITY TO PROVIDE ALL MATERIALS AND LABOR NECESSARY TO ACHIEVE THE DESIRED FULLY FUNCTIONAL FINAL CONDITIONS INDICATED OR IMPLIED IN THESE DOCUMENTS.
4. THE CONTRACTOR SHALL AT ALL TIMES MAINTAIN A SET OF PROJECT RECORD DOCUMENTS THAT RECORD ALL CHANGES TO THE PROJECT. THESE RECORD DOCUMENTS SHALL BE MAINTAINED THROUGHOUT THE PROJECT AND SHALL BE COMPLETE AND ACCURATE ENABLING FUTURE REFERENCE BY THE OWNER.
5. THE CONTRACTOR IS RESPONSIBLE FOR MAINTAINING THE SITE IN A CLEAN, SAFE, AND SECURE MANNER.

**ARCHITECTURAL NOTES:**

1. ITEMS SHOWN IN PARENTHESES ARE EXISTING.
2. ELEVATION CONTOURS, DATUMS, ETC. SHOWN ON THE DRAWINGS ARE FOR INFORMATION ONLY. THE EXACT LOCATION AND AVAILABLE AS-BUILT INFORMATION. THEY ARE CONCEPTUAL IN NATURE AND INTENDED TO INDICATE DESIGN INTENT ONLY.



1 LOCATION MAP  
 NTS

2 LOCATION PLAN  
 NTS

THELMA C - EXHIBIT PAVILION  
 Kodiak Maritime Museum  
 St. Paul Harbor  
 Kodiak, Alaska

Drawn: DWL, PWP  
 Checked: JLB  
 Date: AUGUST 2012  
 Revisions: XXX

303 No. BA1205  
**DESIGN DEVELOPMENT**

PROJECT INFORMATION  
**T1**

BARNES - ARCHITECTURE INC  
 218 East 4th Avenue, Anchorage, Alaska 99501 (907) 276-5181

11"x17" DRAWINGS ARE HALF-SIZE, DRAWING SCALES SHOULD BE ADJUSTED ACCORDINGLY

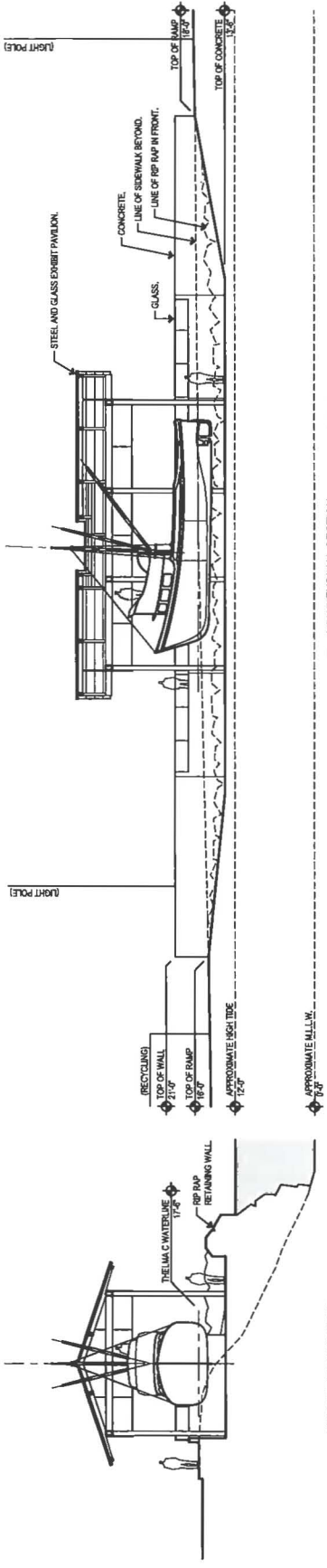
THELMA C - EXHIBIT PAVILION  
 St. Paul Harbor  
 Kodiak, Alaska

Drawn: DML, PMP  
 Checked: JLB  
 Date: AUGUST 2012  
 Revisions: XXX

DESIGN DEVELOPMENT  
 SITE PLAN AND SECTIONS

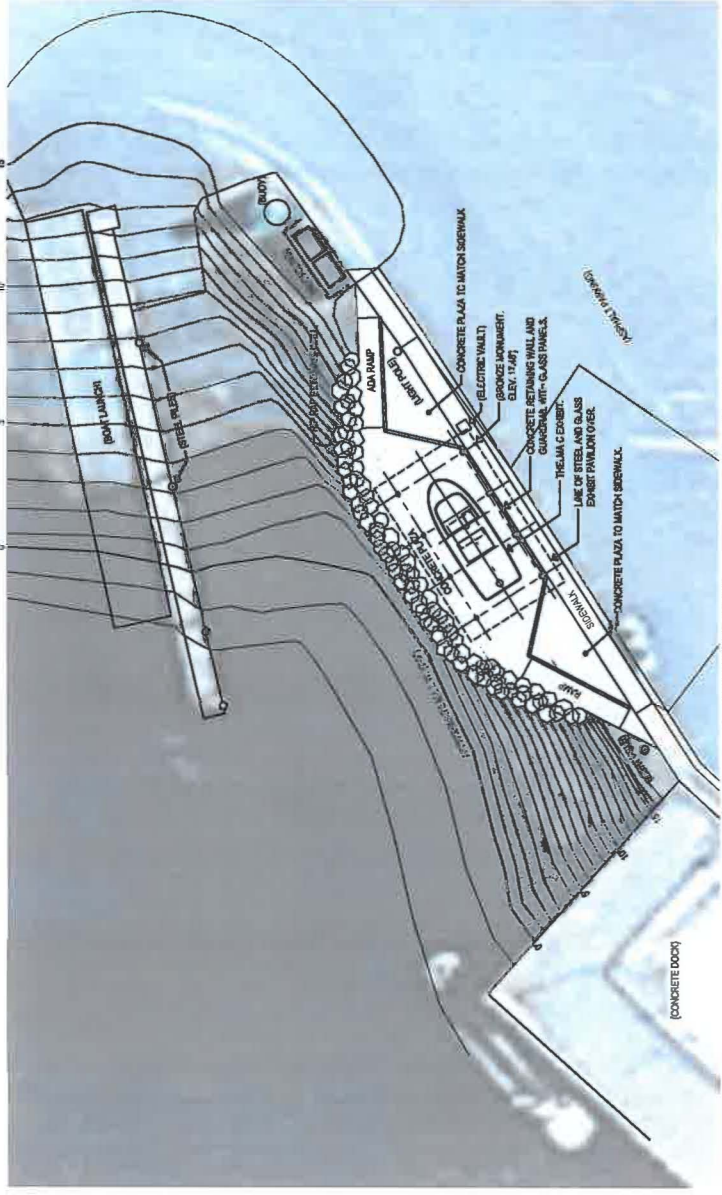
A0

BARNES - ARCHITECTURE INC  
 218 East 4th Avenue, Anchorage, Alaska 99501 (907) 276-5181



3 LONGITUDINAL SECTION  
 1/8"=1'-0"

4 TRANSVERSE SECTION  
 1/8"=1'-0"



1 OVERALL SITE PLAN  
 1/16"=1'-0"

11"x17" DRAWINGS ARE HALF-SIZE, DRAWING SCALES SHOULD BE ADJUSTED ACCORDINGLY

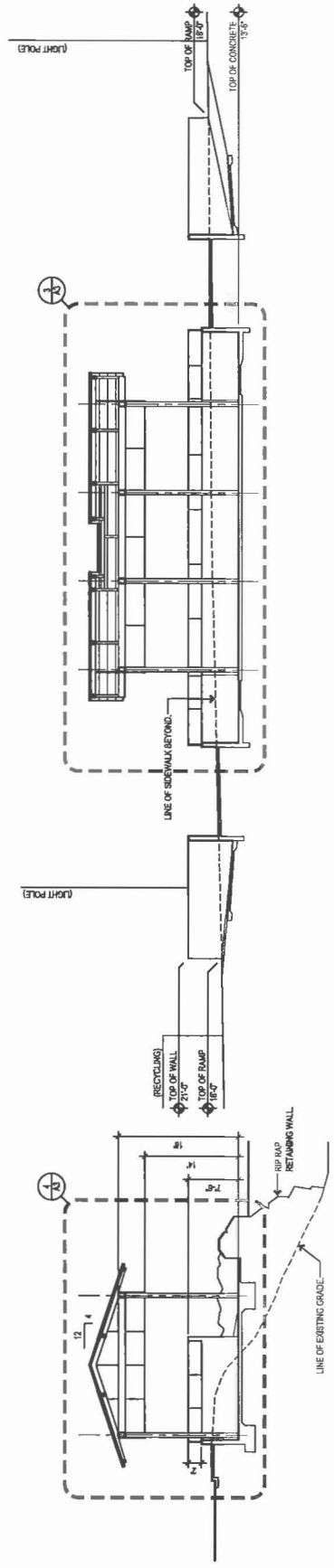
**BARNES · ARCHITECTURE INC**  
 1918 East 4th Avenue, Anchorage, Alaska 99501 (907) 276-1818

**THELMA C - EXHIBIT PAVILION**  
 Kodiak Maritime Museum  
 St. Paul Harbor  
 Kodiak, Alaska

Drawn: DVL, PWP  
 Checked: JLB  
 Date: AUGUST 2012  
 Revisions: XXX  
 Job No.: 041205

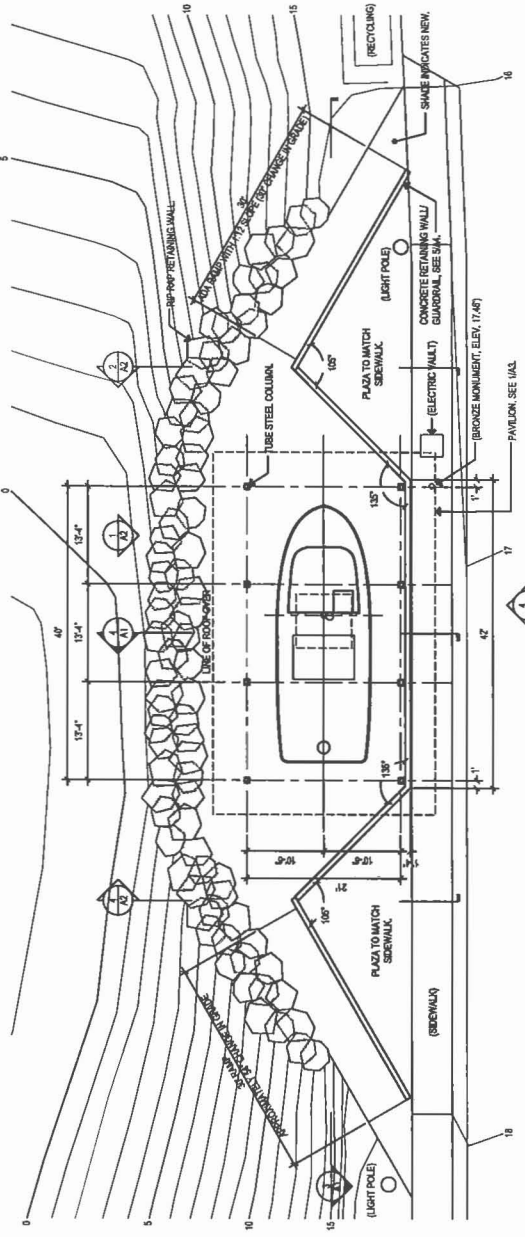
**DESIGN DEVELOPMENT**  
 SITE PLAN AND SECTIONS

**A1**



3 LONGITUDINAL SECTION  
 1/8"=1'-0"

4 TRANSVERSE SECTION  
 1/8"=1'-0"



1 SITE PLAN  
 1/8"=1'-0"

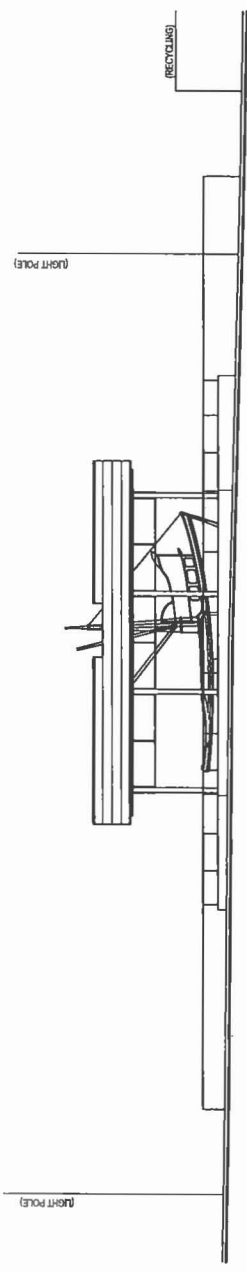
11"X17" DRAWINGS ARE HALF-SIZE. DRAWING SCALES SHOULD BE ADJUSTED ACCORDINGLY

**BARNES - ARCHITECTURE INC.**  
 215 East 4th Avenue, Anchorage, Alaska 99501 (907) 275-6161

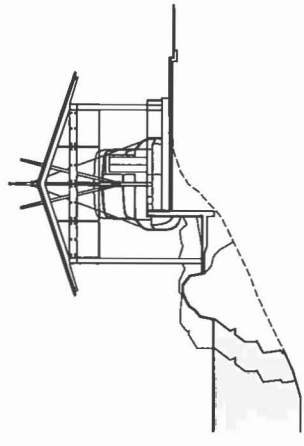
**THELMA C - EXHIBIT PAVILION**  
 Kodiak Maritime Museum  
 St. Paul Harbor  
 Kodiak, Alaska

