

City of Kodiak Regular Council Meeting Agenda for April 11, 2013
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order/Roll Call**
Pledge of Allegiance/Invocation

- II. Previous Minutes**
Approval of Minutes of the March 28, 2013, Regular Council Meeting.....1

- III. Persons to Be Heard**
 - a. Proclamation: Declaring Child Abuse Prevention Month10
 - b. Proclamation: Declaring Sexual Assault Awareness Month12
 - c. Public Hearing on Resolution No. 2013–09, Amending Section 9.16, Shipyard, of the Schedule of Fees and Charges14
 - d. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
None

- V. New Business**
 - a. First Reading, Ordinance No. 1307, Amending Chapters 1, 2, 3, 4, 6 and 7 of the City Personnel Rules and Regulations, Amending the Definitions in the City Personnel Rules and Regulations, and Adopting New Schedules I, II and III to the Personnel Rules and Regulations, to Adopt a New Pay Plan, and Regarding Administration of the Personnel Rules and Regulations, Position Classification, Pay Plan Administration, Probationary and Temporary Employment, and Performance Evaluation and Discipline.....26
 - b. First Reading, Ordinance No. 1308, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2012 and Ending on the Thirtieth Day of June 201354
 - c. Resolution No. 2013–06, Rescinding Resolution No. 08–16 and Amending the Tariff of Rates and Charges for Taxicab Services70
 - d. Resolution No. 2013–09, Amending Section 9.16, Shipyard, of the Schedule of Fees and Charges.....76
 - e. Authorization of Professional Services Contract for Design of Pillar Mountain Waste Material Dump Site, Project No. 13-09/503388
 - f. Authorization of Professional Services Contract for Construction Management Services for the Aleutian Homes, Phase V, Segment A, Project No. 10-03/7026104

- VI. Staff Reports**
 - a. City Manager
 - b. City Clerk

- VII. Mayor’s Comments**

- VIII. Council Comments**

- IX. Audience Comments (limited to 3 minutes) (486-3231)**

X. Executive Session
a. City Manager's Annual Evaluation116

XI. Adjournment



**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, MARCH 28, 2013
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 Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Terry J. Haines arrived at 7:35 p.m. Councilmember Randall C. Bishop was absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Temporary Acting Deputy Clerk Catherine Perkins 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 February 28, 2013, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Women's History Month

Mayor Branson read the proclamation, which urges residents to increase their knowledge and appreciation of the valuable role women play in our lives. Mayor Branson presented the proclamation to Sandra Wilkins, Outreach Coordinator for the Kodiak Women's Resource and Crisis Center. Ms. Wilkins thanked the Mayor and Council for the proclamation and for their continued support.

b. Proclamation: Declaring March 28 as Choose Respect Day

Councilmember Whiddon read the proclamation, declaring March 28, 2013, as "Choose Respect" Day, which asks Kodiak residents to join in standing up against domestic violence, sexual assault, and child sexual abuse.

Councilmember Haines arrived.

Mayor Branson presented to proclamation to Sandra Wilkins who accepted it and thanked the Mayor for her participation and support of the "Choose Respect" walk.

c. Public Hearing on Resolution No. 2013-05, Amending Sections 7, 12, and 13 of the Schedule of Fees and Charges

Mayor Branson read Resolution No. 2013–05 by title. The City sets its fees and charges for various services by a resolution of the Council. It is important to review and adjust the fee schedule on a regular basis to ensure the City is receiving adequate revenues with which to provide services. The City Council identified the importance of an annual review and update of the schedule of fees and charges by including this as a budget goal since FY2011. Staff completed the review and submitted a list of proposed changes to fees pertaining to the Fire, Parks and Recreation, and Police departments.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

d. Public Hearing on Resolution No. 2013–06, Rescinding Resolution No. 08–16 and Amending the Tariff of Rates and Charges for Taxicab Services

Mayor Branson read Resolution No. 2013–06 by title. Last year, the City sales tax was increased from 6% to 7%. Kodiak City Code (KCC) 3.08.090(e) states a business providing for-hire passenger vehicle transportation services may, in lieu of adding the tax as a separate item, include the tax in the charge for the transportation. The current taxicab tariff states that fares include 6% City sales tax.

Mayor Branson closed the regular meeting and opened the public hearing.

Bonnie McDonald spoke against amending the taxicab tariff and asked the Council to consider a 7% flat tax for all permit holders. She expressed concern regarding the increasing number of gypsy cabs and illegal fares many of the taxicabs are charging. She said the illegal fares are contributing to the loss in taxicab sales tax revenue for the City and stated that the loss in revenue supports a flat tax for all taxicabs.

Anthony Jackson spoke in favor of a flat tax rate for all permit holders. He also testified to the increasing number of illegal and gypsy taxicabs and urged the Council to regulate taxicabs under dispatch again.

Chartio Boatwright spoke regarding illegal and gypsy taxicabs and said she was against amending the taxicab tariff.

There being no further public testimony, the Mayor closed the public hearing and reopened the regular meeting.

e. Public Comments

Anthony Jackson spoke about illegal and gypsy taxicabs and expressed interest in working with the City and the police department to address the issue.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1306, Enacting Kodiak City Code 10.36.022, Notice to Owners and Lienholders, Kodiak City Code 10.36.024, Hearing,

and Kodiak City Code 10.36.026, Disposal of Abandoned Vehicles, to Establish a Procedure for the Disposal of Abandoned Vehicles

Mayor Branson read Ordinance No. 1306 by title. The Police Department has sought to find a cost effective and operationally efficient strategy to address junk and motor vehicles abandoned on public property. These efforts cannot begin until the existing City Code is amended. Ordinance No. 1306 will enact the requirements and enable the Police Department to implement a cost effective and operationally efficient strategy to address junk and abandoned motor vehicles.

Councilmember Davidson MOVED to adopt Ordinance No. 1306.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

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

V. NEW BUSINESS

a. Resolution No. 2013–05, Amending Sections 7, 12, and 13 of the Schedule of Fees and Charges

Mayor Branson read Resolution No. 2013–05 by title. The City sets its fees and charges for various services by a resolution of the Council. The City Council identified the importance of an annual review and update of the schedule of fees and charges by including this as a budget goal since FY2011. Staff completed the review and submitted a list of proposed changes to fees pertaining to the Fire, Parks and Recreation, and Police departments.

Councilmember Haines MOVED to adopt Resolution No. 2013–05.

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

b. Resolution No. 2013–07, Authorizing the Issuance of a Permit to the Kodiak College Sociology Class for the Use of the Teen Center for a Dance to Raise Awareness of Food Insecurity and Hunger in Kodiak

Mayor Branson read Resolution 2013–07 by title. The students of the Sociology class at Kodiak College are requesting permission to host a dance at the Teen Center on April 6, 2013, to promote awareness of hunger and food insecurity in Kodiak.

Councilmember Walker MOVED to adopt Resolution No. 2013–07.

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

c. Resolution No. 2013–08, Expressing Support for Renaming the State Airport in Kodiak After Benny Benson in Observance of His Centenary

Mayor Branson read Resolution 2013–08 by title. Kodiak’s state legislative delegation has requested both local governments to weigh in on local resident Jay Barrett’s request to rename the Kodiak state airport in honor of John Ben “Benny” Benson, Jr., the designer of the Alaska state flag. The Kodiak Island Borough reviewed the request at their March 7 meeting and adopted a resolution in support of the renaming effort.

Councilmember Whiddon MOVED to adopt Resolution 2013–08.

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

d. Confirmation of Deputy Clerk Appointment

The Deputy Clerk position has been vacant since the end of November. After advertising the position, both locally and statewide, the Clerk made a conditional offer of employment to Michelle Shuravloff-Nelson. Kodiak City Code 2.08.080 stipulates the City Clerk appoints the Deputy Clerk subject to confirmation by the City Council.

Councilmember Haines MOVED to confirm the Clerk’s appointment of Michelle Shuravloff-Nelson as Deputy Clerk.

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

e. Authorization of a Professional Services Contract for Audit Services

Each year the City Council retains a qualified professional audit firm to perform an annual audit of the City’s financial records and accounting practices. The City Charter and the City Code require the Council to accept the comprehensive annual financial report. The City’s contract for these services expired when the FY2012 audit was completed. Staff issued a request for proposals for professional audit services on January 7, 2013. Two proposals were received and rated.

Councilmember Davidson MOVED to authorize a professional services contract with Mikunda Cottrell & Co. at a fee of \$46,120 for fiscal year 2013, \$48,426 for fiscal year 2014, and \$50,363 for fiscal year 2015, plus out of pocket expenses, with funds coming from the Finance Department’s operating budget, professional services line item and authorize the City Manager to execute the agreement on behalf of the City.

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

f. Authorization of Professional Services Contract for Ambulance Billing Services

Currently, the Finance Department is responsible for billing ambulance transports provided by the City’s Fire Department. Due to the complexity and specificity of ambulance billing, the Finance Department desires to contract this service out to a professional company. Staff researched options for this and has identified Systems Design West LLC as the recommended

provider of ambulance billing and payment processing for a fee of \$22 per transport. The Fire Department provides approximately 800 ambulance transports per year, with current projected revenues of \$40,000. Staff believes the increased efficiency in billing through this professional services agreement will yield a higher return.

Councilmember Walker MOVED to approve a professional services agreement with Systems Design West LLC to provide ambulance billing and payment processing at a fee of \$22.00 per transport, with funds coming from the Finance Department's operating budget, professional services line item and authorize the City Manager to execute the agreement on behalf of the City.

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

g. Appointment to Prince William Sound Regional Citizens Advisory Council

The City of Kodiak has a dedicated seat for a representative on the Prince William Sound Regional Citizens' Advisory Council. Jane Eisemann, who has served as the City's representative since 2001, has requested re-appointment. Ads were placed in the newspaper notifying the community of the position and inviting interested applicants to apply. Jane Eisemann was the sole applicant.

Councilmember Davidson MOVED to re-appoint Jane Eisemann to a two-year term as the City of Kodiak representative on the Prince William Sound Regional Citizens' Advisory Council.

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

h. Recommendation of Appointment to the Vacant City Seat on the Planning and Zoning Commission

A City-designated seat on the Planning and Zoning (P&Z) Commission became vacant upon the resignation of Brent Watkins, whose seat expires at the end of December 2013. City-designated seats on the P&Z Commission are appointed by the Borough Mayor from a list of recommendations from the City Council. In the past, the Council has recommended one or more applicants for appointment. The Council reviewed P&Z applications at the March 26 work session and needs to submit its list to the Borough for appointment by the Borough Mayor.

Councilmember Whiddon MOVED to recommend William Kersh for appointment to the vacant City-designated seat on the Planning and Zoning Commission.

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

VI. STAFF REPORTS

a. City Manager

City Manager Kniaziowski commented on Parks and Recreation issues. She stated the winter ice rink/hockey season is quickly coming to a close after a late start due to arson and the subsequent repairs. She said the ice compressor is deteriorating and is not holding pressure, causing standing water, which combined with warmer temperatures, has caused the ice to start melting. She said because this, the ice rink was shut down for public use a few days earlier than scheduled, and users are being notified of the early closure. She reported on her trips to the Juneau legislative reception and the managers' conference in Fairbanks and said both trips were very successful. She noted the City has set a record for having 26 inmates in the City jail and that Chief of Police Kamai is working to get some of the inmates transferred back to the mainland. She gave an update on the library said she would arrange for the Council to tour the facility. She said there have been no further issues regarding snow removal on the track, and she thanked the Kodiak Island Borough School District for their help in finding a solution to the problem. She urged the public to not allow dogs to walk on the new track and said it is very damaging to the new facility. She gave an update on the Pier III project. She said the Council audit presentation has been rescheduled for the April 23 work session. She commented that the vessel Pacific Producer ran aground near Ouzinkie and is currently undergoing inspections. She added that the boat owes money to the City of Kodiak and it is not welcome at city facilities. She offered condolences to the family and co-workers of Kodiak Police Department employee David Allen who passed away unexpectedly.

b. City Clerk

City Clerk Marlar informed the public of the next scheduled Council work sessions and regular meetings.

VII. MAYOR'S COMMENTS

Mayor Branson thanked Jane Eisemann for her years of service on the Prince William Sound Regional Citizens' Advisory Council, and she welcomed Michelle Shuravloff-Nelson to the Clerk's office. She commented on her trip to Juneau and said both the Monashka Pumphouse project and the E911 system project were very well received. She thanked Commissioner Cora Campbell for attending the "Choose Respect" walk and said it was a well attended and meaningful event. She wished Councilmember Haines happy birthday.

VIII. COUNCIL COMMENTS

Councilmember Walker commented on his trip to the Juneau legislative reception. He said he was glad to attend the joint meeting with the Borough Assembly and the Department of Transportation and said there might be designs for a new ferry to replace the Tustumena in the near future. He congratulated the Kodiak girl's high school basketball team on a great season and congratulated Coach Smiley on being named coach of the year.

Councilmember Haines commented on illegal taxicabs and recognized there is problem with illegal fares, which needs to be addressed. He thanked Chief of Police Kamai for his work on establishing a procedure for disposal of abandoned vehicles. He commented about the fee increase for ambulance billings and boatyard fees and said they are necessary to make the City run more efficiently. He thanked the sponsors of the Juneau legislative reception and expressed condolences to the family David Allen.

Councilmember Davidson agreed with the comments made about the Juneau legislative reception. He asked the City Clerk if a taxicab could self-dispatch if they have a permit, and City Clerk Marljar confirmed that anyone who holds a taxi permit can dispatch their own cab. He also stated all businesses need to have the same sales tax rate, and it is necessary to increase the taxicab tariff. He thanked the community and staff for keeping the City running.

Councilmember Whiddon wished Councilmember Haines happy birthday. He commented on the taxicab issue and said it is only fair that all businesses pay the same sales tax rate. He expressed interest in discussing taxi regulations at a future Council meeting. He noted that the House of Representatives passed a resolution to go to the North Pacific Fisheries Management Council recommending a 50% reduction on Chinook salmon bycatch, noting it could potentially have a large impact to Kodiak. He also said the Pollock season just ended and there was some economic impact due to activity by other communities outside of Kodiak and said those issues will be addressed.

Councilmember Saravia welcomed the new Deputy Clerk and expressed condolences to the family of David Allen. He acknowledged the problem of gypsy and illegal taxicabs and stated the issue needs further discussion. He also commented on fishing issues and the loss of Pollock delivered to Kodiak and lack of revenue because of it.

IX. AUDIENCE COMMENTS

None

X. ADJOURNMENT

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 8:51 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

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PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: April 11, 2013

Agenda Item: III. a. Proclamation: Declaring Child Abuse Prevention Month

SUMMARY: This proclamation urges all citizens to increase their participation in efforts to prevent child abuse, thereby strengthening the communities in which we live.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Child Abuse Prevention Month

PROCLAMATION Declaring Child Abuse Prevention Month

WHEREAS, Kodiak children deserve to grow up in a safe and nurturing environment to assure they reach their full potential; and

WHEREAS, Alaska has one of the highest child abuse rates in the nation; and

WHEREAS, the effects of child abuse and neglect are realized throughout the community; and

WHEREAS, addressing child abuse challenges us to work together and involve the entire community in preventing child abuse and strengthening families; and

WHEREAS, all citizens have a responsibility to help families nurture, support, and protect their children to assure that all Kodiak children are safe from abuse and neglect; and

WHEREAS, all citizens should be aware of the impact of child abuse and its prevention within the community, and support parents to raise their children in a safe, nurturing environment; and

WHEREAS, effective child abuse prevention programs succeed because of partnerships created among social services agencies, schools, religious and civic organizations, law enforcement agencies, and the business community.

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim April 2013 as

CHILD ABUSE PREVENTION MONTH

in Kodiak and call upon all citizens to increase their participation in our efforts to prevent child abuse, thereby strengthening the communities in which we live.

Dated this 11th day of April 2013.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 11, 2013

Agenda Item: III. b. Proclamation: Declaring Sexual Assault Awareness Month

SUMMARY: This proclamation encourages all Alaskans to support local activities and programs that assist victims of sexual assault and to learn more about the pervasiveness of sexual assault in Alaska, so we may eliminate this heinous crime.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Sexual Assault Awareness Month

PROCLAMATION

Declaring Sexual Assault Awareness Month

WHEREAS, every Alaskan has the right to live free from harm and the fear of sexual assault or abuse; and

WHEREAS, nobody has the right to force, coerce, threaten, or manipulate anyone into sexual activity; and

WHEREAS, sexual assault is a devastating crime that affects children, women, and men of all racial, cultural, and economic backgrounds; and

WHEREAS, the rate of sexual violence against women is unacceptable, with 37 percent of Alaskan women having experienced sexual violence in their lifetime, and forcible rape occurs in Alaska approximately two and a half times more often than the national average; and

WHEREAS, the crime of sexual assault violates an individual's humanity, dignity, security, and privacy; and

WHEREAS, victims often suffer in silence for fear of further injury, and in addition to the initial trauma, victims and survivors too often experience long lasting impacts such as feelings of shame, or difficulty in personal relationships; and

WHEREAS, with leadership, dedication, and encouragement, there is compelling evidence that we can be successful in reducing sexual violence through prevention, education, increased awareness, and holding perpetrators who commit acts of violence accountable for their actions; and

WHEREAS, Kodiak is fortunate to have programs which strive to increase public awareness of the devastating pain and suffering caused by these crimes and provide victims with the support and advocacy needed to help cope with their trauma.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, Alaska, do hereby proclaim April 2013 as

SEXUAL ASSAULT AWARENESS MONTH


in Kodiak, and encourage all residents to support local activities and programs which assist victims, and to learn more about the pervasiveness of sexual assault in Alaska so we may eliminate this terrible crime.

Dated this 11th day of April 2013.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Date: April 11, 2013

Agenda Item: III. c. Public Hearing on Resolution No. 2013–09, Amending Section 9.16, Shipyard, of the Schedule of Fees and Charges

SUMMARY: User fees at Kodiak’s shipyard are not generating sufficient revenue to cover operating expenses. The number of vessels using the yard is growing, but not enough to meet the Council’s budget goal for the enterprise fund to break even by the end of the fifth full year of operation. Therefore, the Port and Harbor Advisory Board and the Harbormaster are recommending a rate increase to limit the continuing use of fund balance from the Harbor enterprise fund and to increase user fees to sustain operations long-term.

Staff presented six options to the Port and Harbor Advisory Board early this year. After considerable discussion at four meetings and two work sessions with the Council, they narrowed the options down to Option A: 20% per year for three consecutive years and a more the aggressive Option C: 40% the first year, 20% the second. Both scenarios are estimated to generate sufficient revenue, but Option A is more gradual and would likely have the least impact on market share. Following the Port and Harbor Advisory Board presentation of the proposed three-year rate increase of 20% each year at the March 26 work session, Council expressed the preference for a single 20% increase to the boatyard fees in addition to increases or new fees for other miscellaneous fees in the shipyard. Resolution 2013–09 reflects Council’s direction as expressed at the March 26 meeting. Council requested a breakdown of the rationale used to make recommendations for the additional rates proposed by the staff and advisory board. A breakdown of the reasons for the increases in each category can be found in the last page of Attachment B.

The Council has requested a public hearing prior to amending fees.

PREVIOUS COUNCIL ACTION: April 28, 2011, Council adopted Resolution 2011–06, which increased some harbor and shipyard rates.

FINANCIAL IMPLICATIONS: According to the presentation by the Harbormaster and Port and Harbor Advisory Board chair last month, the proposed initial fee increase of 20% for lift and lay days, including the increased additional fees for other services as identified in the last page of Attachment B, will decrease the annual operating loss from \$170,000 to about \$15,000, not including depreciation. The

Harbormaster will provide more detailed information on how the estimates may have been calculated and the estimated totals for each type of fee generated.

ATTACHMENTS:

Attachment A: Resolution 2013-09

Attachment B: Backup material from Harbor staff and the Port & Harbor Advisory Board

**CITY OF KODIAK
RESOLUTION NUMBER 2013-09**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING
SECTION 9.16, SHIPYARD, OF THE SCHEDULE OF FEES AND CHARGES**

WHEREAS, at its March 26, 2013, work session the Council received a presentation from the Port and Harbors Advisory Board (PHAB) requesting a three-year rate increase for shipyard fees; and

WHEREAS, the City Council voiced a consensus for a one-year increase for certain shipyard fees.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Section 9.16 of the City Schedule of Fees and Charges is hereby amended as follows:

9.16 ~~Boatyard~~Shipyard

- Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.
- Lifts taking more than four hours will be assessed extra labor and/or machine time.
- Dry dockage is assessed the entire time the vessel remains in the yard.

		Current Fee	Amended Fee
9.16.1	Lift, Block, and Launch		
9.16.1.1	Vessels up to 80'	44.00/ft	<u>53.00</u>
9.16.1.2	81' to 100'	50.00/ft	<u>60.00</u>
9.16.1.3	101' to 120'	60.00/ft	<u>72.00</u>
9.16.1.4	121' to 150'	71.00/ft	<u>85.00</u>
9.16.1.5	151' and up	77.00/ft	<u>92.00</u>
9.16. 1.6 <u>2</u>	After hours surcharge.....	+ 20% / ft	
9.16.2. <u>1</u>	Nonstandard Lift (operator and lift).....	1,500.00/hr	
<u>9.16.2.2</u>	<u>Travel strap set up</u>		<u>T,M&E + 15%</u>
9.16.2. <u>3</u>	Inspection Lift, includes 1 hour hang time free	75% of lift per launch	
9.16.2. <u>4</u>	Hang Time (<u>other than wash pad</u>).....	275.00 ea. addl. hour	
<u>9.16.2.4.1</u>	<u>_ Hang Time, on wash pad</u>		<u>200.00/hr</u>
<u>9.16.2.4.2</u>	<u>_ Hang Time, on heated wash pad</u>		<u>300.00/hr</u>
9.16.5	Delay of Lift	250.00/half hour	
9.16.6	Pressure Wash (and scrape if necessary)	T, M, & E*	
9.16.7	Reposition.....	50% of lift / launch	
9.16.8	Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show).....	750.00	
9.16.9	Dry Dockage Space (<u>lay day</u>).....	2.20/ft/day	<u>2.65/ft/day</u>
9.16. 10 <u>10</u>	On-site Storage		
9.16. 10.1 <u>10.1</u>	Daily (first three days or portion thereof no charge)..	0.05/ft/day	
9.16. 10.2 <u>10.2</u>	Minimum charge.....	15.00	
9.16. 11 <u>11</u>	Vendor (must be preapproved and have \$1 million liability coverage)		
9.16. 11.1 <u>11.1</u>	Registration Annual vendor fee(paid by vendor).....	300.00/yr	<u>500.00/yr</u>
<u>9.16.11.2</u>	<u>Per vessel vendor fee (one-time use)</u>		<u>250.00</u>
9.16. 12 <u>12</u>	Utilities (includes water)		

9.16. 13 <u>12</u> .1	120v single-phase 30 amp or actual kWh cost, whichever is greater	15.00/day	<u>20.00/day</u>
9.16. 13 <u>12</u> .2	208v single-phase 50 amp or actual kWh cost, whichever is greater	35.00/day	<u>40.00/day</u>
9.16. 13 <u>12</u> .3	208v three-phase 100 amp or actual kWh cost, whichever is greater	40.00/day	<u>50.00/day</u>
9.16. 13 <u>12</u> .4	480v three-phase 100 amp or actual kWh cost, whichever is greater	50.00/day	<u>70.00/day</u>
9.16. 14 <u>13</u>	Equipment Rental		
9.16. 13 <u>14</u> .1	Fork lift	75.00/half hr	
9.16. 14 <u>13</u> .2	Man lift	75.00/half hr	
9.16. 14 <u>13</u> .3	Pressure Washer, 3 hour minimum \$125.00 day maximum	25.00/hr	<u>250.00/day</u>
9.16. 14 <u>13</u> .4	Other	T, M & E*	
9.16. 15 <u>14</u>	Environmental Tarp (ground tarp required for all bottom work)	Cost + 15%	
9.16. 16 <u>15</u>	Waste Disposal		
9.16. 16 <u>15</u> .1	Used oil	1.00/gallon	
9.16. 16 <u>15</u> .2	Dumpster (5.5 yard).....	100.00/tip	<u>110.00/tip</u>
9.16. 16 <u>15</u> .3	Non-Hazardous liquids, including oil bilge water	2.25/gallon	
9.16. 16 <u>15</u> .4	Hazardous	Cost + 15%	
9.16. 16 <u>15</u> .5	Other, e.g., metals and wood	Cost + 15%	
9.16. 17 <u>16</u>	Labor		
9.16. 17 <u>16</u> .1	City Employee, straight time	65.00/hr	
9.16. 17 <u>16</u> .2	City Employee, overtime	95.00/hr	
9.16. 17 <u>16</u> .3	Contract service provider (e.g., diver, lift operator, etc)	Cost + 15%	
9.16. 18 <u>17</u>	Environmental Surcharge	2.5% of gross	
9.16. 19 <u>18</u>	Other Fees and Services	Cost + 15%	

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours

BE IT FURTHER RESOLVED that this resolution shall supersede previous resolutions amending Section 9.16 of the Schedule of Fees and Charges.

BE IT FURTHER RESOLVED that the year-one changes to Section 9.16 of the Schedule of Fees and Charges herein shall be effected upon the adoption of this resolution.

BE IT FURTHER RESOLVED that the City Clerk is authorized to make the required changes to the Schedule of Fees and Charges.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**Kodiak Shipyard
Rate Increase Alternatives**

Option	% Increase	Rev (lift & lay days)	Rev (all other)	Expense*	Margins
Current	Baseline**	430,366	125,000	725,000	(169,634)
Option A	1st yr 20%	516,439	207,500	739,500	(15,561)
	2nd yr 20%	619,727	207,500	754,290	72,937
	3rd yr 20%	743,672	207,500	769,376	181,796
Option B	30%	559,476	207,500	739,500	27,476
	30%	727,319	207,500	754,290	180,529
	30%	945,515	207,500	769,376	383,639
Option C	40%	602,512	207,500	739,500	70,512
	20%	723,015	207,500	754,290	176,225
Option D	50%	645,549	207,500	739,500	113,549
	20%	774,658	207,500	754,290	227,868
	20%	929,590	207,500	769,376	367,714
Option E	60%	688,585	207,500	739,500	156,585
	20%	826,302	207,500	754,290	279,512
	20%	991,563	207,500	769,376	429,687
Option F	70%	731,622	207,500	739,500	199,622
	10%	804,784	207,500	754,290	257,994
	10%	885,262	207,500	769,376	323,386

* A assumes that expenses increase 2% annually.
** Baseline revenue and expense from CY2012, the most current data available.

Kodiak Shipyard
Number of Vessels Lifted

Month	FY10	FY11	FY12	FY13
Jul		2	2	2
Aug		7	4	4
Sep		5	5	3
Oct	7	6	5	7
Nov	3	4	3	5
Dec	0	7	1	3
Jan	3	2	1	1
Feb	2	2	2	
Mar	1	2	5	
Apr	6	3	5	
May	5	7	8	
Jun	7	2	13	
Total	34	49	54	tbd
Total Lay Days	526	679	791	tbd



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers
 From: Nick Szabo, Chairman, Port and Harbor Advisory Board
 Date: March 14, 2013
 Re: Port and Harbor Advisory Board Recommendations

The Port and Harbor Advisory Board (PHAB) met Mar 12, 2013. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

After discussion of the shipyard rate option with the City Council on Feb 26, the PHAB has reconsidered its recommendation for a multi-year rate increase. The PHAB was attempting to meet the Council's goal of eliminating the deficit within the first five years of operation. But if the Council is not hard over on this requirement, smaller rate increase increments are prudent so not to price Kodiak out of the shipyard business by loosing market share.

Instead of a 40/20% two-step increase, we suggest that the council take the more conservative approach of 20% per year for three consecutive years.

Although the number of vessels using the shipyard is growing, the PHAB realizes that user fees must cover at least the operational costs. The PHAB agrees that rates must be set at sustainable levels thus avoid depleting boat harbor's fund balance.

Specific recommendations:

Lift and lay days	Year 1	+ 20% (Apr 2013)
	Year 2	+ 20%
	Year3	+ 20%
 Other services:	Current	Proposed
Electrical service		
120v 1-Ph 30 amp or actual kWh	\$15 /day	\$20 /day
208v 1-Ph 50 amp or actual kWh	\$35 /day	\$40 /day
208v 3-Ph 100 amp or actual kWh	\$40 /day	\$50 /day
480v 3-ph 100 amp or actual kWh	\$50 /day	\$70 /day
Hang time on wash pad	None	\$200 /hr
Hang time on heated wash pad	None	\$300 /hr
Pressure washer/day	\$125 /day	\$250 /day
Strap set up	None	T/M+15%
Vendor fee, annual	\$300 /yr	\$500 /yr
Vendor fee, per vessel	None	\$250 /vsl

Combined, the increases will be enough to eliminate the \$300K operational shortfall, but will not fund the non-cash \$530K depreciation expense. These new rates may result in retained earnings that can be used for maintenance and eventually a new structure for painting.

The Board recommends that the increases be implemented by April 2013 to capture revenue from the 25 vessels that will use the yard this spring.



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers

From: Nick Szabo, Chairman, Port and Harbor Advisory Board

Date: January 15, 2013

Re: Port and Harbor Advisory Board Recommendations

The Port and Harbor Advisory Board (PHAB) met Jan 11, 2013. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

Although the number of vessels using the shipyard is growing at 5% per year, the PHAB realizes that user fees currently cover only 60% of the operational costs. After considerable discussion the PHAB agreed that rates must be set at sustainable levels thus avoid depleting fund balance.

Rate increases can impact user activity, but the PHAB believes that the value of the service is underpriced and can be raised without losing market share.

Specific recommendations:

Lift and lay days	Year 1	+ 40% (Apr 2013)
	Year 2	+ 20%
Other services:	Current	Proposed
Electrical service		
120v 1-Ph 30 amp or actual kWh	\$15 /day	\$20 /day
208v 1-Ph 50 amp or actual kWh	\$35 /day	\$40 /day
208v 3-Ph 100 amp or actual kWh	\$40 /day	\$50 /day
480v 3-ph 100 amp or actual kWh	\$50 /day	\$70 /day
Hang time on wash pad	None	\$200 /hr
Hang time on heated wash pad	None	\$300 /hr
Pressure washer/day	\$125 /day	\$250 /day
Strap set up	None	T/M+15%
Vendor fee, annual	\$300 /yr	\$500 /yr
Vendor fee, per vessel	None	\$250 /vsl

Based upon current user levels, increasing lift and lay day rates will generate about \$170,000 the first year and \$290,000 the second. Increases in the "other services" category will generate an additional \$88,000 annually.

Combined, the increases will be enough to eliminate the \$300K operational shortfall, but will not fund the non-cash \$530K depreciation expense. These new rates may result in retained earnings that can be used for maintenance and eventually a new structure for painting.

The Board recommends that the increases be implemented by April 2013 to capture revenue from the 25 vessels that will use the yard this spring.

The Board is happy to meet with the Council in a work session to discuss the shipyard.



Alaska Whitefish Trawlers Association

P.O. Box 991
Kodiak, AK
99615
(907) 486-3910
alaskawhitefishtrawlers.org

Mayor Pat Branson
Kodiak City Council
710 Mill Bay Road, Rm 216
Kodiak, AK 99615

RE: Fees for Kodiak Shipyard

Dear Mayor Branson and Council:

It has come to our attention that the Kodiak Shipyard continues to operate at a loss and is relying on other harbor funds to support its operation. It is apparent that this situation cannot continue and changes need to be made to the fee structure for the use of the facility.

The Port and Harbor Board is proposing that the fees charged for using the shipyard should be increased by 40% next year (2014) with an additional increase of 20% the following year (2015). While we do not look forward to having to pay more, we support the proposed cost increases being brought to you for consideration.

We believe that keeping the shipyard healthy, vibrant and self-supporting is very important to our fleet. The trawl vessels that we represent are too large and heavy to use any other facility available in Kodiak. Any out-of-water work, on an emergency basis or for routine maintenance, has required extensive travel to Seward, Ketchikan or the lower 48 at great cost. Even with the proposed cost increases, the Kodiak Shipyard will still be very competitive with yards in other areas when the time and expense of travel is considered. Having the boat lift in Kodiak, with its large lifting capacity, has been and will continue to be a great asset for our industry. The ability to get work done locally has also increased revenues for vendors and service industry providers that do work in the shipyard.

We hope that the increased revenues being proposed will be sufficient to support the shipyard in the future. As the revenues stabilize for the operation of this facility we would like to see additional improvements. Adding a steel building adjacent to the boat lift that would provide sheltered areas for sand blasting, painting, hydraulic and other work would increase the capability and usefulness of this facility.

Best Regards,

Robert L. Krueger, President
Alaska Whitefish Trawlers Association
Robert.Krueger@alaskawhitefishtrawlers.org

Justification for Shipyard Service Fee Increase

Electric: Increase for daily electrical service is based on the average kilowatts used per day for each applicable service and include labor for connect and disconnect. For comparison, the rate at Seward Shipyard is \$60 per day – considerably higher than the highest proposed day rate for Kodiak.

Hang time on wash pad, \$200 per hour: After three years of operation, the full costs associated with operating the wash pad and wash-water recycle system are now known. They were not when the introductory fees were established. The wash pad hang time cost factors are:

- Trained and qualified staff to maintain and monitor the system takes 2 to 10 man hours per vessel. These man hours are not currently included in any other fee.
- Not all vessels need to use the wash pad. This fee will only be charged to vessels that wash.
- Chemical and filter elements for the filtration system filter elements.
- Removal, testing and disposal of the sludge. It accumulates in the underground tanks and must be disposed of as HAZMAT. Expensive!

Hang time on heated wash pad -- \$300 per hour. This fee includes all the service stated above plus the cost of heating the wash pad when temperature are below freezing. The boiler burns 15 gallons diesel per hour (15 gal x \$4.50/gal = \$67.50) to thaw the pad and it must run about 12 hours before the vessel arrives. Fuel cost to heat the pad can cost over \$800 before the vessel even arrives.

Pressure washer fee: The two hot water pressure washers burn 1.3 GPH each and require constant service to keep the operational. They are high performance machines that requiring lot of maintenance and expensive parts.

Strap Set up fee: This fee covers the additional time needed to reconfigure the Travelift straps for lifting special (extra long or wide) hulls. Only vessel requiring special strap set up are charged this fee.

Annual vendor fee: Vendors working in the yard are profiting from the business generated by having the yard available for them to work. This fee covers staff time to manage vendor records and verify compliance with insurance, worker safety rules, environmental rules, etc.

Vendor fee, per vessel: Occasionally a “special” vendor is called in to work on one vessel . For example, Rolls Royce came to service a unique “Z” drive on a single tug boat. This new fee provided a one-time fee, at rate lower than the annual fee.

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager and Mary Munk, Finance Director

Date: April 11, 2013

Agenda Item: V. a. **First Reading, Ordinance No. 1307, Amending Chapters 1, 2, 3, 4, 6 and 7 of the City Personnel Rules and Regulations, Amending the Definitions in the City Personnel Rules and Regulations, and Adopting New Schedules I, II And III to the Personnel Rules and Regulations, to Adopt a New Pay Plan, and Regarding Administration of the Personnel Rules and Regulations, Position Classification, Pay Plan Administration, Probationary and Temporary Employment, and Performance Evaluation and Discipline**

SUMMARY: The City started the classification and compensation project in 2011 with Fox Lawson & Associates (FLA). Council accepted the final classification and compensation report on January 24 and with assistance from FLA, staff developed and analyzed seven implementation options to transition employees from the existing pay scale to the new pay scale before selecting one to recommend for implementation (Option 4). However, before the classification and pay plans can be implemented, the City's Personnel Rules and Regulations (PR&R) must be amended to allow the changes to become effective and to implement the key policies to support the new pay ranges and classification system. The PR&R amendments are outlined in Ordinance No. 1307. Staff recommends Council adopt Ordinance No. 1307 in the first reading, which includes recommended implementation Option 4 (Attachment B) to transition employees into the new pay structure.

PREVIOUS COUNCIL ACTION:

- The classification and compensation study, Project No. 4030, was funded in the FY2011 General Fund capital budget
- Council authorized a contract with Fox Lawson & Associates to perform a comprehensive classification and compensation study in February 2011
- Council received at least five project updates from FLA, the last one in January 2013
- Council accepted the final report on January 24, 2013, including the intent to implement the new classification system and new pay scale

DISCUSSION: Council accepted the final classification and compensation study on January 24 of this year and agreed to implement the new classification method, new job description format, and new pay scale anchored to the 50th percentile of the market.

Pay Implementation Options:

APRIL 11, 2013
Agenda Item V. a. Memo Page 1 of 5

Staff worked with Lori Messer to develop and analyze implementation options that would place current employees in the new pay matrices. The options (Attachment B) start with the least expensive, Option 1, which would place all current regular full- and part-time employees to the minimum of the new pay matrix. That was reviewed but not recommended. It only brings the positions that fall below the new range up to the minimum and keeps all other positions that fall within the new range at the current wage. This option would cause compression by clustering positions together on the pay scale and does not address an employee's time in service. The most expensive, Option 7, would place employees in the new range based on their relative position on the existing pay scale. That was analyzed and rejected due to the high cost and the fact that this option would carry over existing internal pay inequities. Many employees are placed on the current pay scale in a way that does not reflect their time in service with the City or in their current position and does not reflect their experience. The result would increase employee frustration and discontent.

Staff used a similar methodology to develop Options 3-6. A relative value was calculated for each employee's placement on the current pay scale and that ratio or relative value was carried over into the new pay ranges. The big difference in these options is that placement in the new range is also linked to the number of years employees have been in their current position with stepped limits and a cap on the increase. This method of placement is the recommended method because it places current and future employees in the new pay range at a rate supported by the market. Option 2 was reviewed but not considered because it only provides an increase and does not adjust the wage to reflect the market.

Staff is recommending Option 4 for implementation. As stated above, it uses the relative value of each current employee's salary on the existing scale and carries the relative value over into the new pay scale with a cap on the maximum increase based on years of service in the current position. Staff feels that this option is affordable in both the short- and long-term and is fair to all current employees. It places employees whose pay falls below the new minimum to at least the minimum rate and provides a percentage adjustment for years of service in the current position with a capped amount on the increase. It also allows a relatively large number of employees (49%) whose current pay falls within the new pay range to get an increase of 2.5%. This option also provides increases to those employees who are at the maximum of the current pay range, most of whom are senior employees and managers. The new pay ranges allow these employees to now receive merit based increases because the pay ranges have been adjusted to the market at the 50th percentile. The estimated annual cost to implement this option is about 6.4% above the current total salaries for FY2013 and about \$504,604. This is within the 9% average lag FLA saw in the City's current pay matrix.

Personnel Rules and Regulations (PR&R):

As discussed in January when the final report was accepted, the City's PR&R must be amended before the changes can become effective so key policies to support the new pay ranges and classification system can be implemented. Ordinance No. 1307 captures the needed amendments to the PR&R. The amendments focus on the changes needed to implement and manage the new classification and pay

systems to ensure appropriate and equitable application of the new rules and systems. The amendments fall into general categories as listed:

- Remove references to old position descriptions, titles, step, and grade and specifications and replace by new terminology such as pay range, band, grade, and sub-grade, etc. Job titles are no longer referenced, as this unnecessarily restricts administrative functions. (Chapters 1, 2, 3, 4,7, Definitions, and the new Pay Schedules I-III)
- Remove references to old trademarked classification system JOBMEAS and special trainee pay (Chapter 3)
- Revise and limit independent personnel actions currently allowed in the PR&R with requirement to work with, through, or to receive prior approval or review for personnel actions. Though not directly related to implementation of the classification and compensation systems, the clarification of City Manager's responsibility to provide checks and balances required to avoid serious legal liabilities and is required by insurance carriers. Also includes term "City Manager or Designee" and includes reference to HR Manager office in preparation of hiring an HR Manager, as noted in the study. (Chapters 2, 3, 4, 6, 7, and Definitions)
- Improve definitions and terms of appointment for temporary hires. Temporary hires do not have access to the City's benefits or programs. Existing language has been problematic which changes should address. (Chapters 4, 6, and Definitions)
- Remove reference to special pay rates for trainees. The City does not have this special class and does not hire trainees at a lesser rate, nor do the new classification and pay plans identify this. (Chapter 4, Definitions)
- Remove movement up the pay scale with merit increases every six months for the first two years. No more rapid movement up the scale as new pay scales now anchored to the market. Increases to be made annually at the anniversary date of time in current position and are based on satisfactory job performance. Set starting wage criteria and process based on new pay plan (Chapter 4 and Schedules I-III)
- Clarify long-term practice and best HR practices that oral admonitions and verbal warnings will be made in writing and included in the employee's file. Result of recent Step 4 grievance recommendation by Personnel Board. Add important clarification that results of employee evaluations are not grievable (Chapter 7)
- Made minor language changes as needed in the various chapters.

Staff has worked long and hard to get the results of this project ready to put into place. The new compensation and classification systems as presented in past reports and this memo create new baselines, which are needed. The classification plan supports internal equity and follows the market, and the pay plan is anchored to the current wage market. Staff urges Council to accept the PR&R amendments and the recommended implementation option to move current employees onto the new pay matrices in a way that is fair and equitable to all.

ALTERNATIVES:

1. Pass Ordinance No. 1307 in the first reading. This is staff's recommendation because these are the final steps to implementation of the study and are consistent with Council goals to implement needed changes to the City's PR&R and to compensate employees based on current market conditions.
2. Council could amend, postpone, or not adopt the ordinance, which would affect the transition to the new classification system and pay plan, which is not recommended. Council previously accepted the plan and directed staff to proceed with implementation. Further delays to the implementation would require additional costs and have a negative impact on employee morale.

FINANCIAL IMPLICATIONS: The recommended implementation Option 4 (Attachment B) is estimated to increase salaries and fringe benefits from the current FY2013 totals by \$389,205, which is 6.35% and will increase standard fringe benefits like FICA and PERS by \$115,399 for a total of \$504,604 for FY2014.

LEGAL: City staff conferred with FLA on current state and federal personnel law and worked with the City Attorney who prepared the ordinance.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1307 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: As I've mentioned before, a comprehensive classification and compensation study requires time, dedication of resources, and professional expertise. We are at the end of a very long and complex process and will finally be able to implement the study recommendations as soon as Ordinance No. 1307 is put into place. I believe we have advanced a solid plan that the PR&R amendments will put into place.

This plan will improve our market position and should help recruit and retain qualified employees. The City must be competitive because fewer people are interested in government jobs. Over the past several years, government jobs that were once considered very desirable because of the stability and benefits, like a pension plan, are no longer appealing to applicants. Very few government jobs are entry level type jobs, and most positions require specific skills or professional credentials. It is very important that we keep our wages and benefits attractive as the pool of potential applicants shrinks.