Drawn: DWL, PWP  
 Checked: JLB  
 Date: AUGUST 2012  
 Revision: XXX  
 Job No.: BA1206

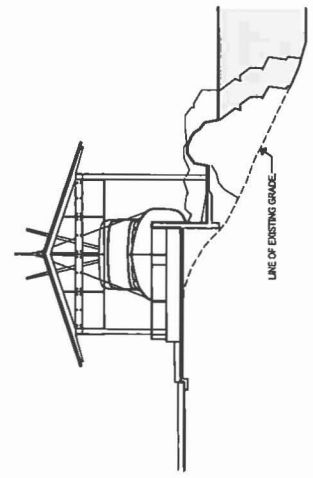
**DESIGN DEVELOPMENT**  
 GENERAL ELEVATIONS  
**A2**



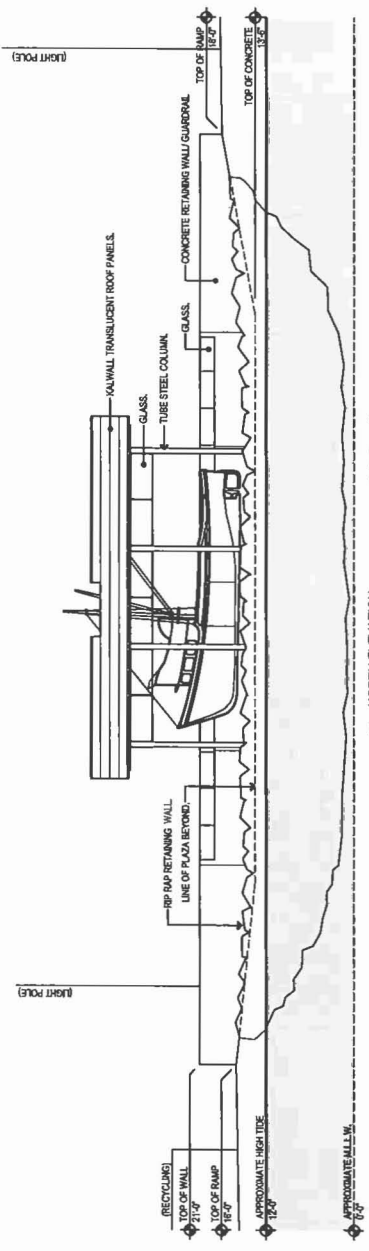
4 SOUTH ELEVATION  
 1/8"=1'-0"



3 WEST SECTION/ ELEVATION  
 1/8"=1'-0"

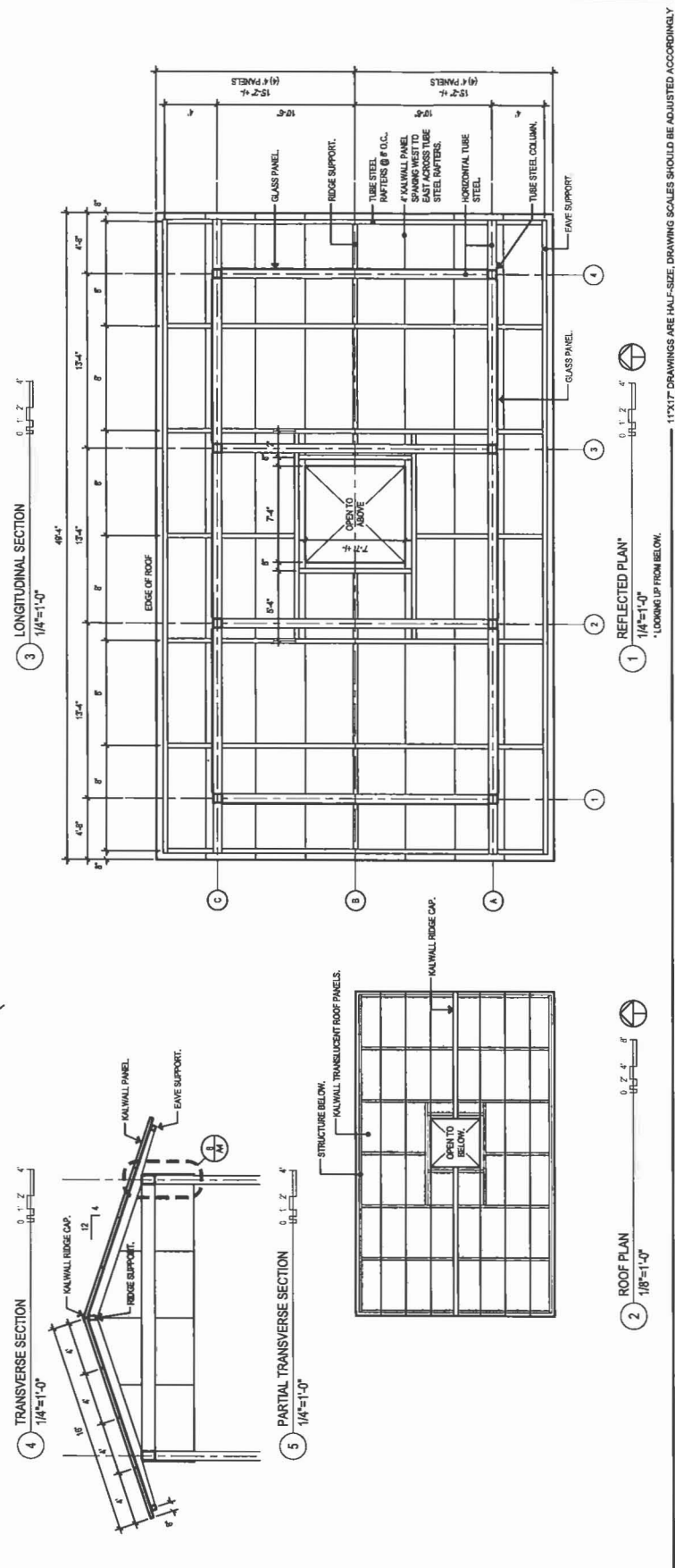
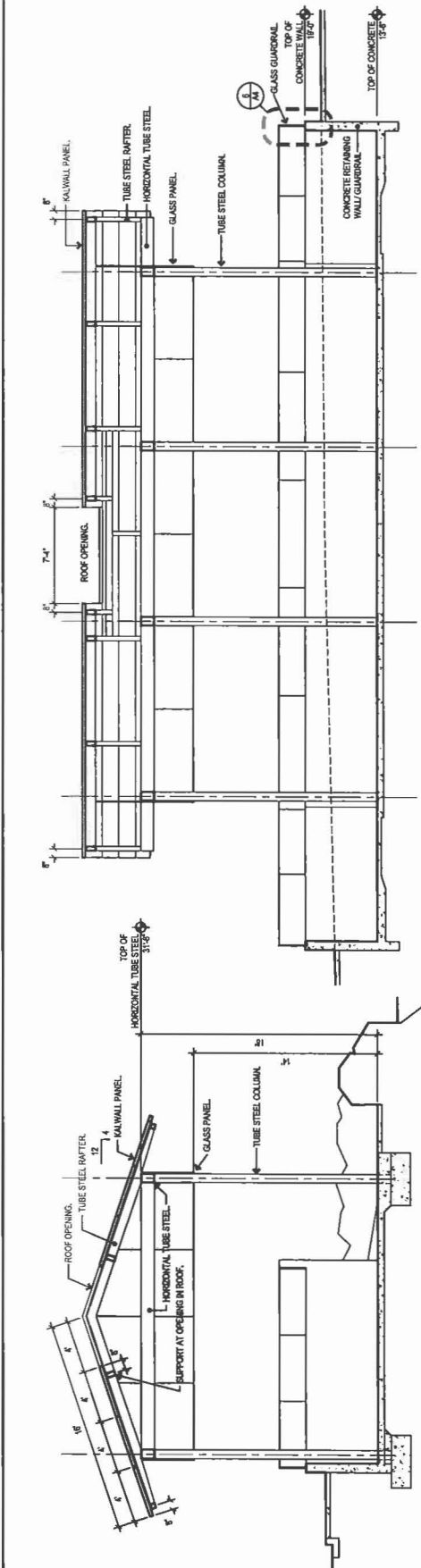


2 EAST SECTION/ ELEVATION  
 1/8"=1'-0"



1 NORTH ELEVATION  
 1/8"=1'-0"

11"X17" DRAWINGS ARE HALF-SIZE, DRAWING SCALES SHOULD BE ADJUSTED ACCORDINGLY



1"X17" DRAWINGS ARE HALF-SIZE. DRAWING SCALES SHOULD BE ADJUSTED ACCORDINGLY.

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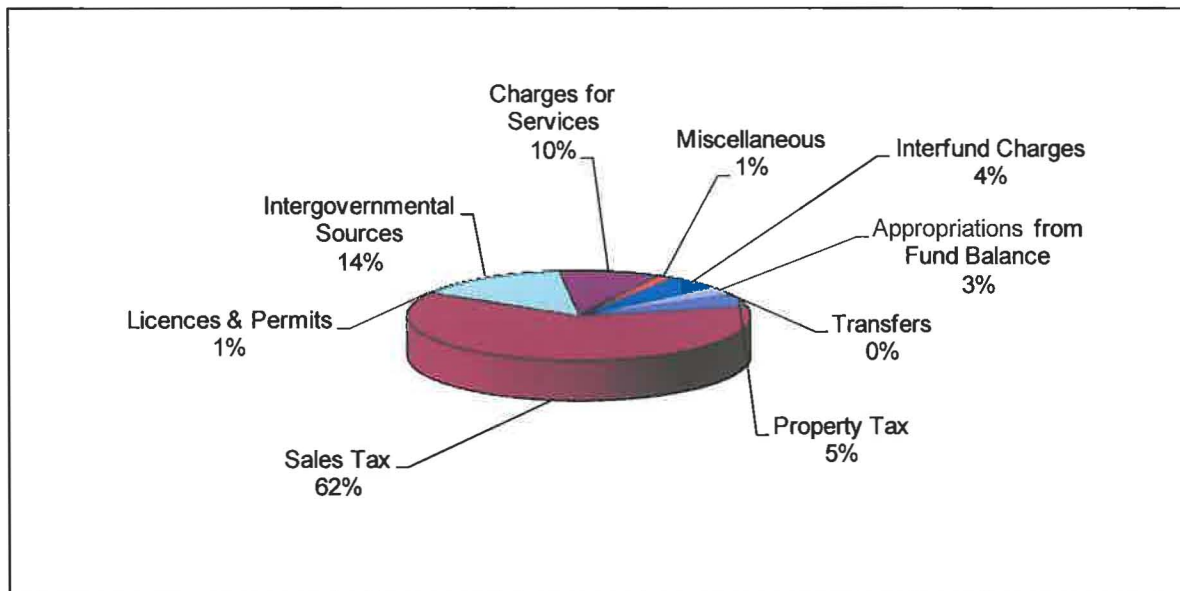
# Fiscal Year 2014- 2017 Revenue & Expense Forecast

Governments find themselves in a difficult position when it comes to providing services and raising revenue; they seek to provide services while minimizing the apparent cost to the taxpayer. In order to develop the fiscal year 2014 budget, three major funds have been forecast to show the projected trends in revenues and expenses for fiscal years 2014 through 2017. The General Fund, Harbor Funds, and Water & Sewer Funds have been forecast based on a regression analysis forecasting method. This is a technique in which a straight line is fit to actual values from fiscal years 2008 through 2012, and the adopted budget for fiscal year 2013 to forecast the future. The forecasts seek to estimate the City's future positions and to identify areas that may need to be addressed in order to protect the City's future ability to maintain adequate fund balance reserves. The General Fund forecast reflects the increase in sales tax from 6% to 7% effective October 2012. There was no change in the sales tax cap and it remains at \$750.00 or a minimum tax of \$52.50 per transaction.