I want to thank the project team and the management team for working through the process. I also want to thank Mary Munk for the many additional hours she's put into developing the various implementation options that are before you tonight. I believe we have a good plan and it's been worth the effort. Therefore, I recommend Council pass Ordinance No. 1307 in the first reading and advance to the second reading and public hearing at the next regular or special Council meeting.

ATTACHMENTS:

Attachment A: Ordinance 1307

Attachment B: Summary of compensation implementation options

PROPOSED MOTION:

Move to pass Ordinance No. 1307 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

APRIL 11, 2013
Agenda Item V. a. Memo Page 5 of 5

**CITY OF KODIAK
ORDINANCE NUMBER 1307**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING CHAPTERS 1, 2, 3, 4, 6 AND 7 OF THE CITY PERSONNEL RULES AND REGULATIONS, AMENDING THE DEFINITIONS IN THE CITY PERSONNEL RULES AND REGULATIONS, AND ADOPTING NEW SCHEDULES I, II AND III TO THE PERSONNEL RULES AND REGULATIONS, TO ADOPT A NEW PAY PLAN, AND REGARDING ADMINISTRATION OF THE PERSONNEL RULES AND REGULATIONS, POSITION CLASSIFICATION, PAY PLAN ADMINISTRATION, PROBATIONARY AND TEMPORARY EMPLOYMENT, AND PERFORMANCE EVALUATION AND DISCIPLINE

WHEREAS, the City has commissioned a new pay plan for City employees; and

WHEREAS, implementation of the new pay plan requires revision of numerous provisions in the City's Personnel Rules and Regulations; and

WHEREAS, it also is appropriate to revise the Personnel Rules and Regulations to replace obsolete provisions, and to correct errors and ambiguities.

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

Section 1: The following sections in Chapter 1 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 1 of the Personnel Rules and Regulations is retained in its current form.

103 SCOPE

The scope of this manual includes a compilation of policies and procedures for personnel administration of all non-elected employees of the City, except the City Manager and City Clerk if under agreement or other provisions approved by Council. ; ~~position descriptions and specifications; and position titles with salary grades and pay ranges.~~

~~**104 INTRADEPARTMENTAL STANDARDS** Repealed by Ord. 931, 1992~~

1045 AMENDMENTS

Amendments to this manual of personnel policies and procedures shall be made by ordinance only. The pages so affected shall be typed by the City Clerk, upon passage of each ordinance, and copies distributed to each employee for insertion and/or replacement in their copies of the personnel regulations manual.

Section 2: The following sections in Chapter 2 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 2 of the Personnel Rules and Regulations is retained in its current form.

203.3 City Manager. The City Manager shall have the responsibility and authority to:

- (a) administer the personnel policies and procedures as approved by the City Council;
- (b) establish and maintain records of all employees in the City service, which shall include all pertinent personnel records (departments may retain copies of those personnel records necessary to comply with regulatory agencies, but originals of all records shall be maintained in the City Manager's office, and upon employee termination, all departmental records shall be forwarded immediately to the primary file);
- (c) develop and administer an affirmative action program to provide for equal opportunity in all aspects of City personnel administration;
- (d) foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employees' effectiveness and productivity, including training, safety, health, counseling, and welfare;
- (e) maintain the classification and pay plans;
- (f) administer the City's recruitment and selection program except for staff identified below under heading 203.4.5 City Clerk;
- (g) insure uniformity in the application of discipline and processing of employee grievances;
- (h) appoint and dismiss all employees under the department heads' jurisdiction other than staff identified below under heading 203.4.5 City Clerk;
- (i) prepare and adopt such forms, reports, and procedures as may be necessary to carry out the City's personnel program;
- (j) establish personnel policies and procedures where needed in order to ensure consistency with state and federal requirements and to provide a more precise and consistent execution of the Personnel Rules and Regulations;**
- ~~(k)~~ appoint and dismiss all City personnel except those appointed by the Council as stated in the Charter and those identified below under heading 203.4.5 City Clerk;
- ~~(l)~~ notwithstanding any of these policies and procedures may, in an emergency, request interdepartmental assistance be provided; and see that adopted changes to the Personnel Rules and Regulations or changes to position descriptions are distributed in writing to all affected employees in a timely manner.

203.4 Department Heads. Department heads shall have the responsibility and authority to:

- (a) enforce the Personnel Rules and Regulations;
- (b) keep employees in their departments informed of current personnel policies and procedures;
- (c) participate in the grievance procedures as specified (see Chapter 9);

- (d) if **approved by the City Manager,** ~~delegated,~~ appoint employees to vacant positions within their respective departments in accordance with established personnel rules, **policies,** and procedures;
- (e) develop training programs for employees within their respective departments;
- (f) **Under direction of the City Manager,** administer discipline within their respective departments and delegate such authority to supervisory personnel as **authorized** ~~deemed appropriate;~~
- (g) conduct orientation for all new employees, and have issued to each a copy of current personnel regulations and position description which outlines job duties; such orientation shall include introductions to fellow workers, work standards, safety regulations, break periods, supplies, etc.; and
- (h) **Under the direct supervision of the City Manager, be involved in the appointment or dismissal of departmental** ~~have appointing and dismissal authority over all employees under the department head's jurisdiction. as delegated by the City Manager.~~

203.5 Supervisory Personnel. Supervisory personnel shall have the responsibility to:

- (a) **ensure personnel policies and procedures and** ~~implement personnel policies,~~ rules and regulations in the units under their supervision **are followed and applied equally to all employees;**
- (b) **Under the direction of the City Manager and the department head,** supervise the administration of discipline to employees under their supervision and recommend termination (see Sections 708 and 1303);
- (c) train new employees and participate in the development of other employees;
- (d) **Under the direction of the City Manager,** evaluate employee performance ~~and participate in the development of position descriptions (see Chapter 7);~~ and
- (e) participate in the grievance procedures as specified (see Chapter 9).

203.6 All Employees. Employees of the City shall be presented with, and sign for, a copy of the personnel rules in effect on the hiring date and subsequently shall have the responsibility to:

- (a) read and understand these rules and ask the immediate supervisor to explain these rules if questions arise;
- (b) understand the function of the department assigned and how that function relates to the total mission of the City and all of its departments;
- (c) discuss with the immediate supervisor any questions relating to the interpretation or application of these rules either informally or formally through the grievance procedure;
- ~~(d) bring to the attention of the immediate supervisor any change in duties as outlined in the position description form given to the employee at hiring;~~
- (de)** submit in writing recommended changes to the rules through the appropriate supervisory channels to the City Manager; and

- (ef) all employees shall have access to their personnel files upon arrangement with the City Manager.

Section 3: The following sections in Chapter 3 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 3 of the Personnel Rules and Regulations is retained in its current form.

301 THE CLASSIFICATION PLAN

The classification plan is a system of ~~evaluating the relative importance of individual positions for pay determination purposes.~~ by which individual positions are evaluated and assigned a band, grade, and sub-grade to provide internal and external equity for pay purposes. The point factor evaluation, JOBMEAST™, is specifically designed to treat positions equitably in the pay determination process. The system establishes a clear set of guidelines by which positions are ranked and measured. ~~enables direct comparison to be made among all jobs in quantitative terms through the application of a set of guides defining broad areas of measure. Job content facts are compared producing a numerical value which then becomes the basis for determining the relative value of positions to each other and the salary treatment.~~

~~302 — CLASS SPECIFICATION Repealed by Ord. 1038, 1996~~

3023 PURPOSE OF THE CLASSIFICATION PLAN

The Classification Plan, JOBMEAST™, is ~~designed to be~~ a management tool; ~~one~~ that consistently facilitates pay determination decisions with regard to the mission, philosophy, and needs of the organization. It is critical to the effective administration of personnel activities such as:

- (a) manpower planning and budgeting;
- (b) establishing job performance standards; **and**
- (c) establishing fair and equitable pay; ~~;~~
- ~~(d) developing training programs;~~
- ~~(e) developing valid selection and recruitment programs; and~~
- ~~(f) establishing appropriate career lines.~~

304 DEVELOPMENT AND ADMINISTRATION

The City Manager shall have authority for the overall administration of the classification plan except for staff identified under the heading 203.4.5 City Clerk. ~~In developing the classification plan, s/he shall consult department heads, key staff, employees, and other technical resources as appropriate.~~

304.1 Allocation of Positions. The City Manager shall analyze and evaluate the duties, responsibilities and qualifications required of each position in the classified service and then allocate each position to the appropriate band, grade, and sub-grade ~~salary grade.~~ Any employee who is dissatisfied with the allocation

of his position shall be given the opportunity to appeal the allocation ~~to the Personnel Board (see Chapter 9).~~

304.2 Maintenance of the Classification Plan. The City Manager shall periodically review the entire classification plan or any part thereof ~~at his own initiative or at the request of a department head, employee, or other interested party.~~ The purpose of such review shall be:

- (a) to ascertain whether or not the plan accurately reflects existing conditions;
- (b) to determine the accuracy of position specifications; and
- (c) to assure that positions are properly graded.

The City Manager shall recommend changes needed in the classification plan to the Council to keep it up to date.

304.3 Position Descriptions. Position descriptions shall be developed and finalized by the City Manager and supplied to ~~and kept current by each City departments~~ for all authorized positions. ~~each position under the department's jurisdiction.~~

304.4 New Positions. When a new position is proposed ~~or established,~~ the department head shall be required to provide a written proposal along with financial information on the cost to fill such a position ~~provide a written position description~~ to the City Manager, who shall determine the proper band, grade, and sub-grade ~~salary grade or~~ and prepare a new position description, if an appropriate description does not exist.

304.6 Position Review. Each position in the City service shall be reviewed by the City Manager at intervals, ~~or at the request of the department head, or by a regular employee affected by the review~~ to ascertain whether it is correctly classified. ~~The department head and regular employee shall be notified in writing of the decision.~~ When a review results in a recommended change in the salary grade for a position, the evaluation of the position shall be made part of the public record when the recommendation is submitted to the Council.

304.7 Effective Date of Change. Classification changes shall become effective ~~be in force on the first day of the pay period following~~ the effective date of the enacting ordinance.

~~**306 — ASSIGNMENT OF LEADWORKER DUTIES** Repealed by Ord. 1008, 1995.~~

Section 4: The following sections in Chapter 4 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 4 of the Personnel Rules and Regulations is retained in its current form.

401 PAY PLAN

The pay plan shall include ~~the schedules~~ of pay **for nineteen bands, grades, and sub-grades from A11 through E83, each with a minimum, midpoint, and maximum rate of pay** consisting of pay steps 1 through 15, for all positions in the classified service. The objectives of the pay plan shall be to:

- (a) provide an appropriate salary structure to recruit and retain an adequate number of competent employees; and
- (b) provide appropriate pay incentives for high employee productivity.

402 STANDARDS FOR DEVELOPMENT OF THE PAY PLAN

The development of the pay plan shall be directly linked with the classification plan and shall be based on the principle of equal pay for equal work. Pay **bands and** grades within the pay plan shall be determined with due regard to such factors as:

- (a) the **relative** relationship between **job groups and job duties** ~~salary grades~~;
- (b) the relative difficulty and responsibility of work; **and**
- (c) ~~the availability of applicants; and~~
- (~~c~~d) the **internal alignment and external market data** ~~prevailing rates of pay in both public service and private industry in the appropriate recruiting market.~~

405 ENTRANCE PAY RATE

The entrance pay rate for regular full- and part-time employees shall ~~normally be~~ the minimum rate in the pay grade **corresponding band and grade for the position** ~~prescribed for the salary grade. A department head, subject to the approval of the City Manager, may make an appointment above the entrance pay rate. Approval of appointments above the entrance minimum pay rate shall be granted only when there are no available qualified candidates at the entrance rate, or in recognition of exceptional qualifications~~ **may** be granted only when **a recommended applicant exceeds the minimum requirements for the position with regard to directly related education and/or experience. In such instances the department head shall provide a hiring recommendation to the City Manager in writing documenting the applicant's qualifications for a higher starting pay rate.** In no instance, shall an **entrance pay rate exceed** ~~appointment~~ be made above the **first quartile of the band and grade** ~~Step 4~~ except at the department head level. Also, ~~in no instance will an appointment be made above the minimum step when equally qualified applicants are available at the minimum entrance rate. The entrance pay rate for temporary employees shall be at a step on Pay Grade T commensurate with the skills required by the specific temporary job and the training and experience of the temporary employee.~~ the minimum point for the appropriate band and grade of the position in which the temporary worker is being hired. All temporary appointments are subject to the approval of the City Manager.

~~Appointments can be made at a rate below the minimum for the position on a trainee basis, for not more than one year, only when applicants possessing the minimum qualifications cannot be found and only when the position has been re-advertised as a trainee position.~~

406 MERIT STEP INCREASE

406.1 Regular Merit Step Increases. ~~A new employee, after serving a probationary period of satisfactory performance shall receive a merit step increase. An employee who has transferred or been promoted to a new position must serve a probationary period and is eligible for a probationary step increase. The employee is eligible if performance is satisfactory for additional merit step increases according to the following schedule: for increases up to Step 5, at six-month intervals; for subsequent increases up to Step 12, at annual intervals; and for the last three increases, to Step 13, Step 14, and Step 15, at two year intervals. Where Regular full-time employees will be eligible for an annual merit increase based on satisfactory performance on their anniversary date of 2-2.5%, or as authorized in the adopted fiscal year budget. An employee who has transferred or been promoted to a new position must serve a probationary period and will be eligible for a merit based increase on the anniversary date in the new position. If the a department head feels that an employee has not demonstrated satisfactory service of a progressively greater value to the City during the past annual performance review period, the department head may, upon approval of the City Manager, suspend the merit step increase for a period of time during which certain specific improvements must be made. Notice of such deferral and reasons for it shall be given to the employee in writing with a copy to the City Manager prior to the end of the anniversary year. The suspended step increase may be approved at any time during the extended period if the department head believes the employee has achieved satisfactory improvement and the City Manager agrees. The suspended merit step increase is *not* retroactive when finally given (see Section 705).~~

406.2 Special Merit Increase. A Special Merit Increase (~~equivalent to one step~~) may be granted to an employee for outstanding performance, when justified in writing by the department head to the City Manager. This increase is in addition to normal merit increases and does not affect the anniversary date. Department heads may recommend employees for special merit increases in recognition of extraordinary ~~(a) outstanding service~~ to the City of Kodiak and/or its residents that is outside the employee's normal or expected job duties.

~~(b) special acts of accomplishment; or~~

~~(c) achievements in additional and job-related education or specialized training (outside normal working hours and other than required by the City) which enables the individual to work more effectively and from which the City tends to benefit; and~~

~~(d) emergency Medical Technician III (see Section 1606).~~

407 REGULAR PART-TIME EMPLOYMENT

Regular part-time employees shall be compensated on an hourly basis equivalent to the hourly rate established for regular full-time employment for the actual number of hours worked in each period. Appointment shall be in probationary

~~status and a probationary pay increase shall be awarded (if performance is satisfactory) when hours worked have until a cumulative total of 1,040 hours or the equivalent number of probationary hours for that position **have been worked.** per the probationary step increase in Section 406.~~

A merit step increase shall be awarded (if performance is satisfactory) when hours worked have a cumulative total equivalent to the intervals listed in Section 406.1, based on an equivalence of 2,080 to a full-time employment year. If work performance is unsatisfactory, management shall take action as described in Section 406.

408 TEMPORARY EMPLOYMENT

Temporary employment is for short term periods, not to exceed six (6) months, or for work on an irregular basis. A person **appointed to a temporary position** hired for temporary employment, or hired temporarily to replace **an** absent employees, **is not eligible for** shall not be entitled to any fringe benefits. Probationary periods shall not be served, **and** no probationary increases shall be awarded. **such persons are not eligible for** special merit increases, **do not have access to the grievance process; nor will temporary employees be considered as internal applicants.;** no probationary increases shall be awarded. Special Merit Increases shall not be awarded.

409 PAY RATE ADJUSTMENTS

The following personnel actions shall affect the pay status of an employee in the manner described.

409.1 Transfers. When an employee is transferred from one position to another **in the same band and grade** with a common salary grade in which the employee has never held regular status, the City Manager will decide probationary status and step placement. ~~If the City Manager agrees to a probationary increase, the employee's anniversary date becomes the date of transfer, otherwise there will be no change. (Ord. 1038, 1996)~~

409.2 Promotion. When an employee is promoted from one position to another having a higher salary **band and** grade, the employee shall receive an increase of not less than 5%. If the employee's current rate of pay is below the minimum for the higher salary grade, the pay shall be increased 5% or the minimum ~~rate~~ of the higher salary **band and** grade, whichever is greater. If the employee's current rate of pay falls within the ~~range~~ **matrix** of the higher salary grade, the pay shall be **increased** ~~adjusted to the next higher pay step in the grade for the higher position which is at least equal to a 5% increase above the current pay rate.~~ The anniversary date shall change to the effective date of promotion.

409.3 Demotion and Demotion for Cause.

- (a) When an employee is demoted for administrative purposes, the department head will work with the City Manager to decide probationary status and step placement.
- (b) When an employee is demoted for cause, the City Manager will decide probationary status and step placement.
- (c) When an employee accepts a voluntary demotion, the employee's pay will be adjusted according to the band and grade for the new position.**

409.4 Reinstatement.

- (a) Reinstatement of regular full-time employees who have resigned: no preferential pay treatment will be given to reinstated employees. The principles of job classification and equal pay for equal work which includes work experience, shall apply as if to a new employee.
- (b) Resignations of a special nature such as, but not limited to, family illness or education leave (up to two (2) years with prior approval of the City Manager) have reinstatement rights according to arrangements in writing at the time of resignation, and if the position is available. Probationary periods will apply as described in Section 606.3.

409.5 Reinstatement of Veteran. A regular full-time City employee who returns from military leave shall be reappointed in accordance with the United States Code Annotated Title 50, War and National Defense Military Selective Service Act of 1967; Section 459, Separation from Service (a),(b),(c),(f), and (g). If the return is in accordance with the Act, the employee is entitled to reinstatement into the position held prior to military leave, or into one as nearly like it as possible.

409.6 Layoff. When an regular full-time employee following layoff is re-employed in the same position from which the layoff occurred, re-employment shall be in the same pay step occupied at the time of layoff. When the employee is re-employed in a position having a different salary band and grade, the rate of pay shall be assigned accordingly. ~~to standard principles of job classification and equal pay for equal work.~~

410 COMPENSATION DURING TEMPORARY ASSIGNMENT

A regular full-time employee who is temporarily assigned to a position with a higher paid band and pay-grade for a period of fifteen (15) calendar days or more shall be granted a five (5) percent pay increase for the full period worked in the temporary assignment. ~~A regular full-time employee who is temporarily assigned to a position with a lower pay band and grade for any period shall not receive a reduction in pay. No temporary assignment shall exceed six (6) months.~~

~~**413 PAY FOR EMPLOYEES DESIGNATED AS TRAINEES**~~

~~When an employee is appointed to a position as a trainee, the hiring rate of pay shall be reduced from the first step of the assigned pay grade up to ten (10)~~

~~percent for the six-month period of anticipated training required by the employee to reach full performance. Work performance of an employee in a trainee status shall be evaluated at least once every six months for the duration of the training. Employees in trainee positions are entitled to all benefits available to regular employees. The trainee period shall serve as the probationary period. The probationary period will be no less than the trainee period. The employee is eligible for a step increase the same as regular employees. Upon reaching full performance, the length of service date shall remain the date of appointment to the trainee position, and the anniversary date shall become the date of hire. (Ord. 1038, 1996)~~

413414 CHANGING PAY GRADE ASSIGNMENTS

When a position is re-evaluated and changed to a different **band and grade**, the base rate of employees occupying positions of that salary grade shall be adjusted as follows:

414.413.1 Reclassified to Higher Pay Grade. If the position is re-evaluated and assigned to a higher salary grade, all employees in positions affected shall have their base pay rate increased **2.5%** or placed at the first step of the higher grade, whichever is greater, not to exceed the maximum of the new **band and grade** rate.

414.413.2 Reclassified to a Lower Pay Grade. If the position is re-evaluated and assigned to a lower salary **band and** grade, all employees in positions affected shall not receive reductions in their base salary upon salary grade reassignment. (Ord. 1038, 1996)

415 414 RETIREMENT

The City has in effect a retirement plan for all eligible City employees as set forth under City Council Resolution Number 11-70.

Section 5: The following sections in Chapter 6 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 6 of the Personnel Rules and Regulations is retained in its current form.

606.1 Promoted Employee Probationary. When it becomes clear that an **regular full- or part-time** employee serving a promotional probationary period is not performing adequately, the **department head will work in conjunction with the City Manager to inform the employee in writing of the performance issues.** ~~employee shall be so informed in writing with a copy to the City Manager.~~ If demotion is found to be necessary, ~~with no recourse to the grievance procedure,~~ the employee shall be demoted to a position in the previously held **band and** grade and the anniversary date shall remain unaffected **and the demotion shall not be grievable.**

606.2 Demoted Employee Probationary. When an regular full- or part-time employee is demoted to a position where regular status was held previously, the employee returns to the step previously held and no probationary period will be served. Where an employee is demoted to a position not held before, the department head shall decide subject to approval of the City Manager whether a probationary period shall be served. The employee concerned shall be notified of the decision, in writing, before demotion is accomplished, and in either case the anniversary date shall remain unaffected and the probationary demotion is not grievable.

606.3 Reinstated Employee Probationary. An regular full-time employee reinstated within two years of separation may not be required to serve a probationary period unless rehired into a different position than previously served, or unless the previous probationary period was not completed.