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. Principal sources of revenue are (Fig.1) sales tax, property tax, charges for services, and intergovernmental revenues. Primary expenditures (Fig.2) are for general government administration, public safety, public works, public recreation and transfers to other funds. The departments found within the General Fund include: Legislative/Legal, Executive, City Clerk, Finance, Police, Fire, Public Works, Engineering, Parks and Recreation, Library and Non-Departmental which is used for city wide expenses.

**Figure 1: General Fund - FY 2013 Budgeted Revenues**



The following applies to Fig.1 above:

**Taxes** - Includes property tax and sales tax. The real-property assessment role is final by June 1, causing tax revenue projections to be estimated prior to knowing the actual amounts of the assessment role. Sales tax revenues are collected on a quarterly basis, causing a lag time in annual projections.

**Licenses and Permits** – Includes permits for taxicabs, buildings, electrical, plumbing, animal licenses and other miscellaneous licenses.



**Intergovernmental Sources** –Includes State of Alaska Raw Fish Tax Sharing; Shared Fisheries Business Tax; Fuel, Alcohol and Utility Revenue Sharing; State grants and miscellaneous sources. The Alaska State legislative session coincides with the City's budgetary calendar, causing estimates to be based on historical data for the State funding levels to local governments. As the State budget is fine-tuned, adjustments are also made to the City's revenue estimates.

**Charges for Services** – Includes those services performed for the public associated with the following departments: police, fire, public works, parks and recreation, library, as well as miscellaneous administrative services.

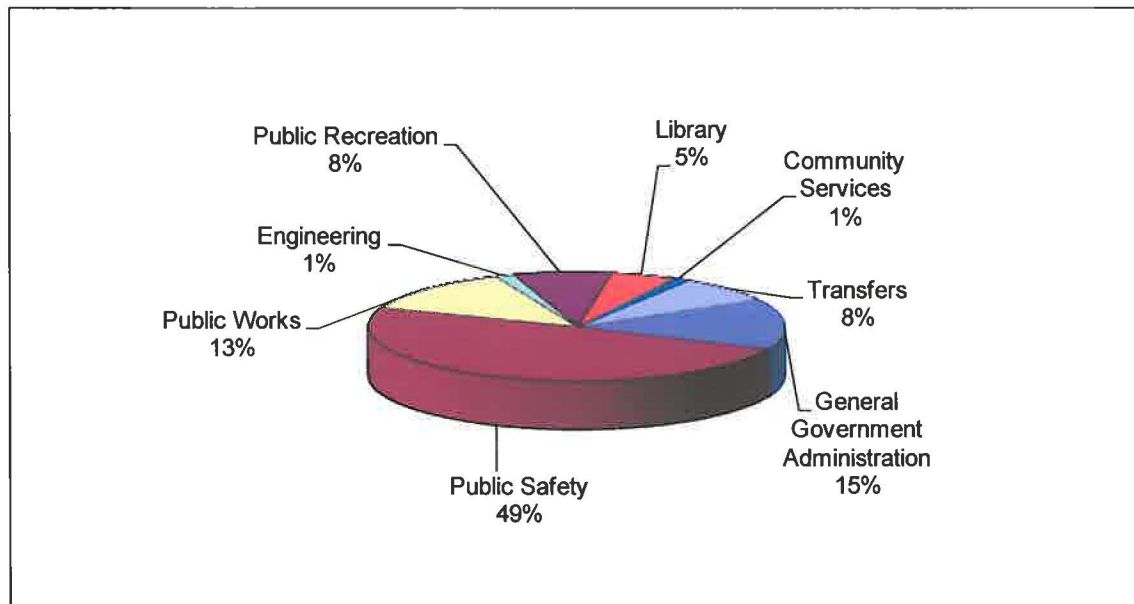
**Miscellaneous** – Includes fines and forfeitures, interest, rents and royalties, judgments, restitutions, asset sales, and other revenues.

**Interfund Charges** – Includes the allocation of monies between funds to cover services rendered.

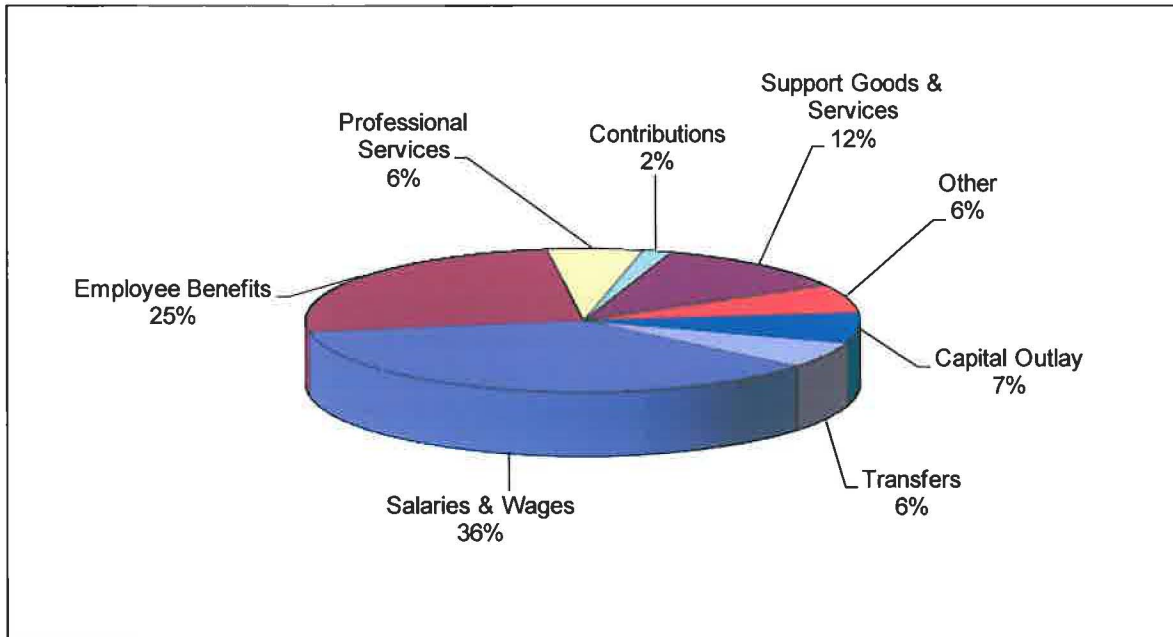
**Transfers** – Other Financing Sources (Uses). Includes the transfer of monies between funds to cover expenses without a requirement of repayment.

**Use of Fund Balance** – Relates to Net Change in Fund. This is the amount of fund balance used to balance the General Fund budget.

**Figure 2: General Fund - FY 2013 Budgeted Expenditures by Function**



**Figure 3: General Fund - FY 2013 Budgeted Expenditures by Account Classification**



The following applies to Figure 3 above:

**Salaries & Wages** – Includes all wages paid to City employees for administrative and service delivery functions. Includes salaries and wages, temporary wages, overtime, holiday pay, sick and annual leave.

**Employee Benefits** – Includes group insurance, Social Security and Medicare payments, retirement contributions, unemployment compensation, and workman's compensation.

**Professional Services** – Includes all services contracted out.

**Contributions** – Includes contributions made to various local non-profit agencies.

**Support Goods & Services** - Includes expenditures for communications, advertising, dues and subscriptions, training and travel, supplies, and equipment rental.

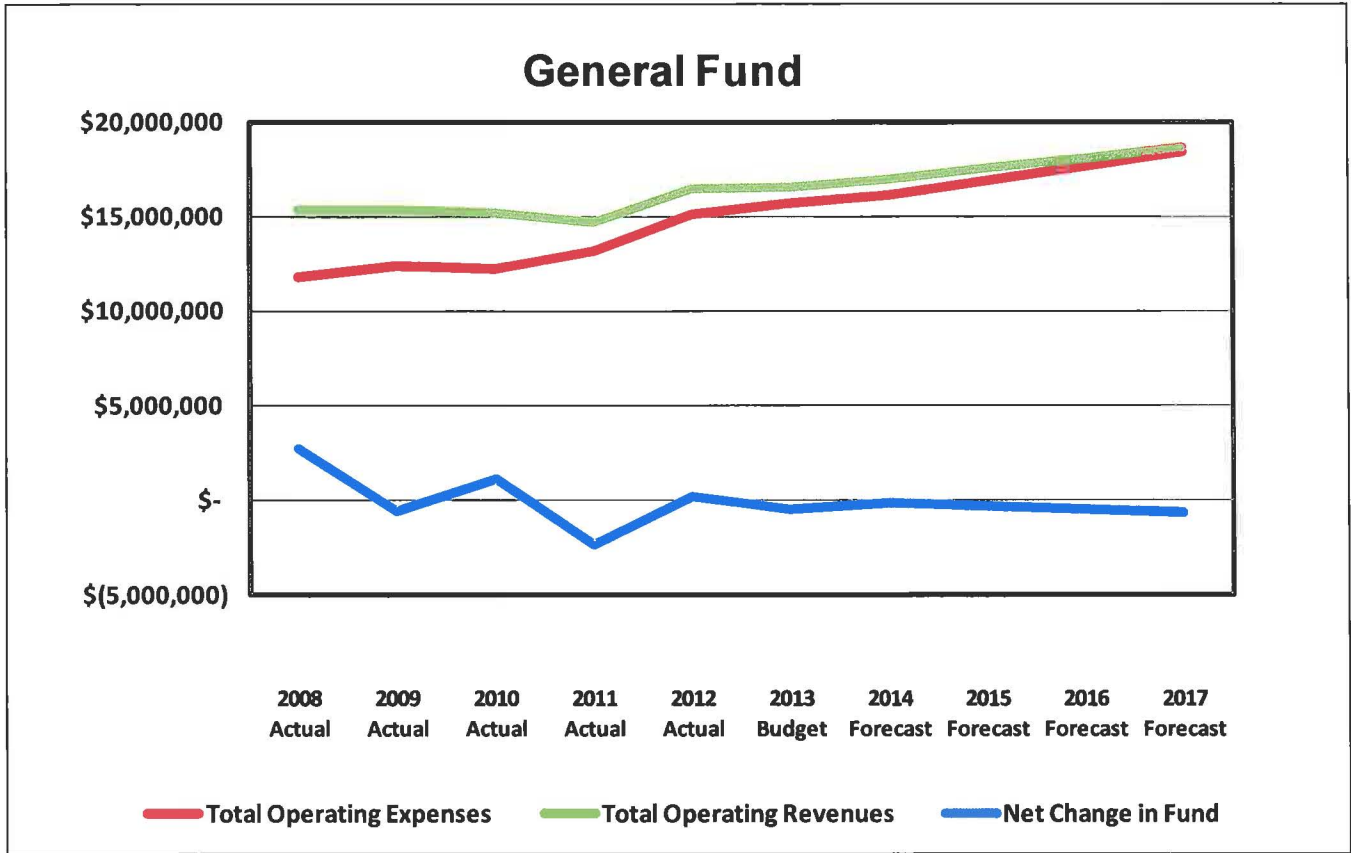
**Public Utility Services** – Includes electric, fuel oil, garbage, and any other utilities.

**Other** – Includes miscellaneous expenses.

**Capital Outlay** - Includes equipment purchases greater than \$5,000.

**Transfers** – Other Financing Sources (Uses). Includes transfers from the General Fund to other funds.

**Figure 4: General Fund Forecast - Actual 2008-2012, Budgeted 2013, Forecast 2014-2017**



Actual operating revenues have been greater than actual operating expenses from fiscal year 2008 through fiscal year 2012 (Fig.4). In fiscal year 2013, the gap between the adopted budget for operating revenues and the budget for operating expenses narrowed. This will result in small gains and eventually losses after any transfers are accounted for. Historically the City of Kodiak has used fund balance to balance the General Fund budget. The Sales tax was increased from 6% to 7% effective October 2012 as a first step in replenishing the fund balance for the General Fund.

Under the City Sales Tax code 3.08.025, Allocation of Sales Tax, \$500,000 is allocated to harbor improvement capital projects, \$450,000 to street improvement capital projects, and \$50,000 to parks and recreation capital projects annually. This transfer contributes to the decline each year in fund balance forecasted from fiscal year 2014 through 2017.

The revenue sources for the general fund have been somewhat stable with sales tax (62%) (Fig.1) as the largest source of revenue. This has increased after the sales tax was increased from 6% to 7% effective October 2012. Sales tax can generate a great deal of revenue, it is relatively easy to collect, its costs to the taxpayer are opaque, and it is elastic (expands and contracts with the economy). In addition, because it is paid as a percentage of an item’s cost, it automatically adjusts during inflationary periods. Unfortunately, it also is regressive, more volatile, and seasonal than property taxes, and relies on the cooperation of retailers.

Property tax makes up 5% of the total revenue for the general fund. The greatest advantage of property tax is its stability during economic downturns. It has been the most unpopular tax because unlike other taxes, it taxes an asset that may not generate any income for the taxpayer and is due in a lump sum.

The second largest revenue source is the intergovernmental revenues (14%) which are revenues received from the State. These revenues can be volatile and unpredictable. Unlike the sales and property tax that the City Council can control, the City has little control over the intergovernmental revenues received.

The trend for the general fund revenues is increasing at a slower rate than the trend for expenses resulting in an increasing use of fund balance. The fund balance cannot sustain this decline and will decline to a point which will be below the recommended practice of two months of operating expense reserves.

Salaries and benefits are the largest expense in the General Fund, or 61% (Fig.3) of the total expense budget, with support goods and services at 12%. Continued increases in health insurance and worker compensation costs have caused significant increases in the benefit category. The City is faced with increased expenses due to inflation, increases in utilities, equipment replacement, and repairs and maintenance to an aging infrastructure. Overall expenses are estimated to increase at a greater rate than revenues. (Fig.4).

The trends and consequent projections indicate that the City will need to take action to increase revenues, decrease expenses, or some combination of both in order to maintain a viable financial position. The increase in sales tax from 6% to 7% has improved the City's position somewhat, but additional steps are necessary in order to replenish the fund balance.

Table 1 on the next page shows the detail for the actual, budget and forecasted fiscal years. It is important to note that these forecasts do not include future planned capital projects, which would place further demands on the fund balances.

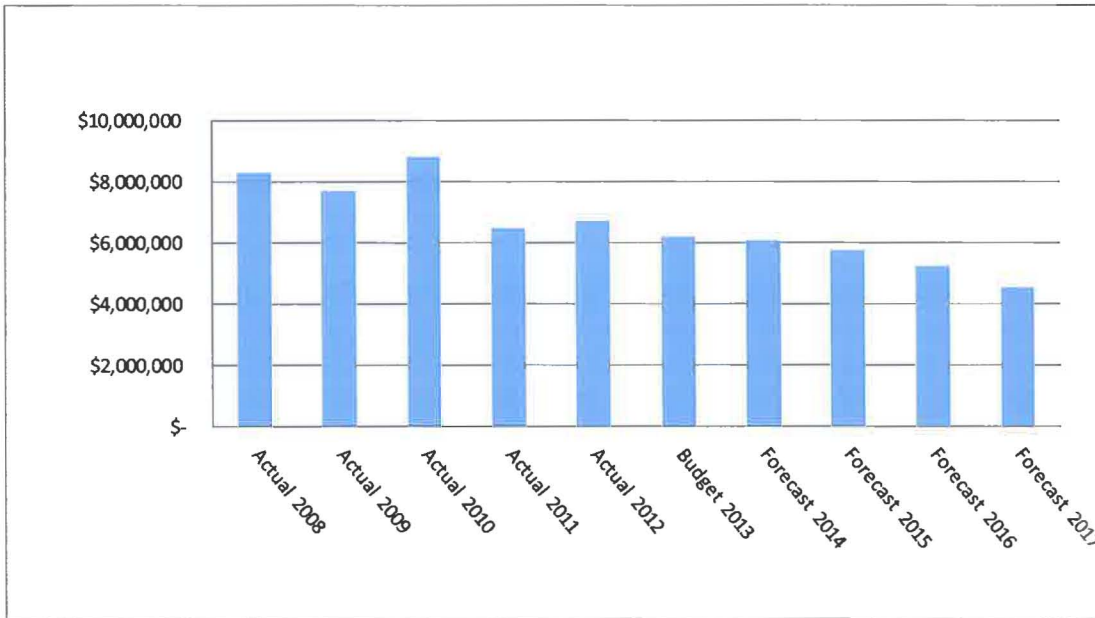
TABLE 1: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values 2008-2013

GENERAL FUND	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Budget 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017
<b>Fund Revenues</b>										
Property Tax	659,440	651,699	665,999	765,539	917,598	773,500	885,716	927,646	969,575	1,011,500
Sales Tax	8,875,306	9,308,960	9,404,691	9,654,542	10,297,107	10,530,000	10,827,211	11,155,432	11,483,654	11,811,875
Licenses & Permits	102,748	76,679	70,489	93,193	71,957	68,000	63,991	59,271	54,551	49,875
PERS Relief	353,911	640,340	269,592	407,269	619,957	702,810	681,082	733,111	785,141	837,175
State Revenue Sharing	778,085	389,286	400,759	428,304	534,336	568,936	458,313	441,654	424,995	408,375
Department of Revenue - Fish Tax	823,097	946,635	1,046,010	740,229	1,123,205	1,000,000	1,057,374	1,089,043	1,120,713	1,152,375
DCED Shared Fisheries Tax	62,581	70,855	70,933	87,810	120,822	70,000	100,888	106,713	112,538	118,375
Fuel Tax Sharing	6,955	6,634	5,993	6,215	6,882	7,000	6,732	6,766	6,800	6,875
Other Intergovernmental Revenues	106,154	109,190	95,647	79,664	186,481	100,600	131,768	137,143	142,518	147,875
Police & Fire General	752,476	774,075	707,836	997,627	1,243,237	1,316,993	1,417,361	1,546,500	1,675,639	1,804,775
KIB Revenues	292,806	269,811	272,873	178,930	217,783	140,000	127,295	98,322	69,349	40,375
Parks & Recreation	107,881	98,194	117,300	121,688	120,121	126,000	131,274	135,867	140,460	145,075
Library	18,623	18,941	18,580	15,467	13,692	19,000	15,686	15,201	14,716	14,275
Other Charges for Services	47,618	71,872	77,789	42,394	7,299	10,200	2,000	2,000	2,000	2,000
Fines & Forfeitures	55,229	20,122	23,514	6,156	3,619	20,500	4,000	4,000	4,000	4,000
Interest	283,602	234,671	31,162	24,500	1,301	45,000	30,000	30,000	30,000	30,000
Rents & Royalties	97,030	173,089	157,686	125,476	154,320	155,236	164,057	169,844	175,630	181,475
Miscellaneous	1,200,191	762,229	1,066,199	268,423	19,471	26,800	20,000	20,000	20,000	20,000
Interfund Charges	760,429	690,920	678,820	662,622	813,225	854,316	825,404	848,837	872,270	895,775
<b>Total Operating Revenues</b>	<b>15,384,163</b>	<b>15,314,201</b>	<b>15,181,871</b>	<b>14,706,050</b>	<b>16,472,414</b>	<b>16,534,891</b>	<b>16,950,151</b>	<b>17,527,349</b>	<b>18,104,548</b>	<b>18,681,725</b>
<b>Fund Operating Expenses</b>										
Salaries & Wages	5,035,785	5,168,357	5,213,895	5,480,849	5,776,122	6,363,740	6,379,460	6,628,890	6,878,319	7,127,775
Fringe Benefits	3,337,676	3,315,039	3,019,330	3,463,215	4,342,347	4,774,856	4,779,915	5,085,964	5,392,012	5,698,075
Professional Services	558,970	627,702	654,944	812,982	876,000	978,093	1,051,303	1,136,976	1,222,648	1,308,375
Contributions	232,564	226,853	232,636	226,218	245,019	280,500	269,408	277,629	285,851	294,075
Support Goods & Services	1,655,159	1,619,069	1,735,339	1,721,232	1,705,817	1,872,048	1,851,169	1,889,186	1,927,202	1,965,275
Utility Services	493,199	443,579	503,316	547,851	618,992	586,350	635,868	665,483	695,098	724,775
Administrative Services	27,447	23,687	33,275	34,559	38,882	36,000	41,272	43,833	46,394	48,975
Capital Outlays	316,215	492,152	322,994	333,557	946,807	280,872	568,548	602,771	636,994	671,275
Interest Expense	168,021	512,227	530,740	528,490	525,990	528,240	530,000	530,000	530,000	530,000
<b>Total Operating Expenses</b>	<b>11,825,036</b>	<b>12,428,664</b>	<b>12,246,468</b>	<b>13,148,953</b>	<b>15,075,975</b>	<b>15,700,699</b>	<b>16,106,941</b>	<b>16,860,730</b>	<b>17,614,518</b>	<b>18,388,375</b>
<b>Operating Gain (Loss)</b>	<b>3,559,127</b>	<b>2,885,536</b>	<b>2,935,403</b>	<b>1,557,097</b>	<b>1,396,439</b>	<b>834,192</b>	<b>843,209</b>	<b>666,620</b>	<b>490,030</b>	<b>313,475</b>
<b>Other Financing Sources (Uses)</b>										
GOB Issuance	8,000,000	-	-	-	-	-	-	-	-	-
Transfers In	1,528,024	1,626,843	531,870	96,288	492,689	-	-	-	-	-
Transfers Out	(10,350,205)	(5,118,473)	(2,318,826)	(3,999,224)	(1,666,189)	(1,325,046)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
<b>Net Other Financing Sources (Uses)</b>	<b>(822,181)</b>	<b>(3,491,630)</b>	<b>(1,786,956)</b>	<b>(3,902,936)</b>	<b>(1,173,499)</b>	<b>(1,325,046)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>
<b>Net Change in Fund</b>	<b>2,736,946</b>	<b>(606,093)</b>	<b>1,148,447</b>	<b>(2,345,839)</b>	<b>222,939</b>	<b>(490,854)</b>	<b>(156,791)</b>	<b>(333,380)</b>	<b>(509,970)</b>	<b>(686,575)</b>
<b>Net Assets at Beginning of Year</b>	<b>5,573,271</b>	<b>8,310,217</b>	<b>7,704,124</b>	<b>8,852,571</b>	<b>6,506,732</b>	<b>6,729,671</b>	<b>6,238,817</b>	<b>6,082,027</b>	<b>5,748,646</b>	<b>5,238,671</b>
<b>Net Assets at End of Year</b>	<b>8,310,217</b>	<b>7,704,124</b>	<b>8,852,571</b>	<b>6,506,732</b>	<b>6,729,671</b>	<b>6,238,817</b>	<b>6,082,027</b>	<b>5,748,646</b>	<b>5,238,676</b>	<b>4,552,171</b>

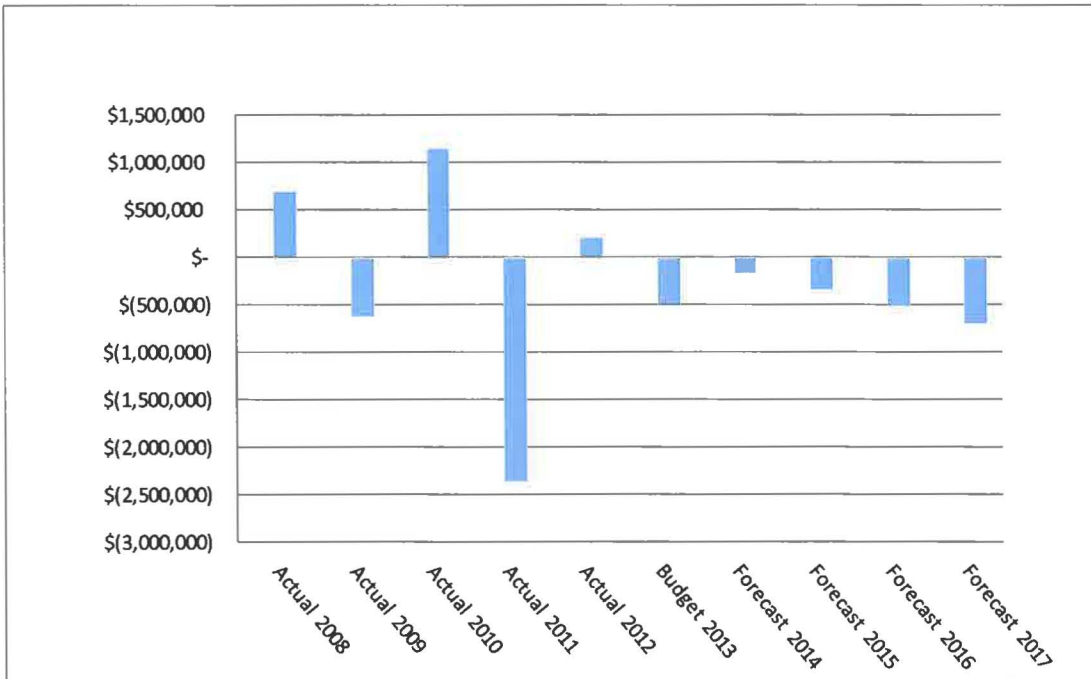
## General Fund – Fund Balance

Figure 5 below shows the total fund balance each fiscal year and Figure 6 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year. In fiscal year 2012 the replacement of fund balance was \$222,939. The City has budgeted using \$490,854 of fund balance in fiscal year 2013. The Fund Balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year-end fund balance is recorded in the following categories: non-spendable, subsequent year's expenditures, and the unassigned balance that can be used. The City follows the recommended practice outlined in the Government Financial Officers Association (GFOA) to maintain a minimum General Fund balance of two months operating expense as a reserve. The budgeted fiscal year 2013 ending fund balance that is available for use in the fiscal year 2014 budget is estimated to be \$2,952,536. This is based on the ending fiscal year 2013 fund balance of \$6,238,817 plus the budgeted use of fund balance in the fiscal year 2014 budget of \$156,791, two months of operating reserves of \$2,684,490 and the funds owed to the general fund from other funds in the amount of \$445,000.