607 TEMPORARY EMPLOYMENT

Temporary employment may not be counted toward probationary periods nor shall time be credited for such service toward anniversary, ~~or~~ length of service dates, if temporary employees are later appointed to regular full- or part-time positions. Persons serving in temporary positions shall not be considered as eligible internal candidates when applying for a regular full- or part-time position. However, time served in a temporary capacity may be counted toward experience requirements in minimum qualifications for the position concerned. (Ord. 1038, 1996)

Section 6: The following sections in Chapter 7 of the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, Chapter 7 of the Personnel Rules and Regulations is retained in its current form.

701 PURPOSE

The primary purpose of the employee performance evaluation program for regular full- and part-time employees is to inform employees how well they are performing and to provide direction or advice ~~offer constructive criticism~~ on how ~~they can improve their~~ work performance can be improved or corrected. Performance evaluations shall also be considered in decisions affecting salary advancement, promotions, demotions, dismissals, orders of layoff, orders of re-employment, placements, and training needs.

702 PERIODS OF EVALUATION

Each regular employee in the classified service shall have ~~his~~ performance evaluated at the following periods.

702.1 End of Probationary Period. Each regular employee shall be evaluated ten (10) days prior to the completion of the probationary period. The employee must have an overall evaluation of at least "satisfactory" in order to become a classified employee (see also Section 406).

702.2 Regular. Annual. Each regular employee shall receive an annual performance evaluation one (1) month prior to the date of each potential merit step increase as scheduled in Subsection 406.1.

703 PERFORMANCE EVALUATORS

703.1 Rating Officer. The rating officer shall be the employee's ~~immediate~~ direct supervisor and will have supervised the employee for not less than six (6) months. The rating officer shall be responsible for completing a performance evaluation report which shall be reviewed and approved by the department head and City Manager or designee at the time prescribed for each employee supervised.

703.2 Review Officer. The reviewing officer shall be the rating officer's immediate supervisor or department head. The reviewing officer shall review the ~~completed~~ draft performance evaluation report before the report is sent to the City Manager and before it is presented to ~~discussed with~~ the employee. The reviewing officer shall consider the performance evaluations completed by the rating officer when evaluating the rating officer's performance.

In the case where the rating officer is the department head, the reviewing officer shall be the City Manager. In the case where the City Manager or City Clerk is the rating officer, there shall be no review.

704 REVIEW OF PERFORMANCE REPORT

The rating officer shall discuss the performance evaluation report with the employee before the report is made part of the employee's permanent record. If the rating officer plans to recommend the denial of a merit step increase ~~or recommend more than one merit step increase~~ the report must be discussed and approved with the reviewing officer and the City Manager prior to review with the employee (see Section 406).

705 UNSATISFACTORY EVALUATION

A regular employees who receives an overall rating of "unsatisfactory" on their annual evaluation shall not be eligible to receive a merit step increase until the employee successfully completes the assigned performance improvement plan. (see Section 406).

706 EMPLOYEE APPEAL PROCEDURE

~~Refer to Chapter 9, Grievance Procedure.~~ Performance evaluations are not grievable.

707 KNOWLEDGE OF DISCIPLINARY ACTION REGULATIONS

All employees shall be informed of standards of performance and personal conduct of City employees in various positions. Employees shall be acquainted with the various provisions of disciplinary action regulations. All regular city

employees shall be given a copy of the updated Personnel Rules & Regulations. A copy is always available in the Human Resource Manager's office and the City Clerk's office. (see Sections 105 and 203.6).

708 DISCIPLINARY ACTION PROCEDURE

All disciplinary actions, ~~except~~ including oral admonitions and verbal warnings, shall be documented in writing on a Disciplinary Action Memorandum to the employee and placed in the employee's personnel file. The employee shall be given an opportunity to read the memorandum. It shall then be reviewed with the employee and a sincere effort shall be made to obtain agreement of the employee that the facts are stated correctly, that the inappropriate or incorrect behavior did occur, that it did represent behavior that should be disciplined, that the discipline is appropriate, and that the behavior will not be repeated. If errors are found, the Disciplinary Action Memorandum shall be redone and again reviewed. Comments of the employee shall be entered under that heading. The employee shall be requested to sign the memorandum and informed that the signature only indicates agreement that the memorandum accurately reflects the discussion. If the employee refuses to sign the memorandum, the following statement shall be entered:

"(Employee's name) read the contents on (date) and refused to sign."

The Disciplinary Action Memo shall be reviewed and approved by the City Manager before being presented to the employee and placed ~~One copy of each completed Disciplinary Action Memorandum shall be forwarded immediately to the City Manager's office for review and inclusion in the employee's personnel file. A copy shall be given to the employee. The supervisor may, if necessary, complete reviews of the employee's progress in correcting the cause of the original action at three, six, and nine months (see Sections 406 and 702.2). These reports shall be made on the Performance Evaluation Report form. Twelve months from date of the action concerned, the City Manager shall review the disciplinary action, and if no subsequent report of similar violations has been made, the department head shall be notified to return departmental copies to the employee. The original shall be placed in a confidential folder and put in the employee's personnel file. in the City Manager's office. It shall not be referred to again unless there is further trouble. All appeals from disciplinary action shall be initiated at Step 3 of the grievance procedure.~~

If it becomes necessary at any time to inform an regular full- or part-time employee of impending demotion or termination, such notice shall be in accordance with the disciplinary action procedure outlined above and coordinated through the City Manager's office. The notice shall be in writing with copies to the City Manager and the employee. Such notice shall be for action other than a verbal admonition or verbal warning.

709 RELIEF OF DUTIES

- (a) **Upon approval of the City Manager,** ~~a~~A department head may at any time suspend an **regular full- or part-time employee** without pay for cause for a period not to exceed thirty (30) calendar days in any calendar year.
- (b) Employees against whom charges are preferred may, at the discretion of the **City Manager** and department head, be suspended from duty with or without pay pending final disposition of charges.
- (c) A suspension under this section shall be recorded on a Disciplinary Action Memorandum. A Performance Evaluation Report form **documenting the performance improvement plan** shall be completed for any employee suspended without pay. Both documents shall be reviewed with the employee as soon as possible. Following the review, a copy shall be given to the employee and the original forwarded immediately to the ~~City Manager~~ **personnel file.**

710 DEMOTION FOR DISCIPLINARY REASONS

An appointing authority may demote an **regular full- or part-time** employee for disciplinary reasons in accordance with other provisions of these regulations. Demotion is considered as a more moderate penalty than dismissal and may be offered in lieu thereof, as approved by the City Manager, when mitigating circumstances warrant such leniency (see Section 409.3(b)).

711 DEMOTION WITHOUT PREJUDICE

Demotion without prejudice shall not be considered a disciplinary action. **With approval of the City Manager,** ~~A~~n appointing authority may demote an employee in accordance with other provisions of these regulations for any of the following reasons:

- (a) inability to perform duties adequately for reasons that are not the fault of the employee, such as, physical or functional disability, lack of necessary qualifications, or lack of aptitude;
- (b) layoff because of lack of work or funds, or abolition of position (when **regular** employees are laid off, the appointing authority shall consider the advisability of demoting to vacant positions at lower salary grades for which they are qualified); and
- (c) personal reasons. There are a variety of reasons why an employee may wish to work in a position at a lower salary grade, such as personality conflicts, or transferring into another department where new experience and greater likelihood of advancement are available.

Section 7: The following definitions in the Personnel Rules and Regulations are amended as set forth below. Except as it is amended by this section, the definitions in the Personnel Rules and Regulations are retained in their current form.

ALLOCATION. The original assignment of a position to the ~~proper salary grade on the basis of duties performed and the authority and responsibility exercised.~~ **current classification band and grade system and rating method.** See Sections 301 and 304.1.

ANNIVERSARY DATE. The date of an employee's hire or the effective date of promotion from one position to another consistent with the current classification band and rating method. ~~having a higher salary grade.~~ See Sections 406, 409.2, 606.1, 606.2, and 1018.

APPOINTING AUTHORITY. The City Manager or City Clerk ~~other City officials who have~~ having the authority to appoint an individuals to a positions in the City service. See Chapters 5 and 6.

AUTHORIZED POSITION. A position which is funded and allocated to an appropriate and approved classification band and grade salary grade. See Chapters 3 and 6.

BREAK IN SERVICE. ~~Results from a classified employee resigning, retiring, being terminated, dismissed, laid off, or going on leave without pay for more than thirty (30) calendar days.~~ Means any period of absence of an employee from work as a result of resignation, retirement, termination, suspension without pay, or leave without pay for more than thirty (30) calendar days. See Sections 1017 and 1301 through 1304.

CENTRAL PERSONNEL FILES. ~~A file~~ Files maintained by the City Manager ~~or designee in the office of the City Manager~~ which contains complete personnel records of ~~all~~ City employees.

CHANGING CHANGE OF PAY CLASSIFICATION. RANGE ASSIGNMENTS. See Section ~~416.~~ 414

CITY MANAGER. The chief administrative officer and head of the administrative branch of the City government who is directly responsible to the City Council for the proper administration of all affairs of the City or a person whom the City Manager designates to exercise the authority of the City Manager under the personnel rules and regulations. See Sections 203.3, 404, 712, 802, and 910.

CLASSIFICATION PLAN. A system of evaluating ~~the relative importance of~~ individual positions in an orderly system of bands and grades for pay determination purposes. See Sections 301, 303, and 304.2.

DEMOTION. The voluntary or involuntary assignment of an employee from one classification band and grade to another with a lower pay range. ~~a position of one salary grade to a position of another salary grade.~~ See Sections 409.3, 420.2, 606.1, 606.2, 710, and 711.

GRIEVANCE PROCEDURE. A dispute involving the interpretation, application, or alleged violation of any section of the Personnel Rules and

Regulations, except for disputes which are expressly excluded from the grievance procedure. See Chapter 9 Section 903.

LOCAL. For the purposes of determining **possible** hiring preference, local shall mean **residing within the** Kodiak Island Borough. See Section 501.

~~**OVERNIGHT SHIFT.** See Section 412.6~~

OVERTIME. Time worked in excess of **the City's** regularly scheduled work day or week. See Section 412.

PART-TIME POSITION. A position requiring the services of a **regular part-time** employee for less than a regular work week on a continuous basis.

PAY PLAN. The **salary schedules** ~~schedule of salary grades and pay ranges~~ **matrices** for all positions in the City service. See Section 401 and **Schedules I, II, and III.**

~~**PAY RANGE MATRIX.** The ~~standard and variable~~ minimum, ~~intermediate,~~ **mid-point,** and maximum rates of pay established for each **classification** position. See Chapter 4 and Schedules **I, II and III.**~~

PAY RATE. The specific dollar amount within a pay range paid to an employee for work performed. Does not include overtime or other financial benefits. See Chapter 4.

~~**PERFORMANCE EVALUATION PROCEDURE.** See Chapter 7.~~

POSITION. A group of specific duties, tasks and responsibilities assigned or delegated by the appointing authority to be performed by an employee. A position may be **regular** part-time or full-time, **and in some cases** temporary or regular, ~~occupied or vacant.~~ See Chapter 3.

~~**MATERNITY LEAVE AND ADOPTIVE LEAVE.** See Section 1016.~~

PAY INCREASE. See Section 406

PROBATIONARY EMPLOYEE. An employee **hired in a regular full-time or part-time** position who is serving a probationary period ~~and is employed in either a regular full-time, regular part-time, or trainee position.~~ **Temporary employees do not serve probationary periods.**

PROBATIONARY PERIOD. A working test period which is part of the examination process **during which** ~~when an~~ **regular full-time or part-time** employee **may** demonstrates fitness and ability to perform the work of the position. See Sections 406, 407, 415, 606, and 1103.

PROMOTION. A change in status of a classified employee from one classification band and grade identified in the classification plan to another classification band and grade a position in one salary grade to another salary grade with a higher maximum rate of pay. See Sections 409.2, 420.2, 603, and 606.1.

REALLOCATION OR RECLASSIFICATION. A change in classification of a position by raising it to a higher classification band and grade salary grade or reducing it to a lower salary classification band and grade. See Sections 304.5, 304.6, 305, and 420.

REGULAR CLASSIFIED EMPLOYEES. These Regular full- and part-time employees ~~who are regular full-time, regular part time and trainees.~~ See Chapters 3 and 4.

REGULAR PART-TIME EMPLOYEE. A regular employee who is employed for less than the regular number of working hours on a continuous basis and is eligible for benefits. See Sections 407, 417, 1004, 1101, 1201, and 1205.

SHIFT DIFFERENTIAL. See Section ~~412.6.~~ 412.4

SHIFT ROTATION. See Section ~~412.5.~~ 412.2

STEP INCREASE. See Sections 406, 407, and 420.1. (*See Pay Increase above*)

SWING SHIFT. See Section ~~412.6.~~ 412.4

TEMPORARY APPOINTMENT. An ~~short-term~~ appointment for a period not to exceed six (6) months ~~for an individual who meets qualification requirements.~~ Such hires are not eligible for benefits, do not serve probationary periods, do not have access to the grievance process, and may be terminated at any time. See Section 408.

TEMPORARY EMPLOYEE. An individual hired to work full-time or part-time on a seasonal, employee ~~who works on an~~ irregular basis, or who has been appointed for a limited period not to exceed six (6) months; or 1,040 regular hours of employment in any given calendar year. A temporary employee is not eligible for employee benefits, does not serve a probationary period, is not eligible for benefits, does not have access to the grievance process, and may be terminated at any time. See Sections 408, 608, and 1005.

~~TEMPORARY PART-TIME EMPLOYEE.~~ An ~~employee who works on an~~ irregular, intermittent basis and who is not eligible for employee benefits.

~~**TRAINEE.** An employee who has been appointed to a position for a specific period of time to obtain knowledge, abilities, or skills through training. At the completion of the training period, the employee is expected to pass a qualifying examination or meet the minimum standards for the position. See Section 415. (Ord. 1038, 1996)~~

TRANSFER. The lateral movement of an employee from one position to another in the same classification band, grade, and sub-grade or comparable salary grade within the City service. See Section 409.1.

WORK WEEK. The standard City workweek ~~consists~~ consisting of 40 hours in the period from midnight Sunday to the following midnight Sunday, except for those Fire Department employees subject to the platoon system. See Chapter 16 and Sections 411 and 412.

Section 8: Schedules I, II and III to the Personnel Rules and Regulations are deleted, and replaced with Schedules I, II and III attached hereto.

Section 9: The methodology presented in Option 4 of Attachment B of the implementation options attached hereto is hereby accepted.

Section 10: This ordinance shall be effective one month after its final passage and publication in accordance with Kodiak Charter Section 2-13.

Section 11: The salary structure revisions and band, grade, and sub-grade placements are retroactive to the pay period beginning April 29, 2013, for active regular full- and part-time classified employees at the time the ordinance becomes effective.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading & Public Hearing:
Effective Date:

Schedule I
General Annual Salary Structure

		Min to Max 50% Increase		
		Min to Mid 25% Increase		
		Mid to Max 20% Increase		
DBM *		Minimum	Midpoint	Maximum
A11		\$ 31,411	\$ 39,264	\$ 47,116
A12		\$ 33,658	\$ 42,072	\$ 50,486
A13		\$ 35,904	\$ 44,880	\$ 53,856
B21		\$ 38,157	\$ 47,697	\$ 57,236
B22		\$ 40,404	\$ 50,505	\$ 60,606
B23		\$ 42,650	\$ 53,313	\$ 63,976
B24/B31		\$ 44,904	\$ 56,130	\$ 67,355
B25/B32		\$ 47,150	\$ 58,938	\$ 70,725
C41		\$ 51,650	\$ 64,562	\$ 77,475
C42		\$ 53,896	\$ 67,371	\$ 80,845
C43		\$ 56,143	\$ 70,179	\$ 84,215
C44/C51		\$ 58,396	\$ 72,995	\$ 87,594
C45/C52		\$ 60,643	\$ 75,804	\$ 90,964
D61		\$ 65,143	\$ 81,428	\$ 97,714
D62		\$ 67,389	\$ 84,236	\$101,084
D63		\$ 69,636	\$ 87,045	\$104,453
E81		\$ 78,635	\$ 98,294	\$117,953
E82		\$ 80,882	\$101,102	\$121,323
E83		\$ 83,128	\$103,910	\$124,692

*DBM: Decision Band Method of Classification

Schedule II
General Per Hour Salary Structure

2080		Min to Max 50% Increase		
Regualr Employees		Min to Mid 25% Increase		
		Mid to Max 20% Increase		
DBM *	Hours	Minimum	Midpoint	Maximum
A11		\$ 15.10	\$ 18.88	\$ 22.65
A12		\$ 16.18	\$ 20.23	\$ 24.27
A13		\$ 17.26	\$ 21.58	\$ 25.89
B21		\$ 18.34	\$ 22.93	\$ 27.52
B22		\$ 19.43	\$ 24.28	\$ 29.14
B23		\$ 20.50	\$ 25.63	\$ 30.76
B24/B31		\$ 21.59	\$ 26.99	\$ 32.38
B25/B32		\$ 22.67	\$ 28.34	\$ 34.00
C41		\$ 24.83	\$ 31.04	\$ 37.25
C42		\$ 25.91	\$ 32.39	\$ 38.87
C43		\$ 26.99	\$ 33.74	\$ 40.49
C44/C51		\$ 28.08	\$ 35.09	\$ 42.11
C45/C52		\$ 29.16	\$ 36.44	\$ 43.73
D61		\$ 31.32	\$ 39.15	\$ 46.98
D62		\$ 32.40	\$ 40.50	\$ 48.60
D63		\$ 33.48	\$ 41.85	\$ 50.22
E81		\$ 37.81	\$ 47.26	\$ 56.71
E82		\$ 38.89	\$ 48.61	\$ 58.33
E83		\$ 39.97	\$ 49.96	\$ 59.95

*DBM: Decision Band Method of Classification

Schedule III

Fire Department Employees on Platoon System Per Hour Salary Structure

2764	Hours	Min to Max 50% Increase		
Fire Department Employee		Min to Mid 25% Increase		Mid to Max 20% Increase
DBM *		Minimum	Midpoint	Maximum
A11		\$ 11.36	\$ 14.21	\$ 17.05
A12		\$ 12.18	\$ 15.22	\$ 18.27
A13		\$ 12.99	\$ 16.24	\$ 19.48
B21		\$ 13.80	\$ 17.26	\$ 20.71
B22		\$ 14.62	\$ 18.27	\$ 21.93
B23		\$ 15.43	\$ 19.29	\$ 23.15
B24/B31		\$ 16.25	\$ 20.31	\$ 24.37
B25/B32		\$ 17.06	\$ 21.32	\$ 25.59
C41		\$ 18.69	\$ 23.36	\$ 28.03
C42		\$ 19.50	\$ 24.37	\$ 29.25
C43		\$ 20.31	\$ 25.39	\$ 30.47
C44/C51		\$ 21.13	\$ 26.41	\$ 31.69
C45/C52		\$ 21.94	\$ 27.43	\$ 32.91
D61		\$ 23.57	\$ 29.46	\$ 35.35
D62		\$ 24.38	\$ 30.48	\$ 36.57
D63		\$ 25.19	\$ 31.49	\$ 37.79
E81		\$ 28.45	\$ 35.56	\$ 42.67
E82		\$ 29.26	\$ 36.58	\$ 43.89
E83		\$ 30.08	\$ 37.59	\$ 45.11

* DBM: Decision Band Method of Classification

City of Kodiak
 FY 2013 Compensation & Classification Implementation Options
 11-Apr-13
 Recommended