**Figure 5: General Fund – Total Fund Balance each Fiscal Year**



**Figure 6: General Fund – Change in Fund Balance each Fiscal Year**



# WATER & SEWER FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the City Council is that the costs of providing goods and services to the public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has approved the use of the fund balance reserves to fund capital projects or operations. The following are water and sewer enterprise funds:

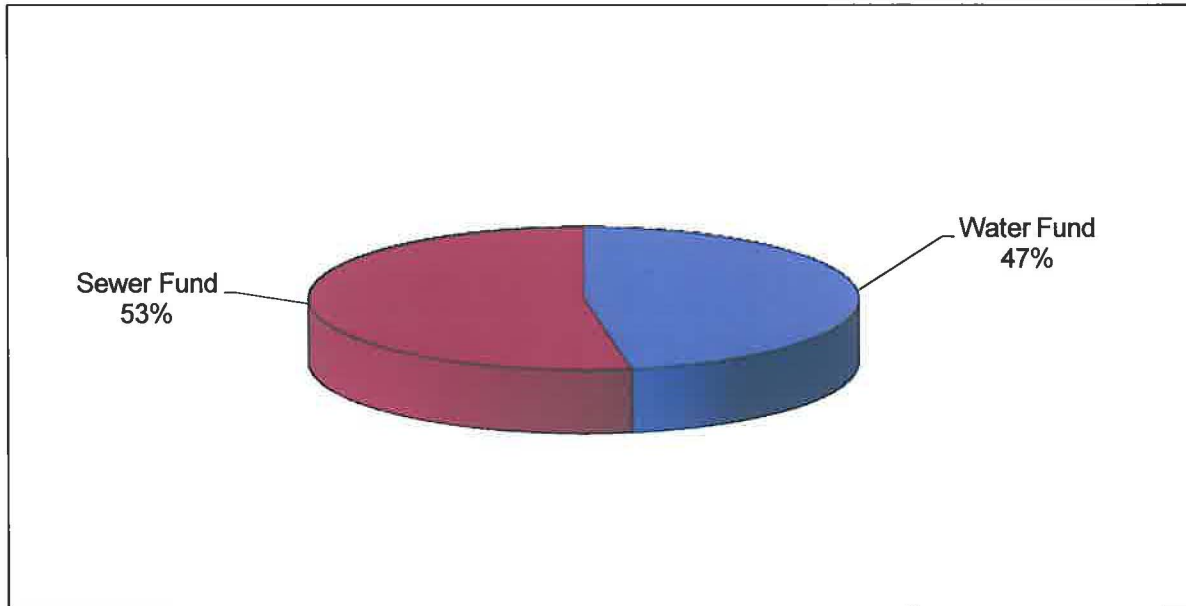
### Water Utility Fund

This fund accounts for all activity of the city owned and operated water utility.

### Sewer Utility Fund

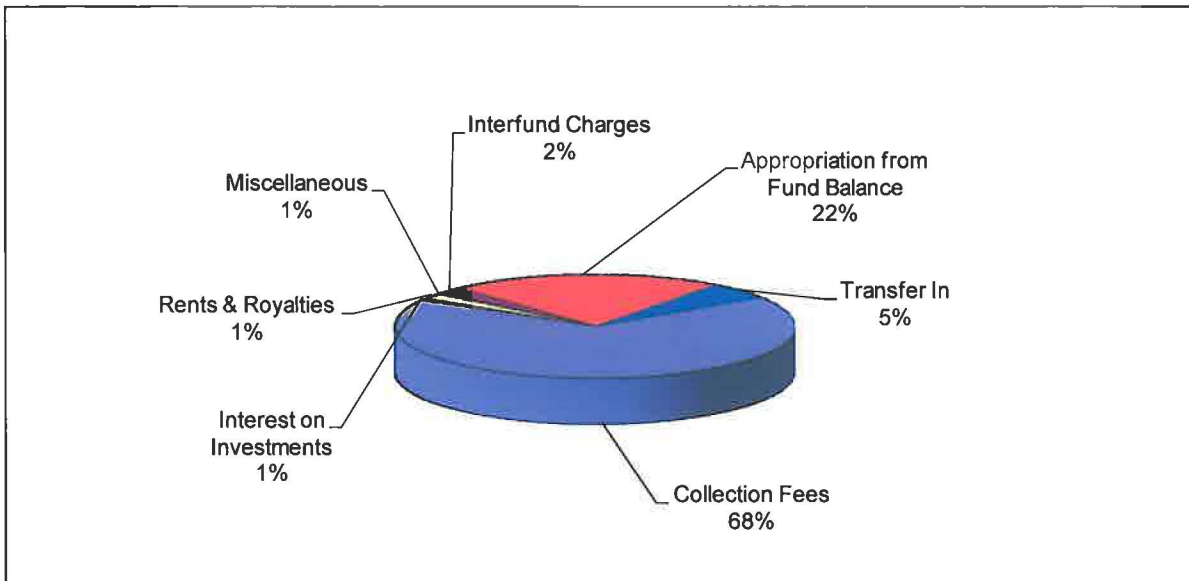
This fund accounts for all activity of the city owned and operated sewer utility.

**Figure 7: Water & Sewer Funds - FY 2013 Budgeted Revenues by Function**



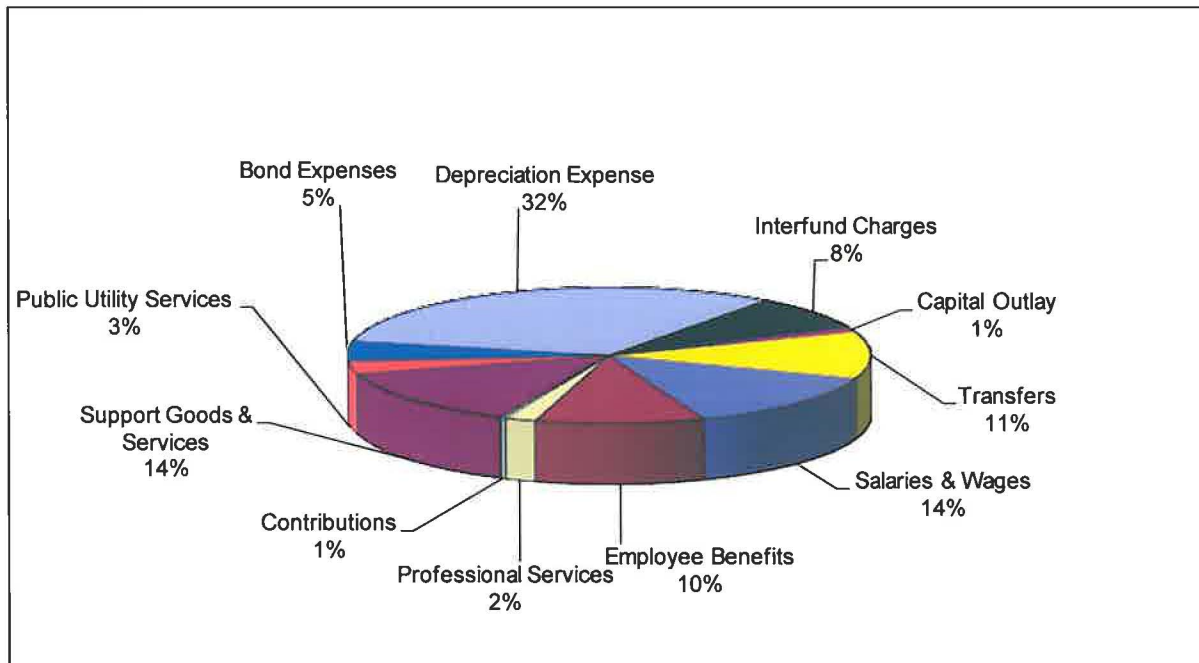
The Sewer Fund generates 53% of total revenues and the Water Fund generates 47% (Fig.7). The Water and Sewer Funds are responsible for maintaining the City's aging infrastructure while keeping rates to residents reasonable.

**Figure 8: Water & Sewer Funds - FY 2013 Budgeted Revenues**



The main source of revenue is collection of fees for services at 68% (Fig.8) of total revenues. The Water and Sewer Funds use Fund Balance to make transfers to capital project funds and for operations.

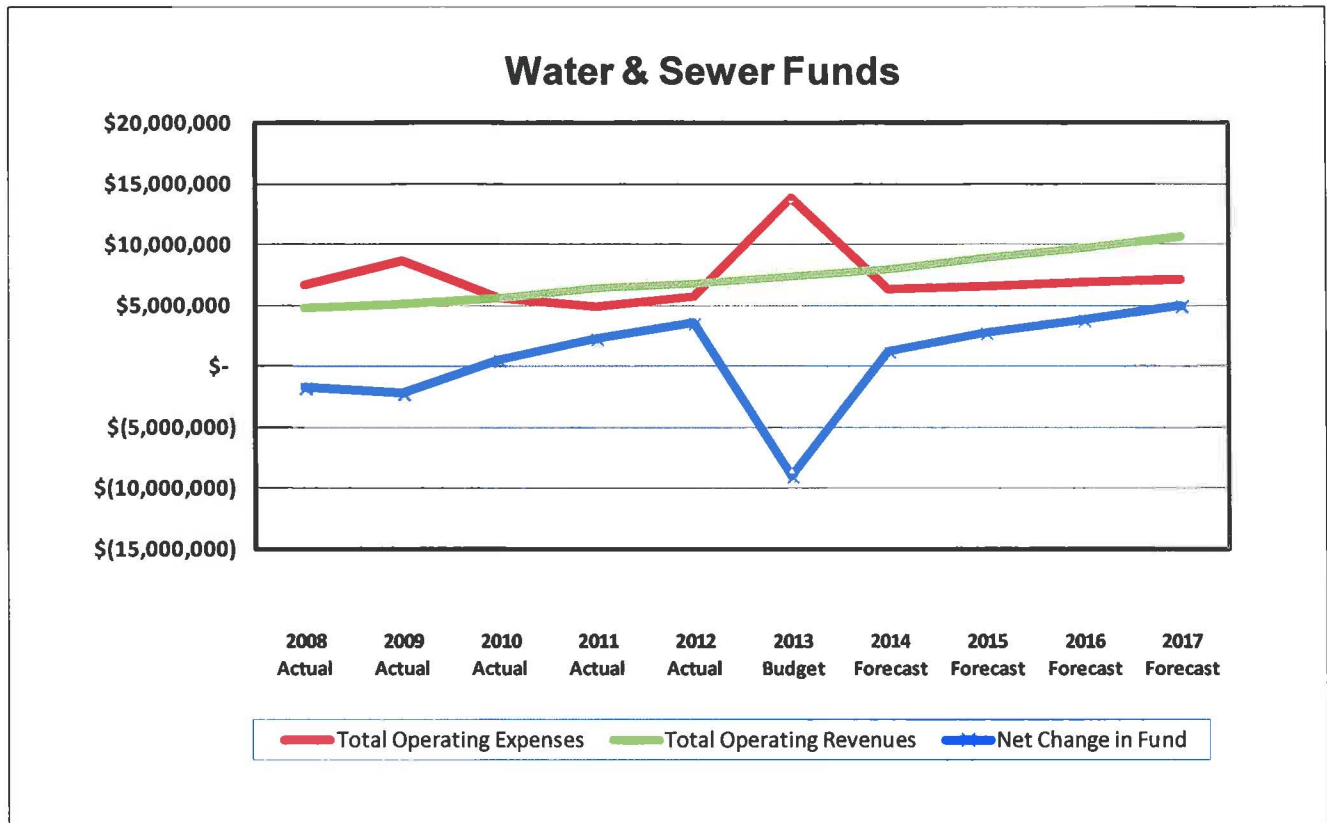
**Figure 9: Water & Sewer Funds - FY 2013 Budgeted Expenditures by Account Classification**



The largest expense in the Water and Sewer Funds is for depreciation at 32% (Fig.9) of total expenses, salaries and benefits at 24%, and support goods and services at 14%.



**Figure 10: Water & Sewer Funds Forecast - Actual 2008-2012, Budgeted 2013, Forecast 2014-2017**



With rate studies every five years, the water and sewer funds have been able to plan for future capital projects and operations by maintaining a reasonable fund balance.