		OPTION #1		OPTION #2		OPTION #3		OPTION #4		OPTION #5		OPTION #6		OPTION #7	
		Increase to Min Only		Max Cap @ 105% Increase to Mid Point based on relative value with a cap on max increase		Increase based on 1% for each year of service in current position		Max Cap @ 108% Increase to Mid Point based on relative value with a cap on max increase		Max Cap @ 110% Increase to Mid Point based on relative value with a cap on max increase		Max Cap @ 115% Increase to Mid Point based on relative value with a cap on max increase		No Max Cap % Increase to Mid Point based on relative value in current salary structure	
	Departments	Current FY 2013 Salaries													
	Executive	43,222	43,222	44,303	44,693	44,693	44,442	44,442	45,452	45,452	47,977	47,977	53,029	53,029	
	Clerks	92,851	105,539	105,548	107,063	107,063	107,063	107,063	108,073	108,073	114,669	114,669	121,750	121,750	
	Finance	316,285	318,490	330,854	335,081	335,081	333,454	333,454	337,110	337,110	345,954	345,954	365,207	365,207	
	IS Administration	128,586	128,586	131,800	134,166	134,166	131,800	131,800	130,557	130,557	133,340	133,340	138,698	138,698	
	Police	2,013,066	2,032,701	2,104,265	2,112,352	2,112,352	2,129,821	2,129,821	2,154,926	2,154,926	2,219,107	2,219,107	2,334,041	2,334,041	
	Fire	743,959	744,225	778,765	773,308	773,308	784,383	784,383	790,089	790,089	810,122	810,122	857,745	857,745	
	Public Works	567,590	568,651	595,849	605,544	605,544	600,134	600,134	604,429	604,429	626,762	626,762	659,001	659,001	
	Engineering	131,726	131,726	135,986	135,937	135,937	137,501	137,501	136,445	136,445	144,025	144,025	166,716	166,716	
	Parks & Recreation	152,074	156,697	169,012	158,341	158,341	174,883	174,883	178,797	178,797	180,817	180,817	180,817	180,817	
	Library	348,774	357,032	383,962	382,928	382,928	387,580	387,580	393,282	393,282	403,004	403,004	405,874	405,874	
	Cargo	128,284	131,768	133,940	135,292	135,292	134,145	134,145	135,103	135,103	138,076	138,076	139,244	139,244	
	Harbor	588,515	591,302	622,624	653,754	653,754	632,489	632,489	641,831	641,831	664,080	664,080	668,992	668,992	
	Shipyard	84,282	86,341	87,962	87,592	87,592	91,161	91,161	93,283	93,283	95,412	95,412	95,412	95,412	
	Water Utility	281,798	281,944	287,645	291,183	291,183	289,342	289,342	291,258	291,258	297,969	297,969	301,146	301,146	
	Sewer Utility	505,097	506,033	530,709	549,414	549,414	537,128	537,128	543,051	543,051	555,313	555,313	579,827	579,827	
	Total Annual Salaries	\$ 6,126,121	\$ 6,184,257	\$ 6,443,224	\$ 6,505,122	\$ 6,505,122	\$ 6,515,325	\$ 6,515,325	\$ 6,583,697	\$ 6,583,697	\$ 6,776,629	\$ 6,776,629	\$ 7,067,499	\$ 7,067,499	
	Increase from Current FY 2013 Salaries		\$ 58,136	\$ 317,103	\$ 379,002	\$ 379,002	\$ 389,205	\$ 389,205	\$ 457,577	\$ 457,577	\$ 650,508	\$ 650,508	\$ 941,379	\$ 941,379	
	% Increase from Current Salaries		0.95%	5.18%	6.19%	6.19%	6.35%	6.35%	7.47%	7.47%	10.62%	10.62%	15.37%	15.37%	
	Fringe Benefits														
	FICA 7.650%		\$ 4,447	\$ 24,268	\$ 28,984	\$ 28,984	\$ 29,774	\$ 29,774	\$ 35,005	\$ 35,005	\$ 49,764	\$ 49,764	\$ 72,015	\$ 72,015	
	PERS 22.000%		\$ 12,790	\$ 69,763	\$ 83,380	\$ 83,380	\$ 85,625	\$ 85,625	\$ 100,687	\$ 100,687	\$ 143,112	\$ 143,112	\$ 207,103	\$ 207,103	
	Total Fringe 29.650%		\$ 17,237	\$ 94,021	\$ 112,374	\$ 112,374	\$ 115,399	\$ 115,399	\$ 135,671	\$ 135,671	\$ 192,876	\$ 192,876	\$ 279,119	\$ 279,119	
	Total Increase from FY 2013 Current		\$ 75,373	\$ 411,124	\$ 491,376	\$ 491,376	\$ 504,604	\$ 504,604	\$ 593,248	\$ 593,248	\$ 843,384	\$ 843,384	\$ 1,220,498	\$ 1,220,498	


City of Kodiak
 FY 2013 Compensation & Classification Implementation Options
 11-Apr-13

	OPTION #1	OPTION #2	OPTION #3	Option #4	OPTION #5	OPTION #6	OPTION #7
	Increase to Min Only	Max Cap @ 105% Increase to Mid Point based on relative value with a cap on max increase	Increase based on 1% for each year of service in current position	Max Cap @ 108% Increase to Mid Point based on relative value with a cap on max increase	Max Cap @ 110% Increase to Mid Point based on relative value with a cap on max increase	Max Cap @ 115% Increase to Mid Point based on relative value with a cap on max increase	No Max Cap % Increase to Mid Point based on relative value in current salary structure
Departments							
Executive	43,222	44,303	44,693	44,442	45,452	47,977	53,029
Clerks	92,851	105,548	105,539	107,063	108,073	114,669	121,750
Finance	316,285	330,854	335,081	333,454	337,110	345,954	365,207
IS Administration	128,586	131,800	134,166	131,800	130,557	133,340	138,698
Police	2,032,701	2,104,265	2,112,352	2,129,821	2,154,926	2,219,107	2,334,041
Fire	743,959	778,765	773,306	784,383	790,089	810,122	857,745
Public Works	567,590	595,849	605,544	600,134	604,429	626,762	659,001
Engineering	131,726	135,986	135,937	137,501	136,445	144,025	166,716
Parks & Recreation	152,074	169,012	158,341	174,883	178,797	180,817	180,817
Library	348,774	383,962	382,928	387,580	393,282	403,004	409,874
Cargo	128,294	133,940	135,292	134,145	135,103	138,076	139,244
Harbor	588,515	622,624	653,754	632,489	641,831	664,080	688,992
Shipyard	84,282	87,962	87,592	91,161	93,293	95,412	95,412
Water Utility	281,798	287,645	291,183	289,342	291,258	297,969	301,146
Sewer Utility	505,097	530,709	549,414	537,128	543,051	555,313	579,827
Total Annual Salaries	\$ 6,126,121	\$ 6,443,224	\$ 6,505,122	\$ 6,515,325	\$ 6,583,697	\$ 6,776,629	\$ 7,067,499
Increase from Current FY 2013 Salaries	\$ 58,136	\$ 317,103	\$ 379,002	\$ 389,205	\$ 457,577	\$ 650,508	\$ 941,379
% Increase from Current Salaries	0.95%	5.18%	6.19%	6.35%	7.47%	10.62%	15.37%
Fringe Benefits							
FICA 7.650%	\$ 4,447	\$ 24,258	\$ 28,994	\$ 29,774	\$ 35,005	\$ 49,764	\$ 72,015
PERS 22.000%	\$ 12,790	\$ 69,763	\$ 83,380	\$ 85,625	\$ 100,667	\$ 143,112	\$ 207,103
Total Fringe	\$ 17,237	\$ 94,021	\$ 112,374	\$ 115,399	\$ 135,671	\$ 192,876	\$ 279,119
Total Increase from FY 2013 Current	\$ 75,373	\$ 411,124	\$ 491,376	\$ 504,604	\$ 593,248	\$ 843,384	\$ 1,220,498

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members

From: Aimée Kniaziowski, City Manager 

Thru: Mary Munk, Finance Director 

Date: April 11, 2013

Agenda Item: V. b. **First Reading, Ordinance No. 1308, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2012 and Ending on the Thirtieth Day of June 2013**

SUMMARY: The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July 2012 and ending on the thirtieth day of June 2013 is in the amount of \$246,422. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. 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. This is the second budget amendment of FY2013. Staff recommends Council pass Ordinance No. 1308 in the first reading.

PREVIOUS COUNCIL ACTION:

- June 21, 2012, Council adopted Ordinance No. 1298 for the Fiscal Year 2013 budget in the amount of \$45,169,102 commencing on the first day of July 2012 and ending on the thirtieth day of June 2013.
- February 28, 2013, Council adopted Ordinance No. 1304 for the Fiscal Year 2013 supplemental No. 1 budget in the amount of \$42,487,704.

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 at one Council meeting and typically adopted at the next Council meeting.

All new appropriations are authorized by an ordinance that amends the annual budget ordinance. An ordinance is required to move amounts between funds, departments and projects. An ordinance is required to move funds, to add permanent personnel, or to grant unscheduled salary increases. The Supplemental No. 2 appropriation is requesting the addition of \$246,422 to the adopted and amended budget bringing the total amended budget to \$87,903,228 for Fiscal Year 2013.

The Supplemental No. 2 appropriation is requesting an increase in non-capital funds in the amount of \$165,922 and capital funds in the amount of \$80,500. Of the \$165,922 increase for non-capital funds, \$77,629 is for the implementation of the compensation and classification study for four pay periods. The cost to implement the new pay plan is estimated at \$504,604 and will be incorporated in the fiscal year 2014 budget. In January, the Council accepted the results and recommendations of a comprehensive compensation and classification study through Fox Lawson & Associates, the firm contracted to complete the study. The intent of the study was to conduct a classification and compensation study covering approximately 132 regular full and part-time employees within 64 approved job classifications to ensure positions were classified correctly and that wages were anchored to the current market at the 50th percentile. The City's current classification and compensation system was implemented in the late 1990s and last reviewed in 2003, and the City Council approved the new system concept at the January 24, 2013, meeting.

The remaining \$88,293 in non-capital funds is for adjustments not anticipated due to grant funds received, overtime incurred from turnover, and increases in professional fees. The capital project increase of \$80,500 is a result of the transfer from the General Fund to the General Capital Fund for the demolition of a building at 1118 Mission Road. This demolition was originally budgeted in the General Fund; however, it will not be completed before June 30, 2013. Moving the funds to the Capital Project Fund will allow the project to be completed within the next fiscal year.

ALTERNATIVES: N/A

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental No. 2 are funded by increased revenue sources, additional state and federal grant sources, and use of fund balances and transfers. The ordinance makes a number of changes in the Fiscal Year 2013 budget reflecting increased revenues and expenditures, new project and grant funding, and movement of funds to more accurately reflect current City operations. Details of funding sources and expenses have been submitted in the attachments.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required.

STAFF RECOMMENDATION: Staff recommends that the City Council pass Ordinance No. 1308, Supplemental Appropriation No. 2 to the Fiscal Year 2013 budget, in the first reading and move the ordinance to second reading and public at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: The City usually adopts at least one budget amendment each fiscal year to make necessary adjustments to cover changes or additions to projects and to account for the receipt of additional revenues and increased operating expenses. At \$246,422, this supplemental represents some lesser changes to the total budget of \$87,903,228. The ordinance and attachments detail

the sections of the City's operating and capital budget that require changes. The most important change is reflected in the \$77,629, which represents implementation of the new classification system and pay plan based on the Fox Lawson report from January. This project has been a long time in coming, and I am pleased that we have developed an affordable implementation plan that will benefit all employees and anchors the new wage scale to the 50th percentile of the current market. I recommend Council pass Ordinance No. 1308 in the first reading.

ATTACHMENTS:

Attachment A: Ordinance No. 1308

Attachment B: Backup descriptions containing details and summaries by fund

PROPOSED MOTION:

Move to pass Ordinance No. 1308 in the first reading and move to public hearing and second reading at the next regular or special Council meeting.

CITY OF KODIAK
ORDINANCE NUMBER 1308

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 2012 AND ENDING ON THE THIRTIETH DAY OF JUNE 2013

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 2013.

FY 2013 Supplemental Budget No. 2				
GENERAL FUND				
	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Property Tax	\$ 773,500	\$ -	\$ -	\$ 773,500
Sales Tax	9,530,000	1,000,000	-	10,530,000
Intergovernmental	2,449,346	248,075	6,453	2,703,874
Charges for Services	1,612,193	6,000	4,000	1,622,193
Fines & Forfeitures	20,500	-	-	20,500
Licenses and Permits	68,000	-	-	68,000
Rental Income	155,236	-	25,000	180,236
Interfund Charges	854,316	-	-	854,316
Investment Income	45,000	-	-	45,000
Other Revenues	26,800	17,000	1,000	44,800
Use of Fund Balance	1,490,854	(1,068,575)	110,266	532,545
Transfers In	-	-	-	-
Total Amended Revenues	\$ 17,025,745	\$ 202,500	\$ 146,719	\$ 17,374,964
Planned Expenditures:				
Legislative	\$ 273,210	\$ -	\$ -	\$ 273,210
Legal	50,000	-	-	50,000
Executive	501,080	-	244	501,324
Emergency Preparedness	56,500	-	-	56,500
City Clerk	378,352	-	5,034	383,386
Finance	1,276,034	2,500	9,066	1,287,600
Police	6,030,142	90,000	45,428	6,165,570
Fire	1,834,910	6,000	8,063	1,848,973
Public Works	2,203,511	-	(49,009)	2,154,502
Engineering	243,400	-	1,151	244,551
Parks & Recreation	1,298,210	-	26,049	1,324,259
Library	858,950	1,000	14,193	874,143
Non-Departmental	696,400	6,000	6,000	708,400
Transfers	1,325,046	97,000	80,500	1,502,546
Total Amended Expenditures	\$ 17,025,745	\$ 202,500	\$ 146,719	\$ 17,374,964

SPECIAL REVENUE FUNDS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Tourism Development	\$ 142,860	\$ -	\$ -	\$ 142,860
KFDA	60,050	-	-	60,050
City Enhancement	-	-	-	-
Total Amended Revenues	\$ 202,910	\$ -	\$ -	\$ 202,910
Planned Expenditures:				
Tourism Development	\$ 142,860	\$ -	\$ -	\$ 142,860
KFDA	60,050	-	-	60,050
City Enhancement	-	-	-	-
Total Amended Expenditures	\$ 202,910	\$ -	\$ -	\$ 202,910

CAPITAL PROJECTS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
300 General Capital Projects	\$ 269,000	\$ 481,360	\$ 80,500	\$ 830,860
315 Vehicle Replacement Capital	-	66,844	-	66,844
301 Street Improvements	885,000	60,000	-	945,000
302 Building Improvements	2,031,948	-	-	2,031,948
305 Water Capital Fund	3,207,000	420,000	-	3,627,000
306 Sewer Capital Fund	4,200,000	-	-	4,200,000
307 Cargo Development Fund	-	33,100,000	-	33,100,000
308 Harbor Development	-	-	-	-
309 Parks & Recreation Fund	15,000	3,650,000	-	3,665,000
Total Amended Revenues	\$ 10,607,948	\$ 37,778,204	\$ 80,500	\$ 48,466,652
Planned Expenditures:				
300 General Capital Projects	\$ 269,000	\$ 481,360	\$ 80,500	\$ 830,860
315 Vehicle Replacement Capital	-	66,844	-	66,844
301 Street Improvements	885,000	60,000	-	945,000
302 Building Improvements	2,031,948	-	-	2,031,948
305 Water Capital Fund	3,207,000	420,000	-	3,627,000
306 Sewer Capital Fund	4,200,000	-	-	4,200,000
307 Cargo Development Fund	-	33,100,000	-	33,100,000
308 Harbor Development	-	-	-	-
309 Parks & Recreation Fund	15,000	3,650,000	-	3,665,000
Total Amended Expenditures	\$ 10,607,948	\$ 37,778,204	\$ 80,500	\$ 48,466,652

ENTERPRISE FUNDS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Cargo Fund 500	\$ 1,087,747	\$ -	\$ 1,167	\$ 1,088,914
Harbor Fund 510	4,205,392	-	8,771	4,214,163
Boat Yard/Lift 512	1,295,438	-	1,372	1,296,810
Electric Fund 515	657,480	-	-	657,480
Water Fund 550	4,590,932	1,220,000	1,504	5,812,436
Sewer Fund 570	4,511,020	2,830,000	6,389	7,347,409
Trident Basin Fund 580	355,490	-	-	355,490
E-911 Services	74,800	-	-	74,800
Total Amended Revenues	\$ 16,778,299	\$ 4,050,000	\$ 19,203	\$ 20,847,502

Enterprise Funds Continued

Planned Expenditures:				
Cargo Fund 500	\$ 1,087,747	\$ -	\$ 1,167	\$ 1,088,914
Harbor Fund 510	4,205,392	-	8,771	4,214,163
Boat Yard/Lift 512	1,295,438	-	1,372	1,296,810
Electric Fund 515	657,480	-	-	657,480
Water Fund 550	4,590,932	1,220,000	1,504	5,812,436
Sewer Fund 570	4,511,020	2,830,000	6,389	7,347,409
Trident Basin Fund 580	355,490	-	-	355,490
E-911 Services	74,800	-	-	74,800
Total Amended Expenditures	\$ 16,778,299	\$ 4,050,000	\$ 19,203	\$ 20,847,502

INTERNAL SERVICE FUND				
	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Self Insurance Fund	\$ 554,200	\$ 457,000	\$ -	\$ 1,011,200
Total Amended Revenues	\$ 554,200	\$ 457,000	\$ -	\$ 1,011,200
Planned Expenditures:				
Self Insurance Fund	\$ 554,200	\$ 457,000	\$ -	\$ 1,011,200
Total Amended Expenditures	\$ 554,200	\$ 457,000	\$ -	\$ 1,011,200
Total Revenues	\$ 45,169,102	\$ 42,487,704	\$ 246,422	\$ 87,903,228
Total Expenditures	\$ 45,169,102	\$ 42,487,704	\$ 246,422	\$ 87,903,228

Section 2: This ordinance shall be effective on the later to occur of (i) the date of its final passage, and (ii) the effective date of Ordinance 1307.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

CITY OF KODIAK
FY 2013 Supplemental
Attachment B

Fund 100 General Fund

REVENUES:

	Adopted Budget 2013	Capital Project Rollover 2012	Supplemental #1 2013	Supplemental #2 2013	Total Budget 2013	As of 3/31/2013	Difference	%
310.100 Property Taxes	770,000				770,000	679,898	80,102	88%
310.111 PILOT from KIIHA	3,500				3,500	-	3,500	0%
310.200 Sales Taxes	9,500,000		1,000,000		10,500,000	5,738,037	4,761,963	55%
310.900 Penalty & Interest	30,000				30,000	13,087	16,913	44%
320.000 License & Permits	88,000				88,000	72,158	(4,158)	106%
330.100 PERS Relief	702,810				702,810	-	702,810	0%
330.105 State Revenue Sharing	588,936		4,000		572,936	572,306	630	100%
330.130 Fish Tax - Dept of Rev	1,000,000		253,000		1,253,000	1,252,420	580	100%
330.131 Fish Tax - DCED (Shared Fish Tax)	70,000				70,000	35,717	34,283	51%
330.140 Fuel Tax Sharing	7,000		75		7,075	7,075	-	100%
330.150 Alcohol Beverage Sharing	31,000				31,000	11,800	19,200	38%
330.160 Utility Revenue Sharing	38,100		(10,000)		38,100	-	38,100	0%
330.300 State Grant Capital	25,000				25,000	2,452	12,548	16%
330.305 State Grant - Operations	6,500		1,000	6,453	13,953	6,500	7,453	47%
								Library Grant \$2,963 AWE, Library SWAMC Innovation Center Grant \$3,500
340.100 Boarding of Prisoners	1,133,993				1,133,993	850,495	283,498	75%
340.110 State Trooper Comm Contract	120,000				120,000	39,375	80,625	33%
340.120 Other Police Services	20,000				20,000	7,708	12,294	39%
340.130 Police Protective Custody	2,000				2,000	1,776	224	89%
340.240 Borough Building Inspections	140,000				140,000	43,421	96,579	31%
340.300 Ambulance Services	40,000				40,000	32,225	7,775	81%
340.310 Fire Miscellaneous	1,000		6,000	3,000	10,000	10,000	-	100%
340.405 School Lifeguard Services	10,000			1,000	11,000	10,678	322	97%
340.405 Parks & Recreation Revenues	116,000				116,000	74,141	41,859	64%
340.520 Library Revenue	19,000				19,000	12,185	6,815	64%
340.545 Miscellaneous Service Charges	10,200				10,200	225	9,975	2%
350.100 Fines & Forfeits	20,500				20,500	14,298	6,202	70%
360.100 Interest on Investments	45,000				45,000	1,022	43,978	2%
363.100 Rents & Royalties	155,236			25,000	180,236	168,659	11,577	94%
375.600 Miscellaneous other	26,800		17,000	1,000	44,800	44,648	152	100%
380.100 Cargo Terminal Services	38,820				38,820	38,820	-	100%
380.110 Boat Harbor Services	97,070				97,070	97,070	-	100%
380.115 Boat Yard Service	38,820				38,820	38,820	-	100%
380.118 Electric	19,410				19,410	19,410	-	100%
380.120 Water Services	97,080				97,080	97,080	-	100%
380.121 Sewar Services	97,080				97,080	97,080	-	100%
380.125 Trident Basin	19,410				19,410	19,410	-	100%
380.130 Tourism Services	36,860				36,860	36,860	-	100%
380.150 Public Works	253,500				253,500	253,500	-	100%
380.190 Engineering/Inspections Fees	100,220				100,220	100,220	-	100%
380.400 Vehicle Replacement	56,046				56,046	48,806	7,240	87%
385.100 Approp. From Fund Balance	1,490,854		(1,086,575)	110,266	532,545	-	532,545	0%
390.780 Transfer In	-				-	-	-	-
TOTAL REVENUES	17,025,745	-	262,500	148,719	17,374,964	10,549,379	6,825,585	61%
EXPENDITURES:								
Legislative	273,210				273,210	131,300	141,910	48%
Legal	50,000				50,000	24,912	25,088	50%

Executive	501,080	244	501,324	187,311	314,013	37%	Comp Study \$244
Emergency Preparedness	56,500	-	56,500	19,128	37,372	34%	
City Clerk - Clerk	251,062	3,300	254,362	140,876	113,487	55%	Comp Study \$1,700 Salary Adjustments
City Clerk - Records	127,290	1,734	129,024	65,572	63,452	51%	Comp Study \$1,134 Salary Adjustments
Finance	1,276,034	9,066	1,287,600	780,285	507,315	61%	Comp Study \$4,066 Arbitrage Reports (2) \$4,000 100.130.100.430.110 & Unanticipated vacancies \$1,000 100.130.100.450.120
Police	6,030,142	45,428	6,165,570	3,918,765	2,246,805	64%	Comp Study \$23,288 Additional expenses for new Police Station Construction not billed before project was closed 100.140.142.430.110, Police Canine Overtime \$9,000 100.140.148.410.140
Fire	1,834,910	8,063	1,848,973	1,111,720	737,253	60%	Comp Study \$8,063
Public Works	2,203,511	(49,009)	2,154,502	1,177,865	976,637	55%	Comp Study \$6,491 Move the demolition of building on 1118 Mission Road from Public Works to Project \$80,500 4035.100.160.100.430.110, Selfief Lane Fuel Cleanup \$25,000 100.160.162.450.310
Engineering	243,400	1,151	244,551	112,892	131,659	46%	Comp Study \$1,151
Parks & Recreation	1,298,210	26,049	1,324,259	702,622	621,637	53%	Comp Study \$4,549 Overtime \$4,500 100.170.100.410.140, Annual Leave Payoff \$5,000 100.170.100.410.170, Advertising \$1,000 100.170.100.450.120, Utilities \$5,000 100.170.100.455.100, Workers Comp \$2,000 100.170.172.420.200, 100.170.173.420.200
Library	858,950	14,193	874,143	511,942	362,201	59%	Comp Study \$7,740 Grant Funds to Equipment 100.180.100.470.125
Non-Departmental	696,400	6,000	708,400	553,039	155,361	78%	Additional supplies expense \$2,000 100.190.100.450.310, Bank Services \$1,500 100.190.100.430.160, Professional Services \$500 100.190.185.430.110, Criminal Prosecution \$2,000 100.190.185.430.140
Transfers	1,325,046	80,500	1,502,546	1,526,276	(23,730)	102%	Move the demolition of building on 1118 Mission Road from Public Works to Project \$80,500 4035.100.160.100.430.110,
TOTAL EXPENDITURES	17,025,745	-	17,374,964	10,964,503	6,410,461	63%	