Water Rates			Sewer Rates		
Fiscal Year	Residential Rate	% Increase	Fiscal Year	Residential Rate	% Increase
2006	25.30		2006	32.20	
2007	25.30	0%	2007	38.02	18%
2008	26.82	6%	2008	42.93	13%
2009	28.43	6%	2009	48.39	13%
2010	30.13	6%	2010	54.55	13%
2011	34.95	16%	2011	59.82	10%
2012	39.14	12%	2012	62.81	5%
2013	43.84	12%	2013	62.81	0%
2014	47.35	8%	2014	62.81	0%
2015	51.14	8%	2015	62.81	0%
2016	55.23	8%	2016	62.81	0%

Table 2 below shows the detail for the actual, budgeted, and forecast fiscal years. These forecasts do not include future capital projects.

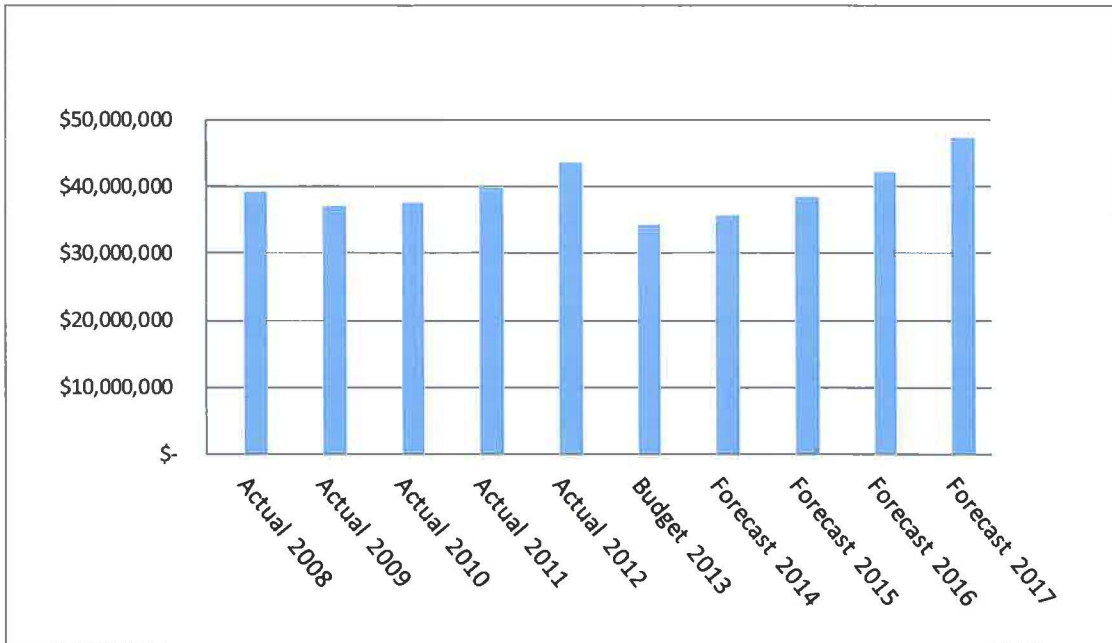
**TABLE 2: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values, 2008-2013**

<b>Water &amp; Sewer Fund</b>	<b>Actual 2008</b>	<b>Actual 2009</b>	<b>Actual 2010</b>	<b>Actual 2011</b>	<b>Actual 2012</b>	<b>Budget 2013</b>	<b>Forecast 2014</b>	<b>Forecast 2015</b>	<b>Forecast 2016</b>	<b>Forecast 2017</b>
<b>Fund Revenues</b>										
Collection Fees	4,756,869	5,040,778	5,581,077	6,374,280	6,807,086	7,336,368	7,881,705	8,894,265	9,701,826	10,605,775
Other	21,443	35,365	58,284	53,477	20,119	500	16,005	11,569	7,133	2,697
<b>Total Operating Revenues</b>	<b>4,778,312</b>	<b>5,076,143</b>	<b>5,639,361</b>	<b>6,427,757</b>	<b>6,827,205</b>	<b>7,336,868</b>	<b>7,897,710</b>	<b>8,905,835</b>	<b>9,708,959</b>	<b>10,608,473</b>
<b>Fund Operating Expenses</b>										
Salaries & Benefits	1,391,518	1,490,838	1,487,245	1,549,698	1,771,428	1,871,344	1,924,014	2,018,395	2,112,777	2,207,158
Professional Services	340,081	730,825	664,733	151,698	67,704	108,500	(22,107)	(126,687)	(231,267)	(335,847)
Support Goods & Services	316,641	345,514	322,309	342,366	378,181	514,747	480,818	512,492	544,166	575,840
Utility Services	722,582	577,012	468,376	825,707	991,392	1,011,250	1,070,434	1,157,400	1,244,366	1,331,332
Capital Outlays	20,471	4,196	12,230	11,896	377,091	207,000	310,580	369,180	427,780	486,380
Interfund Charges	264,920	239,000	173,610	183,180	278,844	892,822	665,591	758,979	852,368	945,757
Repairs & Maintenance	1,842,262	3,447,635	711,956	6,286	19,408	7,407,000	2,000	2,000	2,000	2,000
Depreciation	1,768,848	1,772,086	1,766,325	1,765,018	1,870,595	1,862,016	1,876,821	1,898,537	1,920,253	1,941,969
<b>Total Operating Expenses</b>	<b>6,667,323</b>	<b>8,607,106</b>	<b>5,606,784</b>	<b>4,835,849</b>	<b>5,754,643</b>	<b>13,874,679</b>	<b>6,308,151</b>	<b>6,590,297</b>	<b>6,872,444</b>	<b>7,154,590</b>
<b>Earnings (loss) from Operations</b>	<b>(1,889,011)</b>	<b>(3,530,963)</b>	<b>32,577</b>	<b>1,591,908</b>	<b>1,072,562</b>	<b>(6,537,812)</b>	<b>1,589,559</b>	<b>2,315,537</b>	<b>2,836,516</b>	<b>3,453,883</b>
<b>Nonoperating Revenue (Expenses)</b>										
Investment Income	295,834	88,695	20,914	38,596	3,846	20,000	(83,623)	(129,795)	(175,968)	(222,140)
Interest Expense	(31,317)	(23,126)	(22,064)	(32,356)	(52,349)	(92,273)	(82,522)	(94,028)	(105,535)	(117,042)
State PERS Relief	108,112	104,049	42,515	66,234	103,817	117,570	97,414	99,423	101,432	103,441
Other	4,034	(383)	28,777	(490,519)	(96,193)	-	(175,070)	(198,696)	(222,321)	(245,947)
<b>Net Nonoperating Revenue (Expenses)</b>	<b>376,663</b>	<b>169,235</b>	<b>70,142</b>	<b>(418,045)</b>	<b>(40,879)</b>	<b>45,297</b>	<b>1,686,973</b>	<b>2,414,960</b>	<b>2,937,948</b>	<b>3,557,324</b>
<b>Earning (loss) Before Transfers</b>	<b>(1,512,348)</b>	<b>(3,361,728)</b>	<b>102,719</b>	<b>1,173,863</b>	<b>1,031,683</b>	<b>(6,492,515)</b>	<b>3,276,532</b>	<b>4,730,498</b>	<b>5,774,463</b>	<b>7,011,207</b>
<b>Other Financing Sources (Uses)</b>										
Capital Contributions	369,282	1,793,672	1,086,345	1,169,683	3,930,175	-	-	-	-	-
Transfers In	200,000	886,720	673,761	669,633	-	-	-	-	-	-
Transfers Out	(800,000)	(1,485,100)	(1,375,761)	(713,633)	(1,315,382)	(2,542,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
<b>Net Change in Fund</b>	<b>(1,743,066)</b>	<b>(2,166,436)</b>	<b>487,064</b>	<b>2,299,546</b>	<b>3,646,476</b>	<b>(9,034,515)</b>	<b>1,276,532</b>	<b>2,730,498</b>	<b>3,774,463</b>	<b>5,011,207</b>
<b>Net Assets at Beginning of Year</b>	<b>40,997,529</b>	<b>39,254,463</b>	<b>37,088,027</b>	<b>37,575,091</b>	<b>39,874,637</b>	<b>43,521,113</b>	<b>34,486,599</b>	<b>35,763,131</b>	<b>38,493,628</b>	<b>42,268,092</b>
<b>Net Assets at End of Year</b>	<b>39,254,463</b>	<b>37,088,027</b>	<b>37,575,091</b>	<b>39,874,637</b>	<b>43,521,113</b>	<b>34,486,599</b>	<b>35,763,131</b>	<b>38,493,628</b>	<b>42,268,092</b>	<b>47,279,299</b>

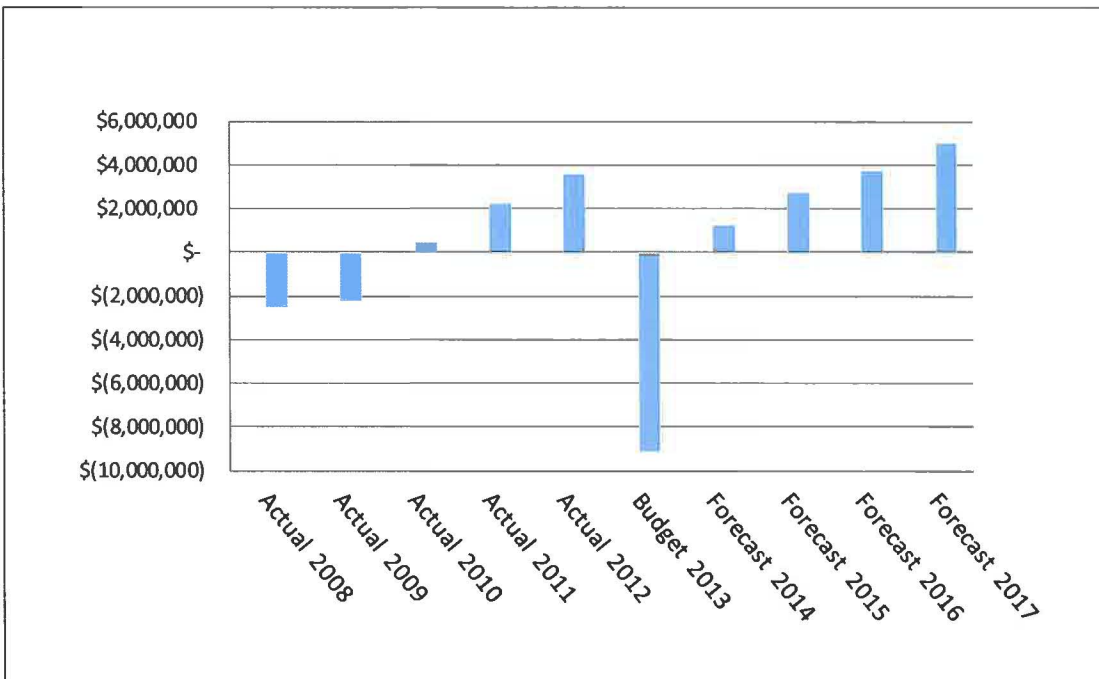
## Water & Sewer Funds - Fund Balance

Figure 11 below shows the total fund balance each fiscal year and Figure 12 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year. The City has budgeted the use of \$9,034,515 from the fund balance in fiscal year 2013. In fiscal year 2012 the return of fund balance was \$3,646,476. The Fund Balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year end fund balance is recorded in categories that describe the use of the funds. These categories are invested in capital assets, and the unrestricted balance that can be used. The fiscal year 2013 fund balance that is available for use in the fiscal year 2014 budget is estimated at \$3,694,676. This is based on an ending fund balance of \$34,486,599 for fiscal year 2013 plus the budgeted replacement of fund balance in the fiscal year 2014 budget of \$1,276,532, depreciation added in the amount of \$1,876,821, less invested in capital in the amount of \$33,689,179, and debt payments in the amount of \$256,097.

**Figure 11: Water & Sewer Funds – Total Fund Balance each Fiscal Year**



**Figure 12: General Fund – Change in Fund Balance each Fiscal Year**



# HARBOR FUNDS

The Harbor Funds are also an Enterprise Funds, and as such, account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the Council is that the costs of providing goods and services to the public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes. The General Fund transfers \$500,000 each fiscal year to the Harbor Capital Project fund based on the Sales Tax Code allocation. The following is a list of the harbor enterprise funds:

### Cargo Terminal Fund

This fund accounts for all activity of the city owned and operated cargo terminal, which includes a warehouse and piers.

### Boat Harbor Fund

This fund accounts for all activity for the Port of Kodiak, which is city owned and operated and includes two harbors.

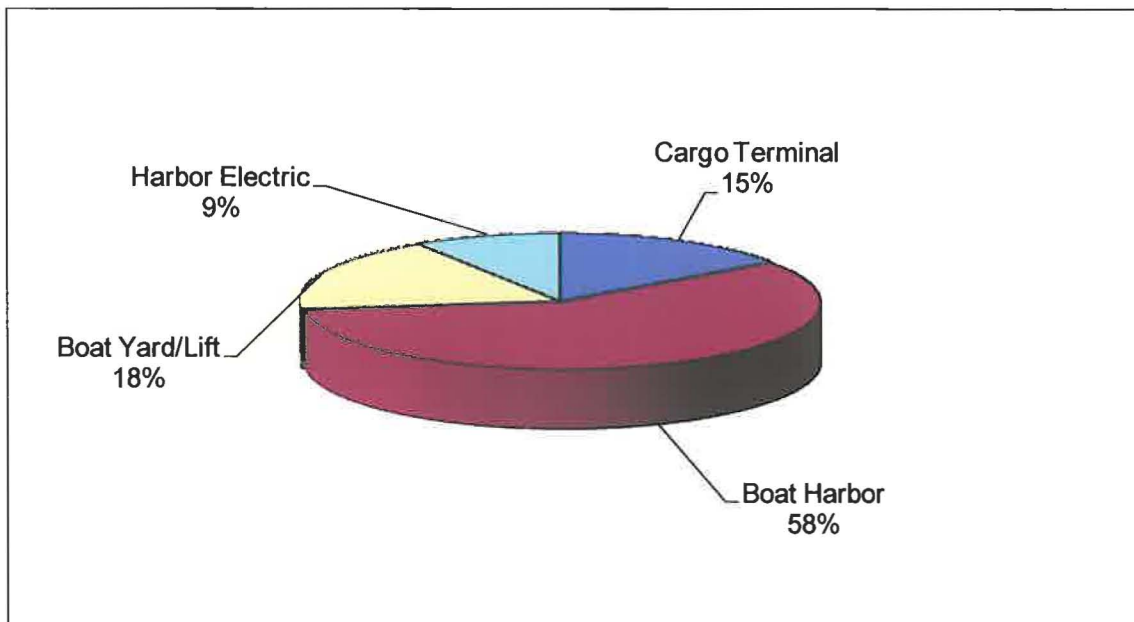
### Boatyard/ Vessel Lift Fund

This fund accounts for all activity for the Boat Yard / Vessel Lift Facility which is city owned and operated.

### Harbor Electric Fund

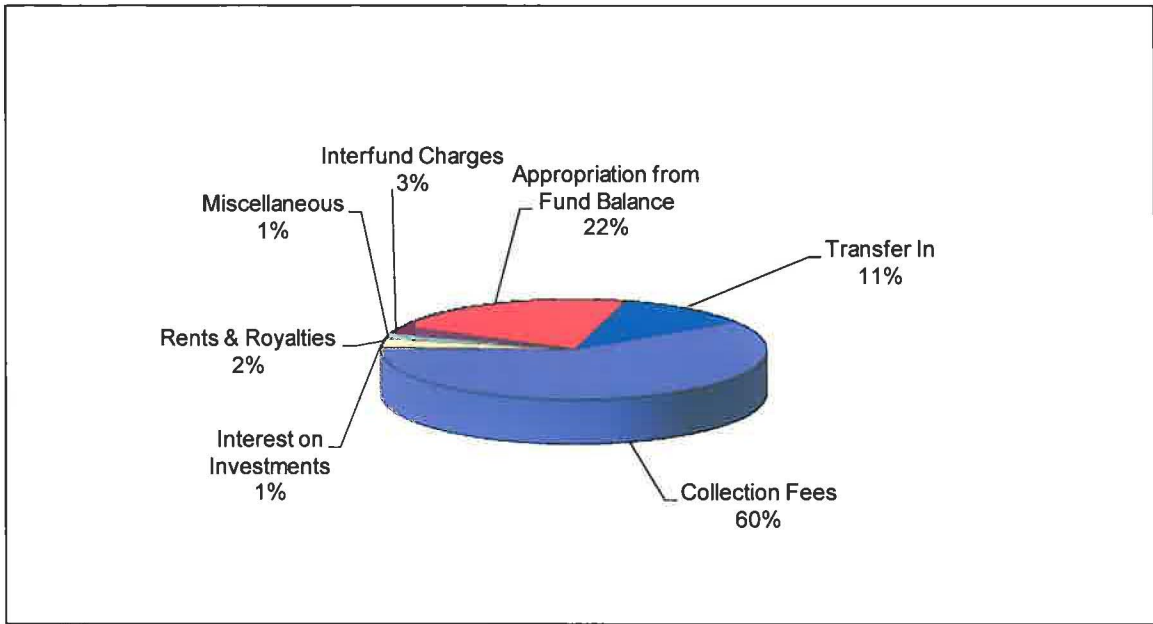
This fund accounts for the use of electrical power for the Boat Harbor, which is city owned and operated and includes two harbors.

**Figure 13: Harbor Funds – FY 2013 Budgeted Revenues by Function**



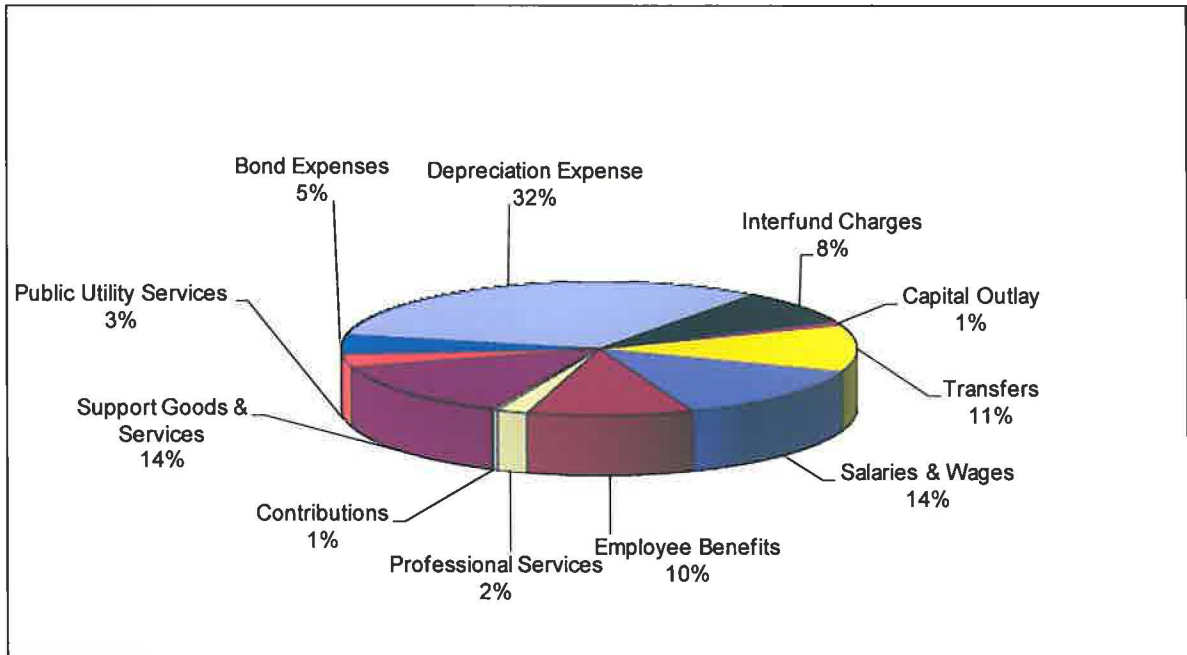
The Cargo Fund generates 15% of total revenues, the Harbor Fund 58% (Fig.13), the Boat Yard/Lift 18% and the Harbor Electric Fund 9%. The Harbor Funds are responsible for maintaining the City's Harbors while keeping rates to the fishing fleet reasonable.

**Figure 14: Harbor Funds - FY 2013 Budgeted Revenues**



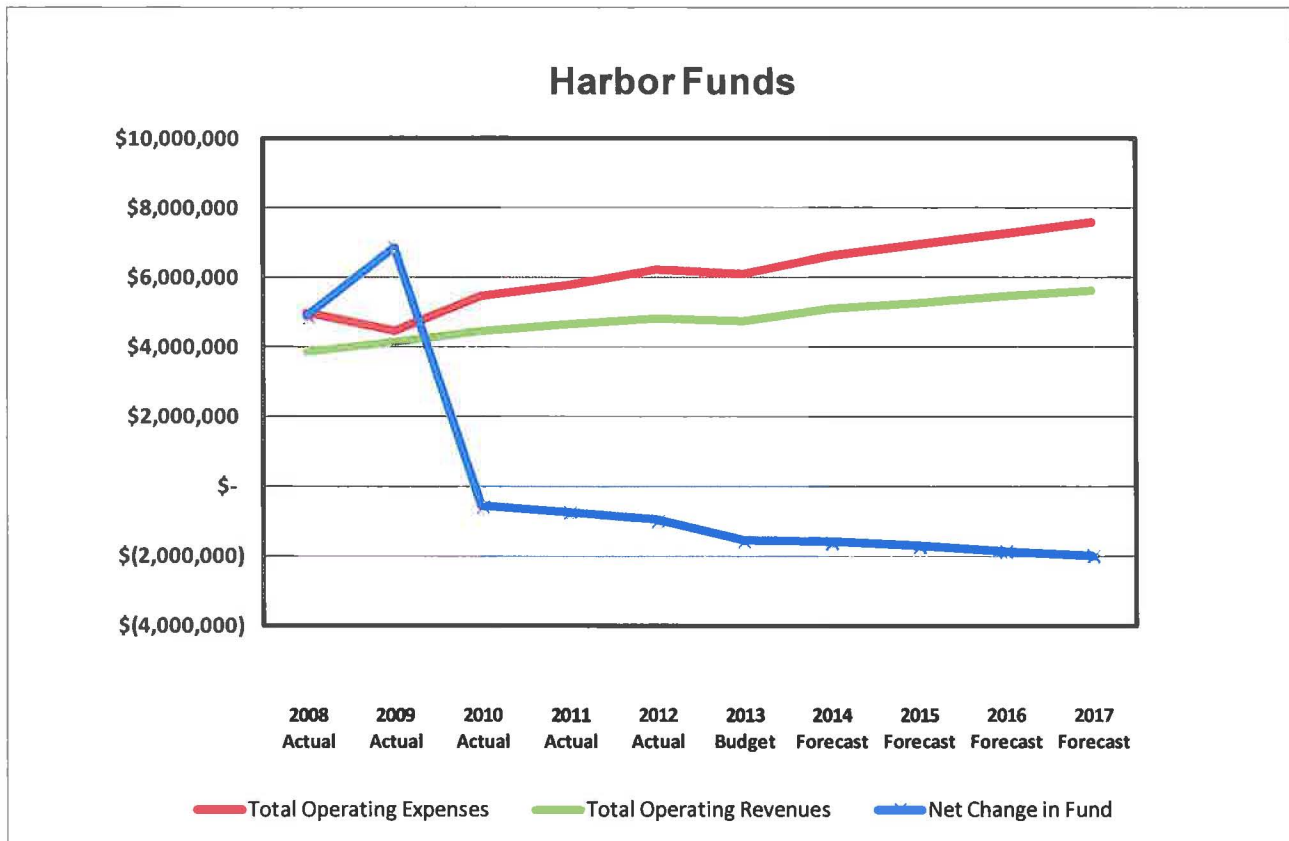
The main source of revenues is collection of fees for services or 60% (Fig.14), of total revenues. The Harbor Funds use Fund Balance to make transfers to capital project funds and for operations.

**Figure 15: Harbor Funds – FY 2013 Budgeted Expenditures by Account Classification**



The largest expenses in the Harbor Funds are depreciation at 32% (Fig.15), of total expenses, salaries and benefits at 24%, support goods and services at 14%.

**Figure 16: Harbor Funds Forecast - Actual 2008-2012, Budgeted 2013, Forecast 2014-2017**



2010 was the first full year that the Boat Yard Lift was in operation. As a result of a recommendation from the Harbor Advisory Board, a rate increase was implemented in fiscal year 2004 for four years and the rates were again adjusted in fiscal year 2013. The chart below shows the increase in moorage rates. Moorage rates are the largest category of fees in the Harbor Funds. In the future continued operating losses may necessitate additional transfers from the General Fund.

**Annual Moorage Rates**

Fiscal Year	Annual Moorage Per Foot		% Increase	
	Low	High	Low	High
2004	23.00	37.00		
2005	25.00	60.00	9%	62%
2006	27.00	73.00	8%	22%
2007	28.00	88.00	4%	21%
2008	29.00	98.00	4%	11%
2009	29.00	98.00	0%	0%
2010	29.00	98.00	0%	0%
2011	30.00	100.00	3%	2%
2012	30.00	100.00	0%	0%

Low Range = 0 to 20 feet  
 High Range = 151 feet and higher

Table 3 below shows the detail for the actual, budget and forecasted fiscal years. These forecasts do not include future capital projects.