Fund 251 Tourism Development

Other Local Funding	46,763	-	46,763	-	46,763	0%
In-Kind City Owned Land	650,000	-	650,000	-	650,000	100%
In-Kind Pre Development	85,185	-	85,185	-	85,185	100%
Transfer from General Fund	-	1,000,000	-	1,000,000	-	100%
Transfer from New Library Fund 255	-	5,424	-	5,424	-	100%
Transfer from Enhancement Fund	-	2,510,000	-	2,510,000	-	100%
Approp. From Fund Balance	-	-	-	-	-	-
Revenues:	2,031,948	10,416,424	-	12,448,372	7,253,611	58%

Expenditures:						
6012 New Library	2,031,948	10,416,424	12,448,372	3,799,054	8,649,318	31%
Expenditures:	2,031,948	10,416,424	-	3,799,054	8,649,318	31%

Fund 305 Water Capital						
Revenues:						
State Grants	1,300,000	5,404,452	420,000	4,413,895	2,710,557	62%
Federal Grants	-	769,000	-	768,000	-	100%
Approp. From Fund Balance	-	1,121,078	-	-	1,121,078	0%
ADEC Drinking Loans	-	2,763,185	-	2,374,801	388,384	86%
Transfer from Water Fund 550	1,443,500	349,000	1,792,500	-	1,792,500	0%
ADEC Clean Water Loans	-	341,930	-	-	341,930	0%
Transfer from Sewer Fund 570	463,500	98,000	561,500	-	-	100%
Transfer from Street Improvement Fund	-	78,000	78,000	-	-	100%
Transfer from Sewer Capital 308	-	-	-	-	-	-
Revenues:	3,207,000	10,923,645	420,000	8,196,196	6,354,448	58%

Expenditures:						
7020 UV Pre/Final Design Secondary Water Treatment Facility	900,000	900,000	873,151	26,849	-	0%
7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain	850,000	850,000	483,170	366,830	-	0%
7023 UV Water Treatment Facility Construction	-	7,720,645	5,655,597	2,065,048	-	0%
7024 Utility Rate Study	48,000	48,000	37,131	10,869	-	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	2,227,000	2,227,000	279,701	2,207,299	-	0%
7029 Monashka Pump House Feasibility Study	425,000	225,000	177,944	892,056	-	0%
7030 Replace Chlbrine Solution Storage Tank WWTP	120,000	120,000	-	120,000	-	0%
7031 Monashka Watershed Survey	-	250,000	-	250,000	-	0%
7032 Emergency Replacement Water Main on Rezanof	-	450,000	388,184	81,816	-	0%
7033 Pillar Creek Dam Spillway Repair Work	-	100,000	37,935	62,065	-	0%
7034 Periodic Dam Safety Inspections	45,000	-	360	44,640	-	0%
7035 Water leak Pavement Repairs from Winter Damage	510,000	-	185,983	344,017	-	0%
7099 Transfer	-	-	-	-	-	0%
Expenditures:	3,207,000	10,923,645	420,000	8,079,185	6,471,490	56%

Fund 306 Sewer Capital Fund						
Revenues:						
Charges for Sewer Sales (10%)	-	26,000	-	26,000	-	0%
Approp. From Fund Balance	-	1,895,000	-	1,895,000	-	0%
Alaska Clean Water Loan	4,000,000	-	(4,000,000)	-	-	0%
Transfer from Sewer fund 570	200,000	2,800,000	3,000,000	-	-	100%

Transfer from Water fund 550		1,200,000	1,200,000		1,200,000		100%
Transfer from Street Improvement Fund 301		15,000	15,000		15,000		100%
Revenues:		1,936,000	6,136,000		4,216,000	1,921,000	69%
Expenditures:							
7508 Lift Station Electric (5)	26,000		26,000	1,079	24,921		4%
7509 Upgrade Lift Station #1	150,000		150,000	7,370	142,630		0%
7510 Sludge Study & Composting	285,000		285,000	284,998	2		0%
7512 Aeration Basin Air Control System	150,000		150,000	-	150,000		0%
7513 Inflow & Infiltration Repair materials	25,000		25,000	2,813	22,187		0%
7514 Rehabilitate Press pump Station	400,000		400,000	-	400,000		0%
7516 Replace Lift Station #1 & #2	900,000		900,000	-	900,000		0%
7517 Bio Solid Management Project			4,200,000	212,079	3,987,921		0%
7599 Transfer							
Expenditures:		1,936,000	6,136,000		508,339	6,627,661	8%

Fund 307 Cargo Development Fund							
Revenues:							
State Grants		18,100,000	21,034,000	688,044	20,345,956		3%
State Bond Issue		15,000,000	15,000,000	-	15,000,000		0%
Approp. From Fund Balance		1,159,700	1,159,700	-	1,159,700		0%
Revenues:		4,093,700	33,100,000	688,044	36,505,656		2%
Expenditures:							
8013 Design & Engineering Pier III	712,000		712,000	308,167	403,833		43%
8015 Cruise Ship Facility Planning - Pier II	250,000		250,000	250,000	-		100%
8016 Pedestrian Access from Pier II	2,684,000	(384,000)	2,300,000	430,956	1,869,044		19%
8017 Inspection Pier II and Inner Harbor Docks	85,700		85,700	64,297	21,403		75%
8018 Security Improvements	50,000		50,000	11,500	38,500		23%
8019 Oscar's Dock Electric	150,000		150,000	-	150,000		0%
8020 Decking for Dock I	100,000		100,000	-	100,000		0%
8021 Zinc Replacement	50,000		50,000	7,660	42,340		15%
8022 Data Weather Station	12,000		12,000	5,000	7,000		42%
8023 Pedestrian Pathway		384,000	384,000	-	384,000		0%
8024 Pier III Replacement		33,100,000	33,100,000	18,637	33,081,363		0%
Expenditures:		4,093,700	33,100,000	1,088,217	38,097,483		3%

Fund 308 Harbor Development							
Revenues:							
State Grant							
Approp. From Fund Balance		1,015,000	1,015,000	-	1,015,000		0%
Transfer from General Fund		280,000	280,000	280,000	-		100%
Transfer from Boal Harbor							
Revenues:		1,295,000	1,295,000	280,000	1,015,000		22%
Expenditures:							
8515 Harbor Security Camera System	10,000		10,000	2,515	7,485		25%
8516 Float, Boat Launch, SPH	150,000		150,000	14,863	135,137		10%
8517 Restrooms, Fisherman's Hall	200,000		200,000	53	199,947		0%
8519 SPH Ladders	20,000		20,000	9,791	10,209		48%
8520 SHH Repairs	745,000		745,000	389,407	355,593		52%
8521 Channel Transient Fload/ Bull Rails	25,000		25,000	-	25,000		0%
8523 Oscar's Dock Fender Pilling Replacement	45,000		45,000	10,920	34,080		24%

8524 Water Front Harbor Planning	100,000	100,000	4,828	95,172	5%
9598 Transfers	-	-	-	-	0%
Expenditures:	1,295,000	1,295,000	432,377	862,623	33%

Fund 309 Parks & Rec Capital					
Revenue:					
Slate Grants	2,100,000	3,650,000	5,053,104	896,896	88%
Local Grants	500,000	500,000	555,376	(55,376)	111%
Approp. From Fund Balance	355,629	-	-	320,629	0%
Transfer from Enhancement Fund	500,000	500,000	500,000	-	-
Transfer from General Fund	251,465	301,465	301,465	-	100%
Revenues:	15,000	3,707,094	6,409,948	962,148	87%

Expenditures:					
9001 Baranof Park Improvements (E&D)	15,000	3,350,000	5,104,051	1,910,949	73%
9004 Playground Equipment & Improve	73,000	73,000	71,523	1,477	98%
9007 Storage Building - Baranof Park	115,000	115,000	61,126	53,874	53%
9012 Baranof Baseball Field Improvements	48,094	48,094	42,816	5,278	89%
9013 Major Park Maintenance	71,000	71,000	65,938	5,062	93%
9014 Building Improvement (Weatherization)	50,000	50,000	21,223	28,777	42%
9098 Transfers	-	-	-	-	0%
Expenditures:	15,000	3,707,094	5,366,676	2,005,418	73%

Fund 500 Cargo Terminal					
Revenue:					
PERS Relief	19,560	19,560	-	19,560	0%
Dockage Pier III	120,000	120,000	90,176	29,824	75%
Cruise Ship Revenues	125,000	125,000	72,563	52,437	58%
Pier III Lease	300,000	300,000	224,129	75,871	75%
Waif	450,000	450,000	335,625	114,375	75%
Interest on Investments	7,000	7,000	1,192	5,808	17%
Warehouse Rental	205,000	205,000	152,159	52,841	74%
Van Storage Rental	12,000	12,000	11,971	29	100%
Approp. From Retained Earnings	(150,813)	-	-	(149,646)	0% Comp Study \$1,167
Other	-	-	210	(210)	-
Transfer	-	-	-	-	-
Revenues:	1,087,747	1,088,914	888,045	200,869	82%

Expenditures:					
Cargo Terminal Administration	377,750	378,917	233,658	145,259	62% Comp Study \$1,167
Cargo Terminal Interfund Charges	173,270	173,270	173,270	-	100%
Cargo Terminal Warehouse	10,500	10,500	7,483	3,017	71%
Cargo Terminal Pier II	507,227	507,227	254,044	253,183	50%
Cargo Terminal Pier III	19,000	19,000	1,145	17,855	6%
Expenditures:	1,087,747	1,088,914	669,600	419,314	61%

Fund 510 Boat Harbor Fund					
Revenue:					
PERS Relief	81,900	81,900	-	81,900	0%
Dockage AMHS	80,000	80,000	39,060	40,940	49%
Exclusive Moorage	1,240,000	1,240,000	1,243,493	(3,493)	100%
Translent Moorage	500,000	500,000	399,030	100,970	80%
Harbormaster Service	5,000	5,000	14,117	(9,117)	282%
Gridiron Fees	15,000	15,000	9,218	5,782	61%
Pier/Dock Fees	160,000	160,000	236,057	(76,057)	148%
Used Oil Fees	10,000	10,000	6,418	3,582	64%

Waiting List Fees	3,000	3,000	2,000	1,000	67%
Trailer Parking Fees	33,000	33,000	25,861	7,139	78%
Bulk Oil Sales/Charges	60,000	60,000	38,086	21,914	63%
Gear Storage	45,000	45,000	65,650	(20,650)	146%
Parking Meters	7,000	7,000	7,914	(914)	113%
Launch Ramp Fees	20,000	20,000	6,717	13,284	34%
Interest on Investments	14,000	14,000	10,532	3,468	75%
Office Rent AMHS	16,500	16,500	10,408	6,094	63%
Other Revenues	7,300	7,300	4,706	2,594	64%
Harbor Services to Cargo	167,730	167,730	167,730	-	100%
Approp from Retained Earnings Transfer	1,739,962	1,748,733	8,771	1,748,733	0% Comp Study \$8,771
Revenues:	4,205,392	4,214,163	2,286,993	1,927,170	54%

Expenditures:					
Boat Harbor Administration	3,210,014	3,218,785	1,921,595	1,297,200	60% Comp Study \$8,771
Boat Harbor Interfund	175,610	175,610	175,610	-	100%
Transfer to Boal Yard LIR	819,768	819,768	819,768	-	100%
Expenditures:	4,205,392	4,214,163	2,916,963	1,297,200	69%

Fund 512 Shipyard					
Revenues:					
PERS Relief	12,170	12,170	-	12,170	0%
Customer Fees	460,500	460,500	363,654	96,846	79%
Interest on Investments	1,000	1,000	63	937	6%
Other Revenue	2,000	2,000	2,263	(263)	113%
Approp from Retained Earnings Transfer	-	1,372	-	1,372	0% Comp Study \$1,372
Revenues:	819,768	819,768	819,768	-	100%
Expenditures:	1,296,438	1,296,810	1,185,948	110,862	91%

Yard Administration	1,136,088	1,137,460	671,941	465,519	59% Comp Study \$1,372
Boat Yard Interfund	159,350	159,350	159,350	-	100%
Expenditures:	1,295,438	1,296,810	831,291	465,519	64%

Fund 516 Harbor Electrical					
Revenues:					
Non-Meter Charge	25,000	25,000	8,152	16,848	33%
Customer Charge recurring	115,000	115,000	74,190	40,810	65%
Connect/Disconnect fee	7,000	7,000	5,580	1,420	80%
Energy Charge	530,000	530,000	411,992	118,008	78%
Record Fee	1,000	1,000	375	625	38%
HM Service	5,000	5,000	3,756	1,244	75%
Interest on Investments	1,000	1,000	135	865	13%
Approp from Retained Earnings Transfer	(26,520)	(26,520)	-	(26,520)	0%
Revenues:	657,480	657,480	504,180	153,300	77%

Expenditures:					
Electric Utility Administration	565,260	565,260	317,339	247,921	56%
Electric Utility Interfund	92,220	92,220	92,220	-	100%
Expenditures:	657,480	657,480	409,559	247,921	62%

Fund 550 Water Utility					
Revenues:					
PERS Relief	46,900	46,900	-	46,900	0%

Water Sales Metered	1,390,000	1,390,000	966,949	403,051	71%
Water Sales City	1,139,900	1,139,900	839,445	300,455	74%
Water Sales Borough	741,170	741,170	566,418	174,752	76%
Water Service Connections	10,580	10,580	8,566	2,014	81%
Interest on Investments	10,000	10,000	1,311	8,689	13%
Other Revenues	24,500	24,500	27,903	(3,403)	114%
Approp From Retained Earnings	1,220,000	1,504	2,449,386	-	0% Comp Study \$1,504
Revenues:	<u>4,590,932</u>	<u>1,504</u>	<u>2,430,691</u>	<u>3,381,645</u>	<u>42%</u>

Expenditures:					
Water Utility Transfers	1,863,500	3,083,500	3,083,500	-	100%
Water Utility	2,347,843	2,349,347	1,294,046	1,055,301	55% Comp Study \$1,504
Water Treatment Plant	379,589	379,589	141,255	238,334	37%
Expenditures:	<u>4,590,932</u>	<u>5,812,436</u>	<u>4,518,801</u>	<u>1,293,635</u>	<u>78%</u>

Fund 670 Sewer Utility					
Revenues:					
PERS Relief	70,670	70,670	-	70,670	0%
Sewer Service Charges - City	2,229,260	2,229,260	1,547,004	682,256	69%
Sewer Service Charges - Outside	1,157,630	1,157,630	841,973	315,657	73%
Sewer Connections	6,300	6,300	11,465	(5,165)	182%
Septic Truck Discharge	42,800	42,800	45,035	(2,235)	105%
Lab Testing Fee	25,000	25,000	14,050	10,950	56%
Interest on Investments	10,000	10,000	2,540	7,460	25%
Approp From Retained Earnings	969,360	2,830,000	3,805,749	-	0% Comp Study \$8,389
Revenues:	<u>4,511,020</u>	<u>6,389</u>	<u>2,462,067</u>	<u>4,985,342</u>	<u>34%</u>

Expenditures:					
Sewer Utility Transfers	678,500	2,820,000	3,508,500	(10,000)	100%
Sewer Utility	662,371	662,435	425,513	236,922	64% Comp Study \$64
Wastewater Treatment Plant	3,170,149	10,000	3,186,474	1,693,990	53% Comp Study \$6,325
Expenditures:	<u>4,511,020</u>	<u>6,389</u>	<u>5,628,003</u>	<u>1,719,406</u>	<u>77%</u>

Fund 680 Trident Basin					
Revenues:					
Trident Basin - Charges	11,600	11,600	-	11,600	0%
Interest on Investments	1,000	1,000	-	1,000	0%
Rentals from Others	33,300	33,300	24,047	9,253	72%
Approp From Retained Earnings	309,590	-	-	309,590	0%
Transfer from Trident Basin Capital Fund	-	-	-	-	0%
Revenues:	<u>355,490</u>	<u>355,490</u>	<u>24,047</u>	<u>331,443</u>	<u>7%</u>
Expenditures:					
	<u>355,490</u>	<u>355,490</u>	<u>195,300</u>	<u>158,190</u>	<u>56%</u>

Fund 585 E-911 Services					
Revenues:					
PERS Relief	440	440	-	440	0%
Customer Charges	66,290	66,290	69,142	(2,852)	104%
Interest on Investments	1,000	1,000	-	1,000	0%
Approp From Retained Earnings	7,070	7,070	-	7,070	0%
Transfer from General Capital Projects	-	-	-	-	#DIV/0!
Transfer from General Fund	-	-	-	-	0%
Revenues:	<u>74,800</u>	<u>74,800</u>	<u>69,142</u>	<u>5,658</u>	<u>92%</u>
Expenditures:					
	<u>74,800</u>	<u>74,800</u>	<u>3,988</u>	<u>70,812</u>	<u>5%</u>

Fund 780 Self-Insurance

Revenue:											
Interest on Investments	5,000		5,000					99	4,901		2%
Insurance Refund/Reserve	42,900		427,900					11,431	416,469		3%
Charges to General Fund	276,900	385,000	276,900					276,900	-		100%
Charges to Trident Basin	8,300		8,300					8,300	-		100%
Charges to Cargo Terminal	65,500		65,500					65,500	-		100%
Charges to Boal Harbor	98,800		98,800					98,800	-		100%
Charges to Boal Yard	1,500		1,500					1,500	-		100%
Charges to Boal Electric	1,000		1,000					1,000	-		100%
Charges to Water Utility	16,300		16,300					16,300	-		100%
Charges to Sewer Utility	37,500		37,500					37,500	-		100%
Charges to E-911	500		500					500	-		100%
Transfer In	-	47,000	47,000					47,000	-		100%
Approp Fund	-	25,000	25,000					-	25,000		0%
Revenues:	554,200	-	1,011,200	-	1,011,200	564,829	446,371	564,829	446,371	56%	

Expenditures:

Insurance Expenses	554,200		1,011,200					907,567	103,633		90%
Expenditures:	554,200	-	1,011,200	-	1,011,200	907,567	103,633	907,567	103,633	90%	

Non Capital Projects Revenue

Non Capital projects Expenses	34,561,154		39,436,576	165,922	39,436,576	21,468,964	18,079,082	21,468,964	18,079,082	54%
	34,561,154		4,708,500	165,922	39,436,576	21,468,964	12,263,923	21,468,964	12,263,923	69%
	-	-	-	-	-	(5,703,689)	5,815,159	(5,703,689)	5,815,159	

Capital Projects Revenue

Capital Projects Expenses	10,607,948		85,782,127	80,500	85,782,127	32,536,920	53,255,206	32,536,920	53,255,206	38%
	10,607,948		37,778,204	80,500	85,782,127	23,592,813	62,198,314	23,592,813	62,198,314	27%
	-	(0)	(0)	-	(0)	8,944,107	(8,944,107)	8,944,107	(8,944,107)	



Total Revenues

Total Expenses	45,169,102		125,228,703	246,422	125,228,703	54,005,884	71,334,289	54,005,884	71,334,289	43%
	45,169,102		42,487,704	246,422	125,228,703	50,765,466	74,463,237	50,765,466	74,463,237	41%
	-	(0)	(0)	-	(0)	3,240,418	(3,128,948)	3,240,418	(3,128,948)	

Total Non-Capital Projects for FY

Total Capital Projects for FY	34,561,154		39,436,576	165,922	39,436,576					
	10,607,948		48,466,652	80,500	48,466,652					
	\$ 45,169,102	\$ -	\$ 42,487,704	\$ 246,422	\$ 87,903,228					

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniaziowski, City Manager 
Debra Marlar, City Clerk 
Date: April 11, 2013

Agenda Item: V. c. Resolution No. 2013–06, Rescinding Resolution No. 08–16 and Amending the Tariff of Rates and Charges for Taxicab Services

SUMMARY: Last year, the City sales tax was increased to 7%, but the existing taxicab tariff continues to reflect the 6% City sales tax rate. Staff prepared an amendment that clarifies that sales tax will be collected at the sales tax rate set by KCC 3.08.010, which is currently 7%. Staff prepared Resolution 2013–06 reflecting the needed correction to the tariff. A public hearing was held on March 28 to review the proposed change to the taxicab tariff. Staff recommends Council accept the amended taxi tariff by adopting Resolution 2013–06.

PREVIOUS COUNCIL ACTION: The Council updates the City’s Schedule of Fees, Charges, and Tariffs by resolution. The most recent change to the taxicab tariff was made by Resolution 2008–16 on July 24, 2008, and reflects the 6% sales tax. KCC 5.40.150 requires that a public hearing be held prior to amendment of the taxicab tariff. A public hearing on Resolution 2013–06, the proposed amendment to the taxi tariff to reflect the correct 7% sales tax, was held on March 28, 2013.

DISCUSSION: Last year, the City sales tax was increased from 6% to 7%. Kodiak City Code (KCC) 3.08.090(e) states a business providing for-hire passenger vehicle transportation services may, in lieu of adding the tax as a separate item, include the tax in the charge for the transportation. The current taxicab tariff states that fares include 6% City sales tax. Staff knew the tariff needed correction to reflect the current sales tax rate and prepared an update to the tariff, which was presented to Council and the public at the required public hearing at the regular March 28, 2013, Council meeting.

Taxicab permit holders may also propose taxicab tariff changes in response to the sales tax increase. Bonnie McDonald, who holds five taxi permits, submitted information for Council’s consideration that requests a flat tax of 7% to be paid equally by all permit holders. As discussed at the March 28 meeting, her proposal would require an amendment to the Chapter 3.08 of the City’s sales tax. However, Council did not express an interest in pursuing that proposal. Therefore, staff is bringing Resolution 2013–06 forward for action to require taxi fares to include the current sales tax amount as identified in KCC 3.08.010, which is now 7%. The resolution, if adopted, will become effective July 1, 2013.

ALTERNATIVES: Council can adopt, amend, or choose to not approve Resolution 2013–06. Staff recommends Council adopt the resolution with the current sales tax amount included in the taxicab tariff as discussed. This action is in keeping with Council’s intent to levy a 7% sales tax on all eligible transactions in Kodiak. Adoption of the resolution also supports Council’s FY2013 and FY2014 budget goals to regularly review and adjust the schedule of fees, charges, and tariffs as needed.

FINANCIAL IMPLICATIONS: This change in increased revenues received from taxi fares is estimated to be fairly minimal, perhaps as little as \$4,000 per year. More importantly, the sales tax collected will be consistent with Council’s intent that all eligible transactions in Kodiak be charged at the 7% rate, based on the amendment to the sales tax code in 2012.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council adopt Resolution 2013–06.

CITY MANAGER’S COMMENTS: The 1% increase in sales tax, based on the fares reflected in the current tariff, is relatively minimal. For example, a fare of \$20 pays \$1.20 in sales tax at 6% and will pay \$1.40 at 7%, an increase of \$0.20. The taxicab permit holders can present a revised tariff to help offset the increase in sales tax collected, per KCC 3.08.090(e). They have not yet made that proposal. I support the recommendation that the taxicab tariff be amended to reflect the sales tax rate identified in KCC 3.08.010, which is currently 7%. This action is in keeping with Council’s overall direction and goals.

ATTACHMENTS:

Attachment A: Resolution No. 2013–06

Attachment B: Resolution No. 2008–16

PROPOSED MOTION:

Move to adopt Resolution 2013–06.

**CITY OF KODIAK
RESOLUTION NUMBER 2013-06**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 08-16 AND AMENDING THE TAXICAB TARIFF

WHEREAS, the City sales tax rate was increased from 6% to 7% effective October 1, 2012; and

WHEREAS, the Taxicab Tariff adopted by Resolution No. 08-16 stipulates that taxi fares include 6% City sales tax; and

WHEREAS, the City Council has determined it to be in the best public interest to amend the Tariff of Rates and Charges for Taxicab Services so that the City's approved sales tax rate applies equally to all who are required to collect and submit sales tax.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Resolution No. 08-16 is hereby rescinded.

BE IT FURTHER RESOLVED that all taxicabs permitted by the City of Kodiak will operate in accordance with the tariff attached hereto and incorporated by reference; said tariff to be effective July 1, 2013.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
TAXICAB TARIFF**
[Fares include City Sales Tax]

METERED FARES

The taxicab tariff is \$4.85 per meter flag drop,
plus \$3.00 per mile @ \$.60 per 1/5 mile

NON-METERED FARES

Anton Larsen Bay.....	\$58.50
Jump starts between Deadman's Curve and Antone Way	\$21.00
Between the Rendezvous (Bells Flats) and Deadman's Curve and between Antone Way and the end of the road at Monashka Bay ...	\$32.00
All other areas will be the metered fare, plus.....	\$15.50

CHARTER RATES

Based on completed round trip
\$55.50 per hour, plus \$4.20 per 5 minutes after the first hour

OTHER CHARGES

Deliveries fare, plus \$4.85

Requested waits are metered at \$.60 per 36 seconds

RESOLUTION 2013-06 ADOPTED: April 11, 2013 EFFECTIVE DATE: July 1, 2013

Legislation:

Res. 39-85,	6/27/85
Res. 26-87,	8/27/87
Res. 40-89,	12/14/89
Res. 34-93,	9/23/93
Res. 42-93,	10/28/93
Res. 03-5,	5/8/03
Res. 04-4,	1/22/04
Res. 08-16,	7/24/08
Res. 2013-06,	7/1/13

Issued by the City of Kodiak, 710 Mill Bay Road, Room 216, Kodiak, Alaska 99615

**CITY OF KODIAK
RESOLUTION NUMBER 08-16**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 04-4 AND AMENDING THE TARIFF OF RATES AND CHARGES FOR TAXICAB SERVICES

WHEREAS, taxicab permit holders and drivers have requested increases to fares contained in the Taxicab Tariff; and

WHEREAS, the City Council has determined it to be in the best public interest to amend the Tariff of Rates and Charges for Taxicab Services.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Resolution No. 04-4 is hereby rescinded.

BE IT FURTHER RESOLVED by the Council of the City of Kodiak, Alaska, that all taxicab dispatch companies operating within the City of Kodiak will operate in accordance with the tariff attached hereto and incorporated by reference; said tariff to be effective August 1, 2008.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK

Adopted: July 24, 2008

**CITY OF KODIAK
TAXICAB TARIFF**
[Fares include 6% City Sales Tax]

METERED FARES

The taxicab tariff is \$4.85 per meter flag drop,
plus \$3.00 per mile @ \$.60 per 1/5 mile

NON-METERED FARES

Anton Larsen Bay	\$58.50
Jump starts between Deadman's Curve and Antone Way	\$21.00
Between The Rendezvous (Bells Flats) and Deadman's Curve and between Antone Way and the end of road at Monashka Bay	\$32.00
All other areas will be the metered fare plus	\$15.50

CHARTER RATES

Based on completed round trip
\$55.50 per hour, plus \$4.20 per 5 minutes after first hour

OTHER CHARGES

Deliveries

	fare plus \$4.85
--	-------------------------

Requested waits are metered at **\$.60** per 36 seconds

RESOLUTION 08-16 ADOPTED: July 24, 2008


EFFECTIVE DATE: August 1, 2008

Legislation:

- Res. 39-85, 6/27/85
- Res. 26-87, 8/27/87
- Res. 40-89, 12/14/89
- Res. 34-93, 9/23/93
- Res. 42-93, 10/28/93
- Res. 03-5, 5/8/03
- Res. 04-4, 1/22/04
- Res. 08-16, 7/24/08

Issued by the City of Kodiak, 710 Mill Bay Road, Room 220, Kodiak, Alaska 99615

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Marty Owen, Harbormaster
Date: April 11, 2013

Agenda Item: V. d. **Resolution No. 2013–09, Amending Section 9.16, Shipyard, of the Schedule of Fees and Charges**

SUMMARY: User fees at Kodiak’s shipyard are not generating sufficient revenue to cover operating expenses. The number of vessels using the yard is growing, but not enough to meet the Council’s budget goal for the enterprise fund to break even by the end of the fifth full year of operation. Therefore, the Port and Harbor Advisory Board and the Harbormaster are recommending a rate increase to limit the continuing use of fund balance from the Harbor enterprise fund and to increase user fees to sustain operations long-term.

Staff presented six options to the Port and Harbor Advisory Board early this year. After considerable discussion at four meetings and two work sessions with the Council, they narrowed the options down to Option A: 20% per year for three consecutive years and a more the aggressive Option C: 40% the first year, 20% the second. Both scenarios are estimated to generate sufficient revenue, but Option A is more gradual and would likely have the least impact on market share. Following the Port and Harbor Advisory Board presentation of the proposed three-year rate increase of 20% each year at the March 26 work session, Council expressed the preference for a single 20% increase to the boatyard fees in addition to increases or new fees for other miscellaneous fees in the shipyard. Resolution 2013–09 reflects Council’s direction as expressed at the March 26 meeting, and staff recommends Council adopt the resolution if they wish to increase the rates as identified at the March meeting.

PREVIOUS COUNCIL ACTION: April 28, 2011, Council adopted Resolution 2011–06, which increased some harbor and shipyard rates.

DISCUSSION: Northern Economics was contracted by the City in 2004 to complete a feasibility study of the proposed shipyard in Kodiak. The study indicated that a proposed shipyard could operate in Kodiak. Based on the study and with the intent to attract business to the new facility, the City adopted user fees advertised as “introductory” with the intent of attracting boats which had previously done maintenance in distant ports. Since the fall of 2009 when the shipyard opened for business, yard operations have matured and expense/revenue numbers are now a matter of record.

No recent professional study of the economic impact to the community is available; however, recent survey data from seven vessel owners suggests that the annual local impact may be about \$3.4M and provides employment for about 40 craftsmen. The number of vessels lifted and served by the yard has increased each year from 34 in FY2010 to 54 in FY2012.

Harbor staff and the Port & Harbor Advisory Board believe significant market share and customer loyalty have been achieved, and it's time for the large vessel users to pay the full cost of operating the yard. The operating deficit is currently being absorbed by harbor customers paying moorage. Over 90% of them own vessels much too small to benefit from the shipyard.

Users desire the yard to continue operating as an "open yard" where owners can do their own work or hire vendors of their choosing. The existing business plan reflects this operating concept. Over 90% of the yard's customers have used the yard more than once. Repeat customers are the strongest indicator of user satisfaction.

Council has had several discussions with staff and the Port & Harbor Advisory Board in the last few months. There is consensus that user fees must be raised to cover the shipyard's operating costs. The questions are – how much and how fast? Rates need to increase about 60% to cover costs (and create a margin for maintenance and repairs) – without sacrificing market share. The Harbormaster and advisory board have reviewed the shipyard's financial situation and have provided related information in Attachment B. In a recent letter (see Attachment B), the Alaska Whitefish Trawlers Association, the largest vessel group using the shipyard, expresses their support of the 40% + 20% rate increase as recommended by the Port & Harbor Advisory Board. Their letter states "Even with the proposed cost increase, the Kodiak Shipyard will still be very competitive with yards in other areas when time and expense of travel is considered."

Market share is increasing 5% annually. Owners are discovering that using Kodiak's shipyard saves them time and money. For out-of-town vessels, using the shipyard is a major shift from their normal maintenance routine. Savings in fuel, proximity to the fishing grounds, and travel time are the reasons most boat owners most frequently give. They also appreciate the flexibility that the "open yard" provides.

Advertising in fishing and maritime publications, plus word-of-mouth, has expanded market share beyond the local fleet. Approximately 25% of the shipyard users are not Kodiak home-ported. Harbor staff says they will continue marketing efforts to attract vessels from the oil & gas industry, tug & barge companies, and CDQ groups.

Council requested a breakdown of the rationale used to make recommendations for the additional rates proposed by the staff and advisory board. A breakdown of the reasons for the increases in each category can be found in the last page of Attachment B.

ALTERNATIVES:

1. Adopt Resolution 2013–09, which reflects Council’s preference from the March 26, 2013, work session for a single 20% rate increase in lift and lay days, plus increases to other shipyard service rates.
2. Council may amend, postpone, or decide not to pass the resolution.
3. Staff encourages Council to authorize some combination of shipyard fee increases to help offset the continuing use of Harbor fund balance.

FINANCIAL IMPLICATIONS: According to the presentation by the Harbormaster and Port and Harbor Advisory Board chair last month, the proposed initial fee increase of 20% for lift and lay days, including the increased additional fees for other services as identified in the last page of Attachment B, will decrease the annual operating loss from \$170,000 to about \$15,000, not including depreciation. The Harbormaster will provide more detailed information on how the estimates may have been calculated and the estimated totals for each type of fee generated.

LEGAL: N/A

STAFF RECOMMENDATION: Harbor staff and the Port and Harbor Advisory Board supported either a three-year 20/20/20% increase or the two-year 40%/20% increase. However, Council’s expressed preference is to adopt one 20% increase and increases to various fees, so that is what’s contained in Resolution 2013–09.

CITY MANAGER’S COMMENTS: Harbor staff and the Port and Harbor Advisory Board made two presentations to Council with various recommendations to increase portions of the shipyard rates to reduce ongoing subsidies from the Harbor enterprise fund to the shipyard enterprise fund. At the March 26 meeting, Council voiced a consensus to accept a single 20% increase in lift and lay days, along with a series of other increases as proposed by the Port and Harbor Board. I would support the initial rate increase of 20% plus increases to other fees as discussed at the March meeting. This change would help improve revenues, at least in the short term so Council can consider other alternatives.

Council also indicated that they might be interested in revisiting the idea of having a harbor economic analysis done by a professional firm as I’d proposed in February. This approach might provide a more thorough comparison of Kodiak’s shipyard and its market share compared to other yards in Alaska. A study could also include a more thorough evaluation of proposed rates and an analysis of fleet, the harbor facilities, and the shipyard. Council should discuss this option more fully to ensure the most productive approach is taken.

ATTACHMENTS:

Attachment A: Resolution 2013–09

Attachment B: Backup material from Harbor staff and the Port & Harbor Advisory Board

PROPOSED MOTION:

Move to adopt Resolution 2013-09.

CITY OF KODIAK
RESOLUTION NUMBER 2013-09

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AMENDING SECTION 9.16, SHIPYARD, OF THE SCHEDULE OF FEES AND CHARGES

WHEREAS, at its March 26, 2013, work session the Council received a presentation from the Port and Harbors Advisory Board (PHAB) requesting a three-year rate increase for shipyard fees; and

WHEREAS, the City Council voiced a consensus for a one-year increase for certain shipyard fees.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Section 9.16 of the City Schedule of Fees and Charges is hereby amended as follows:

9.16 ~~Boatyard~~Shipyard

- Payment, without pre-approved credit, is 50% of the estimated yard fees and is due before the lift; the remainder must be paid prior to launch.
- Lifts taking more than four hours will be assessed extra labor and/or machine time.
- Dry dockage is assessed the entire time the vessel remains in the yard.

		Current Fee	Amended Fee
9.16.1	Lift, Block, and Launch		
9.16.1.1	Vessels up to 80'	44.00/ft	<u>53.00</u>
9.16.1.2	81' to 100'	50.00/ft	<u>60.00</u>
9.16.1.3	101' to 120'	60.00/ft	<u>72.00</u>
9.16.1.4	121' to 150'	71.00/ft	<u>85.00</u>
9.16.1.5	151' and up	77.00/ft	<u>92.00</u>
9.16. 1.6 <u>2</u>	After hours surcharge.....	+ 20% / ft	
9.16.2. <u>1</u>	Nonstandard Lift (operator and lift).....	1,500.00/hr	
<u>9.16.2.2</u>	<u>Travel strap set up</u>		<u>T,M&E +</u> <u>15%</u>
9.16.2. <u>3</u>	Inspection Lift, includes 1 hour hang time free	75% of lift per launch	
9.16.2.4	Hang Time (<u>other than wash pad</u>).....	275.00 ea. addl. hour	
<u>9.16.2.4.1</u>	<u>_ Hang Time, on wash pad</u>		<u>200.00/hr</u>
<u>9.16.2.4.2</u>	<u>_ Hang Time, on heated wash pad</u>		<u>300.00/hr</u>
9.16.5	Delay of Lift	250.00/half hour	
9.16.6	Pressure Wash (and scrape if necessary)	T, M, & E*	
9.16.7	Reposition.....	50% of lift / launch	
9.16.8	Scheduling Deposit (credited to lift or forfeited if the vessel is late or no show)	750.00	
9.16.9	Dry Dockage Space (<u>lay day</u>)	2.20/ft/day	<u>2.65/ft/day</u>
9.16. 10 <u>10</u>	On-site Storage		
9.16. 10.1 <u>10.1</u>	Daily (first three days or portion thereof no charge)...	0.05/ft/day	
9.16. 10.2 <u>10.2</u>	Minimum charge.....	15.00	
9.16. 11 <u>11</u>	Vendor (must be preapproved and have \$1 million liability coverage)		
9.16. 11.1 <u>11.1</u>	Registration <u>Annual vendor fee (paid by vendor)</u>	300.00/yr	<u>500.00/yr</u>
<u>9.16.11.2</u>	<u>Per vessel vendor fee (one-time use)</u>		<u>250.00</u>
9.16. 12 <u>12</u>	Utilities (includes water)		

9.16. 13 <u>12</u> .1	120v single-phase 30 amp or actual kWh cost, whichever is greater	15.00/day	<u>20.00/day</u>
9.16. 13 <u>12</u> .2	208v single-phase 50 amp or actual kWh cost, whichever is greater	35.00/day	<u>40.00/day</u>
9.16. 13 <u>12</u> .3	208v three-phase 100 amp or actual kWh cost, whichever is greater	40.00/day	<u>50.00/day</u>
9.16. 13 <u>12</u> .4	480v three-phase 100 amp or actual kWh cost, whichever is greater	50.00/day	<u>70.00/day</u>
9.16. 14 <u>13</u>	Equipment Rental		
9.16. 13 <u>14</u> .1	Fork lift	75.00/half hr	
9.16. 14 <u>13</u> .2	Man lift	75.00/half hr	
9.16. 14 <u>13</u> .3	Pressure Washer, 3-hour minimum \$125.00 day maximum	25.00/hr	<u>250.00/day</u>
9.16. 14 <u>13</u> .4	Other	T, M & E*	
9.16. 15 <u>14</u>	Environmental Tarp (ground tarp required for all bottom work)	Cost + 15%	
9.16. 16 <u>15</u>	Waste Disposal		
9.16. 16 <u>15</u> .1	Used oil	1.00/gallon	
9.16. 16 <u>15</u> .2	Dumpster (5.5 yard).....	100.00/tip	<u>110.00/tip</u>
9.16. 16 <u>15</u> .3	Non-Hazardous liquids, including oil bilge water	2.25/gallon	
9.16. 16 <u>15</u> .4	Hazardous	Cost + 15%	
9.16. 16 <u>15</u> .5	Other, e.g., metals and wood	Cost + 15%	
9.16. 17 <u>16</u>	Labor		
9.16. 17 <u>16</u> .1	City Employee, straight time	65.00/hr	
9.16. 17 <u>16</u> .2	City Employee, overtime	95.00/hr	
9.16. 17 <u>16</u> .3	Contract service provider (e.g., diver, lift operator, etc).....	Cost + 15%	
9.16. 18 <u>17</u>	Environmental Surcharge	2.5% of gross	
9.16. 19 <u>18</u>	Other Fees and Services	Cost + 15%	

*T, M, & E: Time (i.e., labor hours), materials, and equipment hours

BE IT FURTHER RESOLVED that this resolution shall supersede previous resolutions amending Section 9.16 of the Schedule of Fees and Charges.

BE IT FURTHER RESOLVED that the year-one changes to Section 9.16 of the Schedule of Fees and Charges herein shall be effected upon the adoption of this resolution.

BE IT FURTHER RESOLVED that the City Clerk is authorized to make the required changes to the Schedule of Fees and Charges.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**Kodiak Shipyard
Rate Increase Alternatives**

Option	% Increase	Rev (lift & lay days)	Rev (all other)	Expense*	Margins
Current	Baseline**	430,366	125,000	725,000	(169,634)
Option A	1st yr 20%	516,439	207,500	739,500	(15,561)
	2nd yr 20%	619,727	207,500	754,290	72,937
	3rd yr 20%	743,672	207,500	769,376	181,796
Option B	30%	559,476	207,500	739,500	27,476
	30%	727,319	207,500	754,290	180,529
	30%	945,515	207,500	769,376	383,639
Option C	40%	602,512	207,500	739,500	70,512
	20%	723,015	207,500	754,290	176,225
Option D	50%	645,549	207,500	739,500	113,549
	20%	774,658	207,500	754,290	227,868
	20%	929,590	207,500	769,376	367,714
Option E	60%	688,585	207,500	739,500	156,585
	20%	826,302	207,500	754,290	279,512
	20%	991,563	207,500	769,376	429,687
Option F	70%	731,622	207,500	739,500	199,622
	10%	804,784	207,500	754,290	257,994
	10%	885,262	207,500	769,376	323,386

* A assumes that expenses increase 2% annually.
** Baseline revenue and expense from CY2012, the most current data available.

Kodiak Shipyard
Number of Vessels Lifted

Month	FY10	FY11	FY12	FY13
Jul		2	2	2
Aug		7	4	4
Sep		5	5	3
Oct	7	6	5	7
Nov	3	4	3	5
Dec	0	7	1	3
Jan	3	2	1	1
Feb	2	2	2	
Mar	1	2	5	
Apr	6	3	5	
May	5	7	8	
Jun	7	2	13	
Total	34	49	54	tbd
Total Lay Days	526	679	791	tbd



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers
 From: Nick Szabo, Chairman, Port and Harbor Advisory Board
 Date: March 14, 2013
 Re: Port and Harbor Advisory Board Recommendations

The Port and Harbor Advisory Board (PHAB) met Mar 12, 2013. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

After discussion of the shipyard rate option with the City Council on Feb 26, the PHAB has reconsidered its recommendation for a multi-year rate increase. The PHAB was attempting to meet the Council's goal of eliminating the deficit within the first five years of operation. But if the Council is not hard over on this requirement, smaller rate increase increments are prudent so not to price Kodiak out of the shipyard business by loosing market share.