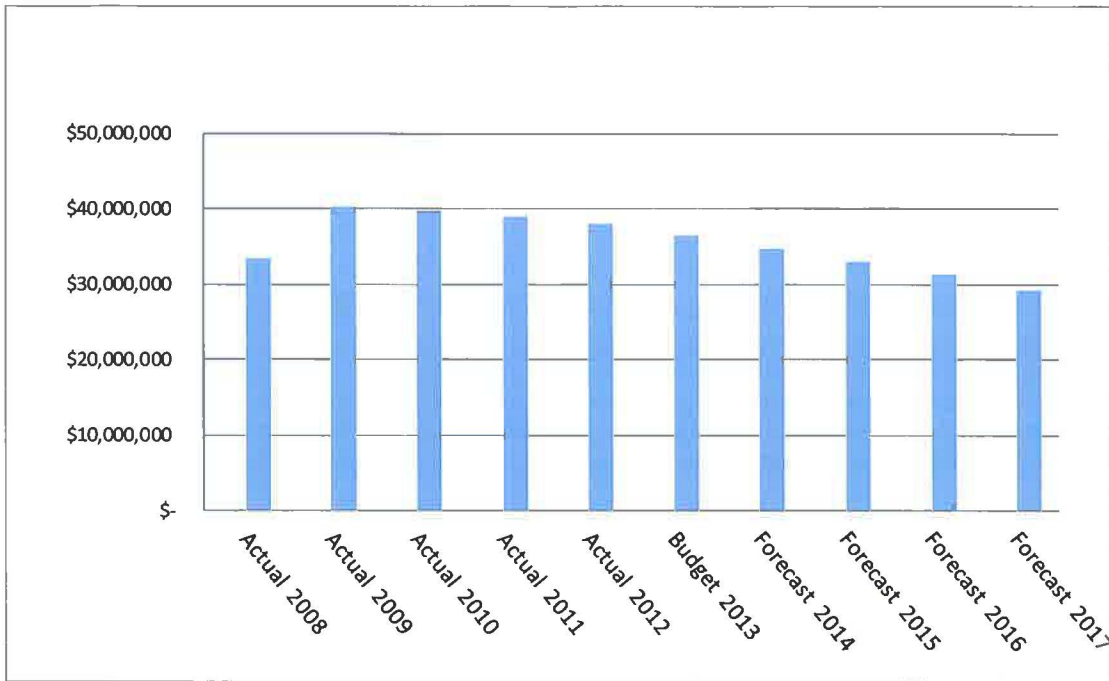
<b>TABLE 3: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values 2008-2013</b>										
<b>Harbor</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Fund Revenues</b>										
Collection Fees	3,630,335	3,897,970	3,976,024	4,123,339	4,495,391	4,316,500	4,610,300	4,763,740	4,917,180	5,070,620
Other	245,038	259,501	484,122	553,936	310,002	410,530	482,066	512,031	541,996	571,967
<b>Total Operating Revenues</b>	<b>3,875,373</b>	<b>4,157,471</b>	<b>4,460,146</b>	<b>4,677,275</b>	<b>4,805,393</b>	<b>4,727,030</b>	<b>5,092,366</b>	<b>5,275,771</b>	<b>5,459,176</b>	<b>5,642,587</b>
<b>Fund Operating Expenses</b>										
Salaries & Benefits	1,235,064	1,265,554	1,343,916	1,451,235	1,592,967	1,739,881	1,799,467	1,902,714	2,005,961	2,109,200
Professional Services	69,724	74,827	105,112	228,564	134,550	139,500	190,530	209,144	227,758	246,377
Support Goods & Services	948,816	958,980	1,044,714	1,032,885	1,141,906	1,019,800	1,113,704	1,139,186	1,164,668	1,190,150
Utility Services	158,479	147,649	140,960	162,895	178,625	231,000	217,681	231,323	244,965	258,607
Capital Outlays	38,427	108,022	97,113	46,869	38,187	59,500	49,248	44,837	40,426	36,011
Interfund Charges	402,600	378,940	391,579	391,309	456,369	600,450	559,001	593,895	628,788	663,687
Repairs & Maintenance	563,344	-	568,055	167,021	388,695	-	76,019	17,400	(41,219)	(99,830)
Depreciation	1,547,454	1,538,885	1,787,423	2,302,339	2,300,721	2,299,090	2,618,512	2,805,901	2,993,290	3,180,670
<b>Total Operating Expenses</b>	<b>4,963,908</b>	<b>4,472,857</b>	<b>5,478,872</b>	<b>5,783,117</b>	<b>6,232,020</b>	<b>6,089,221</b>	<b>6,624,162</b>	<b>6,944,400</b>	<b>7,264,637</b>	<b>7,584,877</b>
<b>Earnings (loss) from Operations</b>	<b>(1,088,535)</b>	<b>(315,386)</b>	<b>(1,018,726)</b>	<b>(1,105,842)</b>	<b>(1,426,627)</b>	<b>(1,362,191)</b>	<b>(1,531,796)</b>	<b>(1,668,628)</b>	<b>(1,805,460)</b>	<b>(1,942,290)</b>
<b>Nonoperating Revenue (Expenses)</b>										
Investment Income	409,005	166,172	38,239	39,610	13,439	23,000	50,000	50,000	50,000	50,000
Interest Expense	-	(24,405)	(306,322)	(334,588)	(332,711)	(337,068)	(340,000)	(340,000)	(340,000)	(340,000)
State PERS Relief	111,606	94,559	43,076	67,880	98,825	113,630	93,035	94,398	95,762	97,121
Other	1,600	24,778	201,751	112,736	183,343	-	125,236	136,055	146,875	157,694
<b>Net Nonoperating Revenue (Expenses)</b>	<b>522,211</b>	<b>261,104</b>	<b>(23,256)</b>	<b>(114,362)</b>	<b>(37,104)</b>	<b>(200,438)</b>	<b>(71,729)</b>	<b>(59,546)</b>	<b>(47,363)</b>	<b>(35,185)</b>
<b>Earning (loss) Before Transfers</b>	<b>(566,324)</b>	<b>(54,282)</b>	<b>(1,041,982)</b>	<b>(1,220,204)</b>	<b>(1,463,731)</b>	<b>(1,562,629)</b>	<b>(1,603,526)</b>	<b>(1,728,175)</b>	<b>(1,852,824)</b>	<b>(1,977,475)</b>
<b>Other Financing Sources (Uses)</b>										
Capital Contributions	4,161,622	6,292,418	-	-	-	-	-	-	-	-
Transfers In	1,350,000	645,784	4,945,260	2,283,431	1,300,000	819,768	-	-	-	-
Transfers Out	(50,000)	-	(4,470,260)	(1,803,431)	(800,000)	(819,768)	-	-	-	-
<b>Net Change in Fund</b>	<b>4,895,298</b>	<b>6,883,920</b>	<b>(566,982)</b>	<b>(740,204)</b>	<b>(963,731)</b>	<b>(1,562,629)</b>	<b>(1,603,526)</b>	<b>(1,728,175)</b>	<b>(1,852,824)</b>	<b>(1,977,475)</b>
<b>Net Assets at Beginning of Year</b>	<b>28,564,939</b>	<b>33,460,237</b>	<b>40,344,157</b>	<b>39,777,175</b>	<b>39,036,971</b>	<b>38,073,240</b>	<b>36,510,611</b>	<b>34,907,085</b>	<b>33,178,911</b>	<b>31,326,087</b>
<b>Net Assets at End of Year</b>	<b>33,460,237</b>	<b>40,344,157</b>	<b>39,777,175</b>	<b>39,036,971</b>	<b>38,073,240</b>	<b>36,510,611</b>	<b>34,907,085</b>	<b>33,178,911</b>	<b>31,326,087</b>	<b>29,348,612</b>

## Harbor Funds – Fund Balance

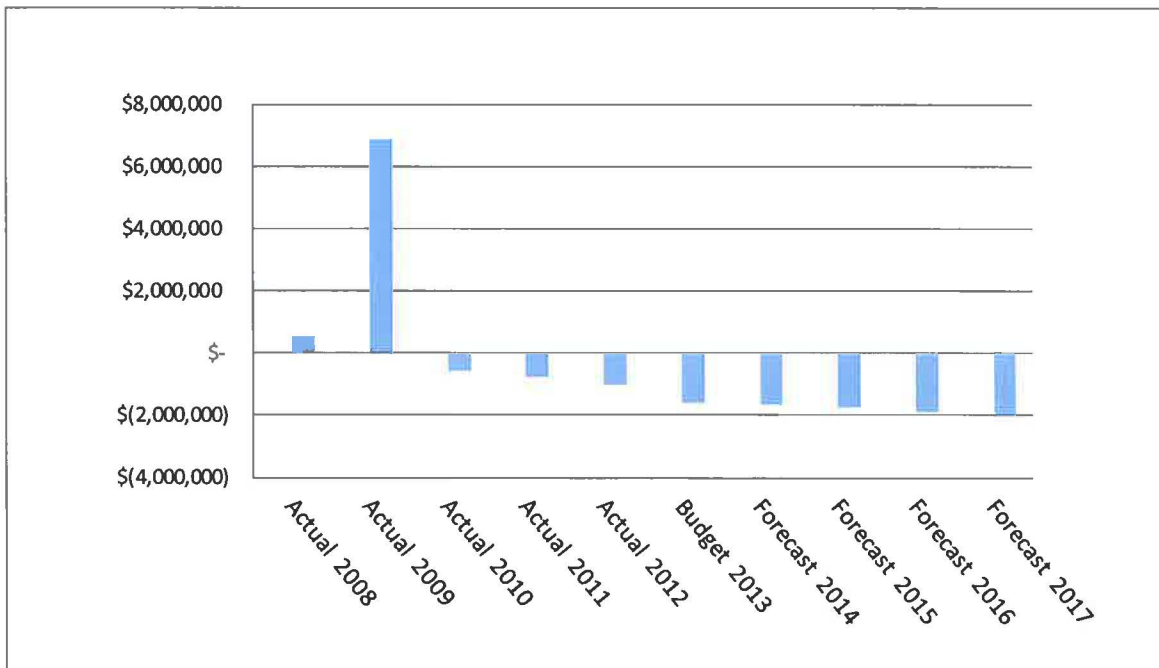
Figure 17 below shows the total fund balance each fiscal year and Figure 18 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year. The City has budgeted the use of \$1,562,629 of fund balance in fiscal year 2013. In fiscal year 2012 the use of fund balance was \$963,731. The Fund Balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year end fund balance is recorded in categories that describe the use of the funds. These categories are invested in capital assets, and the unrestricted balance that can be used. The fiscal year 2013 fund balance that is available for use in the fiscal year 2014 budget is estimated at \$5,845,684. Of this total the Harbor Fund has approximately \$2,027,000 available for capital projects and transfers to the Boat Yard Lift Fund. A transfer at the rate of \$800,000 per year to the Boat Yard Lift Fund from the Harbor Fund, this can occur for an additional two and a half years. After that the transfer would have to come from the General Fund. This is based on an ending fiscal year 2013 fund balance of \$36,510,611, less the budgeted use of fund balance in the fiscal year 2014 budget of \$1,603,526, depreciation added in the amount of

\$2,618,512 less invested in capital in the amount of \$31,341,232, and debt payments in the amount of \$338,681.

**Figure 17: Harbor Funds – Total Fund Balances each Fiscal Year**



**Figure 18: Harbor Funds – Change in Fund Balance each Fiscal Year**





**City of Kodiak**  
**Budget Calendar FY 2014**

<b>FY 2014</b>	<b>ITEM</b>	<b>BY</b>
January 19, 2013	Review City Council Goals and prepare suggested changes	City Manager & City Council
January 22, 2013	City Council Presentation FY 2014 Revenue Projections, & Budget Calendar	City Manager & Finance Director
February 28, 2013	City Council adopts Goals by Resolution	City Manager & City Council
March 4, 2013	Meeting of City Manager & Department Heads to distribute budget packets and provide overview of information in packets.	City Manager & Department Heads
March 29, 2013	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
April 1- 5, 2013	City Manger & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 9, 2013	Review Revenue Options with City Council	City Manager & Finance Director
April 23, 2013	Distribute Manger's Budget to City Council	City Manager
May 11, 2013	City Council and Manger budget work sessions. Departmental Budget Presentation to City Council	City Manager/ Department Heads & City Council
May 23, 2013	First reading of budget ordinance	City Manager/ Finance Director & City Council
June 3, 2013	Advertisement for overall City Council Agenda including Budget	Clerk
June 13, 2013	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2013	Budget Implementation	Finance Director
September 10, 2013	90 day Submittal to Distinguished Budget Presentation Awards Program - Government Finance Officers Association	Finance Director