Instead of a 40/20% two-step increase, we suggest that the council take the more conservative approach of 20% per year for three consecutive years.

Although the number of vessels using the shipyard is growing, the PHAB realizes that user fees must cover at least the operational costs. The PHAB agrees that rates must be set at sustainable levels thus avoid depleting boat harbor's fund balance.

Specific recommendations:

Lift and lay days	Year 1	+ 20% (Apr 2013)
	Year 2	+ 20%
	Year3	+ 20%

Other services:	Current	Proposed
Electrical service		
120v 1-Ph 30 amp or actual kWh	\$15 /day	\$20 /day
208v 1-Ph 50 amp or actual kWh	\$35 /day	\$40 /day
208v 3-Ph 100 amp or actual kWh	\$40 /day	\$50 /day
480v 3-ph 100 amp or actual kWh	\$50 /day	\$70 /day
Hang time on wash pad	None	\$200 /hr
Hang time on heated wash pad	None	\$300 /hr
Pressure washer/day	\$125 /day	\$250 /day
Strap set up	None	T/M+15%
Vendor fee, annual	\$300 /yr	\$500 /yr
Vendor fee, per vessel	None	\$250 /vsl

Combined, the increases will be enough to eliminate the \$300K operational shortfall, but will not fund the non-cash \$530K depreciation expense. These new rates may result in retained earnings that can be used for maintenance and eventually a new structure for painting.

The Board recommends that the increases be implemented by April 2013 to capture revenue from the 25 vessels that will use the yard this spring.



Port and Harbor Advisory Board News

To: Mayor Branson and Kodiak City Councilmembers

From: Nick Szabo, Chairman, Port and Harbor Advisory Board

Date: January 15, 2013

Re: Port and Harbor Advisory Board Recommendations

The Port and Harbor Advisory Board (PHAB) met Jan 11, 2013. Below is a synopsis of the discussion and motions. Official minutes will follow in due course.

Although the number of vessels using the shipyard is growing at 5% per year, the PHAB realizes that user fees currently cover only 60% of the operational costs. After considerable discussion the PHAB agreed that rates must be set at sustainable levels thus avoid depleting fund balance.

Rate increases can impact user activity, but the PHAB believes that the value of the service is underpriced and can be raised without losing market share.

Specific recommendations:

Lift and lay days	Year 1	+ 40% (Apr 2013)
	Year 2	+ 20%
Other services:	Current	Proposed
Electrical service		
120v 1-Ph 30 amp or actual kWh	\$15 /day	\$20 /day
208v 1-Ph 50 amp or actual kWh	\$35 /day	\$40 /day
208v 3-Ph 100 amp or actual kWh	\$40 /day	\$50 /day
480v 3-ph 100 amp or actual kWh	\$50 /day	\$70 /day
Hang time on wash pad	None	\$200 /hr
Hang time on heated wash pad	None	\$300 /hr
Pressure washer/day	\$125 /day	\$250 /day
Strap set up	None	T/M+15%
Vendor fee, annual	\$300 /yr	\$500 /yr
Vendor fee, per vessel	None	\$250 /vsl

Based upon current user levels, increasing lift and lay day rates will generate about \$170,000 the first year and \$290,000 the second. Increases in the "other services" category will generate an additional \$88,000 annually.

Combined, the increases will be enough to eliminate the \$300K operational shortfall, but will not fund the non-cash \$530K depreciation expense. These new rates may result in retained earnings that can be used for maintenance and eventually a new structure for painting.

The Board recommends that the increases be implemented by April 2013 to capture revenue from the 25 vessels that will use the yard this spring.

The Board is happy to meet with the Council in a work session to discuss the shipyard.



Alaska Whitefish Trawlers Association

P.O. Box 991
Kodiak, AK
99615
(907) 486-3910
alaskawhitefishtrawlers.org

Mayor Pat Branson
Kodiak City Council
710 Mill Bay Road, Rm 216
Kodiak, AK 99615

RE: Fees for Kodiak Shipyard

Dear Mayor Branson and Council:

It has come to our attention that the Kodiak Shipyard continues to operate at a loss and is relying on other harbor funds to support its operation. It is apparent that this situation cannot continue and changes need to be made to the fee structure for the use of the facility.

The Port and Harbor Board is proposing that the fees charged for using the shipyard should be increased by 40% next year (2014) with an additional increase of 20% the following year (2015). While we do not look forward to having to pay more, we support the proposed cost increases being brought to you for consideration.

We believe that keeping the shipyard healthy, vibrant and self-supporting is very important to our fleet. The trawl vessels that we represent are too large and heavy to use any other facility available in Kodiak. Any out-of-water work, on an emergency basis or for routine maintenance, has required extensive travel to Seward, Ketchikan or the lower 48 at great cost. Even with the proposed cost increases, the Kodiak Shipyard will still be very competitive with yards in other areas when the time and expense of travel is considered. Having the boat lift in Kodiak, with its large lifting capacity, has been and will continue to be a great asset for our industry. The ability to get work done locally has also increased revenues for vendors and service industry providers that do work in the shipyard.

We hope that the increased revenues being proposed will be sufficient to support the shipyard in the future. As the revenues stabilize for the operation of this facility we would like to see additional improvements. Adding a steel building adjacent to the boat lift that would provide sheltered areas for sand blasting, painting, hydraulic and other work would increase the capability and usefulness of this facility.

Best Regards,

Robert L. Krueger, President
Alaska Whitefish Trawlers Association
Robert.Krueger@alaskawhitefishtrawlers.org

Justification for Shipyard Service Fee Increase

Electric: Increase for daily electrical service is based on the average kilowatts used per day for each applicable service and include labor for connect and disconnect. For comparison, the rate at Seward Shipyard is \$60 per day – considerably higher than the highest proposed day rate for Kodiak.

Hang time on wash pad, \$200 per hour: After three years of operation, the full costs associated with operating the wash pad and wash-water recycle system are now known. They were not when the introductory fees were established. The wash pad hang time cost factors are:

- Trained and qualified staff to maintain and monitor the system takes 2 to 10 man hours per vessel. These man hours are not currently included in any other fee.
- Not all vessels need to use the wash pad. This fee will only be charged to vessels that wash.
- Chemical and filter elements for the filtration system filter elements.
- Removal, testing and disposal of the sludge. It accumulates in the underground tanks and must be disposed of as HAZMAT. Expensive!

Hang time on heated wash pad -- \$300 per hour. This fee includes all the service stated above plus the cost of heating the wash pad when temperature are below freezing. The boiler burns 15 gallons diesel per hour (15 gal x \$4.50/gal = \$67.50) to thaw the pad and it must run about 12 hours before the vessel arrives. Fuel cost to heat the pad can cost over \$800 before the vessel even arrives.

Pressure washer fee: The two hot water pressure washers burn 1.3 GPH each and require constant service to keep the operational. They are high performance machines that requiring lot of maintenance and expensive parts.

Strap Set up fee: This fee covers the additional time needed to reconfigure the Travelift straps for lifting special (extra long or wide) hulls. Only vessel requiring special strap set up are charged this fee.

Annual vendor fee: Vendors working in the yard are profiting from the business generated by having the yard available for them to work. This fee covers staff time to manage vendor records and verify compliance with insurance, worker safety rules, environmental rules, etc.

Vendor fee, per vessel: Occasionally a “special” vendor is called in to work on one vessel . For example, Rolls Royce came to service a unique “Z” drive on a single tug boat. This new fee provided a one-time fee, at rate lower than the annual fee.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Thru: Glenn Melvin, City Engineer, Mark Kozak, Public Works Director

Date: April 11, 2013

Agenda Item: V.e. Authorization of Professional Services Contract for Design of Pillar Mountain Waste Material Dump Site, Project No. 13-09/5033

SUMMARY: The City has used the area next to the water treatment plant at the foot of Pillar Mountain for the disposal of soil products from City construction projects for many years. The site is now full, and staff needs to identify another disposal site. Staff requested a proposal from DOWL HKM to design the large area fill and Stormwater Pollution Prevention Plan (SWPP) for the old City rock quarry that is located one third of the way up on Pillar Mountain. Staff recommends that Council approve a contract for design of this soil disposal site in the amount not to exceed of \$50,542.

PREVIOUS COUNCIL ACTION: Council authorized the budget for this project, the Pillar Mountain Waste Dump Site, in the FY2013 Supplemental #1, which was adopted in February.

DISCUSSION: For over 25 years the City has provided a disposal site for most of the waste soil materials coming from City construction projects. This helps provide a known cost as contractors evaluate hauling and disposal costs, and in the long run, tends to help reduce the cost of City projects. The area by the water treatment plant is almost full, and most of it has been finished, graded, and seeded. With the future list of projects, staff proposes that the old City rock quarry, located one third of the way up on Pillar Mountain, be used for disposal of soil materials for City construction projects. See Attachment: A, the photo of the rock quarry area on Pillar.

Because of the size of the area and the eventual height of the material slopes, this fill area needs to be designed with safety in mind so slopes will not slip or slide when material is being disposed of. In addition, regulations require all such sites have a Stormwater Pollution Prevention Plan (SWPP) and require monitoring to assure water quality is not effected by runoff from the site.

Until the area is surveyed to determine the amount of available space for final design, staff will not have an estimate of how many years it will be until the new site is full. The intention is to fill the area in a manner that allows full utilization of the area. By using this site for the disposal of clean waste soil products not suitable to be used within new construction, the City can slowly cover and replant the old rock quarry and basically return the area to natural appearance. As an example, various locations within the community have been used for the disposal of soils from construction projects. The new Kodiak police station is built on one such site, as well as the large area between Larch Street and Mill Bay and

south of Lilly Lake. These areas, once finished, tend to blend into the surround area and generally improve the area when completed.

The new Pillar Mountain area is heavily used by recreation enthusiasts all summer for parking and other activities, as well as during winter for snow recreation. The final plan will attempt to keep land contours to allow such activities to continue while improving the finished look of the area. The site will require limited access during the active summer construction season for safety reasons, but should be able to allow public use of the area at the end of the season.

Staff consulted with the Kodiak Island Borough Community Development Department on how best to initiate the plans. Because the City owns the property, a fill and grading plan is required, and the plan must be submitted to the Building Department. The City will be required to get a zoning compliance permit from the Community Development Department since the fill will exceed three feet in height.

ALTERNATIVES:

1. Authorize the professional services contract with DOWL HKM to design the use of the old rock quarry site on Pillar Mountain to dispose of environmental clean unsuitable soils such as organics and oversaturated soils removed from City projects. This is staff's recommendation because it will provide a safe engineered site in which to dispose of the materials and lower costs of City projects requiring excavation.
2. Do not authorize the contract. This is not recommended because there will not be a site available for the disposal of soils from future City projects and is likely to increase project costs as contractors pass on the cost to dispose of excavated materials on other sites.

FINANCIAL IMPLICATIONS: Funding for the establishment of this soil disposal site was added at the FY2013 Supplemental No. 1 in order to have this location ready for this construction season, and there are sufficient funds to award the contract.

Although it is difficult to determine the cost impact to each project by providing a location for unsuitable soils, this will prevent cost impacts to City projects if contractors can dispose of spoils at a City site. The larger projects generate large quantities and suitable places for disposal are quite limited.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council authorize a professional services contract with DOWL HKM for the design of the Pillar Mountain Waste Material Dump Site in an amount not to exceed \$50,542, with funds coming from the Street Capital Improvement Fund, Project No. 13-09/5033.

CITY MANAGER'S COMMENTS: It can be problematic when the City undertakes a large project that requires a site to dispose of excavated materials. For example, the contractor removed in excess of

5,000 cubic yards of poor grade soils from the Aleutian Homes Phase IV project, and the contractor removed 6,500 cubic yards just on the excavation of the football field area at the Baranof Park last summer. The materials have to be relocated to a spot like the existing City site, which is now reaching its limit. A new and fully designed site at the old quarry site will continue to provide us with a place to put clean materials and reduce or eliminate soil disposal costs for our projects. I support staff's recommendation and ask Council to approve this contract with DOWL so we can have an active site for this coming construction season.

ATTACHMENTS:

Attachment A: Photo Pillar Mountain Quarry Area

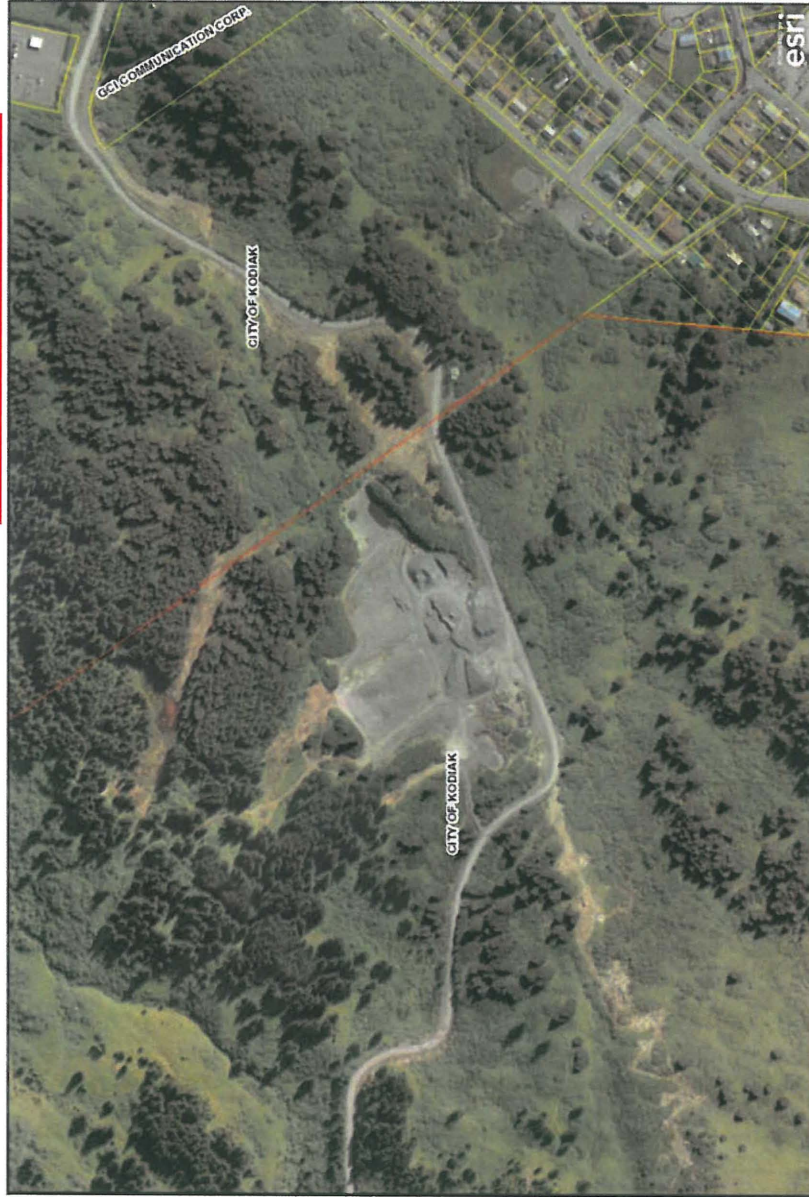
Attachment B: DOWL HKM proposal letter for design services dated January 22, 2013

PROPOSED MOTION:

Move to authorize a professional services contract with DOWL HKM for the design of the Pillar Mountain Waste Material Dump Site, Project No. 13-09/ 5033, in an amount not to exceed \$50,542, with funds coming from the Street Capital Improvement Fund and authorize the City Manager to execute the agreement on behalf of the City.

KIB_ArcGIS_Explorer_Online

ATTACHMENT: A



Source: Esri, i-cubed, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community



ATTACHMENT: B

January 22, 2013
W.O. 61358

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

Subject: Pillar Mountain Quarry Reclamation Fill Site

Dear Mr. Kozak:

DOWL HKM is pleased to submit a proposed scope of work and budget to the City of Kodiak (the City) for the Pillar Mountain Quarry Reclamation Fill Site. The design effort shall include topographical survey and base map; geotechnical research, analysis, and reporting; concept design and grading plan; and Stormwater Pollution Prevention Plan (SWPPP) and associated inspection.

SCOPE OF WORK

DOWL HKM's team will perform the following duties:

Task 1 - Topographic Survey and Base Map. St. Denny Surveying, Inc., shall perform the topographical survey, review and download all data, and prepare a base map of the proposed fill site. DOWL HKM will use the base map as a basis for the concept design and grading plan.

Task 2 - Geotechnical Research, Analysis, and Reporting. The geotechnical effort shall include designing permanent fill slopes that are stable and maximizes the fill quantity. DOWL HKM will assist in developing a fill plan that will allow up to two separate contractors to place fill at the same time. We will prepare a standard construction agreement between the City and the construction contractor tailored for this quarry reclamation site.

Task 3 - Concept Design and Grading Plan. DOWL HKM will prepare a concept design to review with the City. Upon approval of the concepts, we will prepare design plans to include final grading, details, and other proposed features such as drainage swales, sediment basins, culvert locations, and fencing. Cost estimating and special provisions have not been included as we believe they will not be necessary.

Task 4 - SWPPP. A SWPPP is required because the project site is equal to or greater than one acre. We will assist both the City and the Contractor in complying with the local, state, and federal National Pollutant Discharge Elimination System (NPDES) requirements for construction activities. We will prepare and submit the Notice-of-Intent (NOI) form and contact the appropriate agencies for concurrence on endangered species and historic properties as required. We will propose measures to reduce degradation of water quality from construction runoff in both our design and the SWPPP.

We will submit copies of the SWPPP and NOIs to the City to comply with review requirements and to the State of Alaska Department of Environmental Conservation, as required.

You, the Owner, and the Contractor are responsible for implementing the SWPPP in accordance with local, state, and federal NPDES requirements for construction activities. You, the Owner, and the Contractor are responsible for any violations.

Task 5 - SWPPP Inspections. Once construction begins, DOWL HKM will participate in inspections of the best management practices with the Contractor's and the City's representative. The SWPPP will require that inspections occur at least once every 14 calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater. DOWL HKM will also prepare inspection reports after the inspection. The inspection report will be submitted to you.

DELIVERABLE PRODUCTS

- Topographical Survey and Base Map
- Concept Design
- Grading Plan
- Standard Owner/Contractor Construction Agreement
- SWPPP and NOI for Owner and Contractor
- SWPPP Inspection Services

We are available to begin work immediately after receipt of a Notice-to-Proceed.

PROPOSED FEE

We propose to furnish the above-described services for a total sum of \$50,542. This total fee consists of the following components, which is covered in detail on the attached estimates:

Phase Description (Basic Services)

Pillar Mountain Quarry Reclamation Fill Site (Lump Sum)

Task 1: Topographical Survey and Base Map	\$ 7,152
Task 2: Geotechnical Research, Analysis, and Reporting	\$15,280
Task 3: Concept Design and Grading Plan	\$17,280
Task 4: SWPPP	<u>\$ 4,920</u>
Lump Sum Subtotal.....	\$44,632

SWPPP Inspection (Additional Services)


Task AS-1: SWPPP Inspection Services (time and materials [T&M])	<u>\$ 5,910</u>
GRAND TOTAL FOR ALL SERVICES	\$50,542

Mr. Mark Kozak
City of Kodiak
January 22, 2013
Page 3

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

Attachments: As stated

D61358.Kozak.ARC.012213.tlc

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	
PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site
	W/O#
	DATE: 22-Jan-13
CLIENT:	City of Kodiak
	Prepared by BMM

PROJECT SUMMARY

	Total Fees
Basic Services (Lump Sum)	
Task 1	\$7,152
Task 2	\$15,280
Task 3	\$17,280
Task 4	\$4,920
Total For Basic Services	\$44,632
Additional Services (Time & Materials)	
AS1	\$5,910
Total For Additional Services	\$5,910
Grand Total For All Services	\$50,542

DOWL HKM
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site	WO#	
		DATE:	26-Oct-12
		Prepared by:	HKW
CLIENT:	City of Kodiak		

	Labor Category	Project Manager A.Christie	Project Engineer N.Hayden	Survey Technician	Expenses	TOTALS
Tasks	Hourly Rate	\$165.00	\$105.00	\$95.00		
	Hours					
Task 1	Topographic Survey					
Subcontractor - St. Denny Surveying						
	Field - Topographic Survey				\$3,720.00	
	Office - Review and Download Data				\$750.00	
	Office - Mapping				\$1,000.00	
	Markup (10%)				\$547.00	
DOWL HKM - Coordination and Basemap Preparation						
	Project Management	1	2			3
	Basemap Preparation			8		
	Subtotal - Hours	1	2	8		11
	Subtotal - Costs	\$ 165	\$ 210	760	\$6,017.00	\$7,152.00

DOWL HKM									
ESTIMATE FOR PROFESSIONAL SERVICES									
PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site					WO#			
						DATE:	26-Oct-12		
CLIENT:	City of Kodiak					Prepared by:	HKW		
Task 2	Labor Category	Geotechnical Engineer		Field Geologist/ Geologist/	Autocad	Admin Asst	Expenses	TOTALS	
		H. Weston	K. Nutter						
	Hourly Rate	\$165.00	\$95.00		\$85.00	\$80.00			
	Hours								
	<i>Geotechnical Research, Analysis, and Reporting</i>								
Project Management		2						2	
Meetings		8						8	
Peer Review			8					8	
Coordinate X-section drawings with civil		6						6	
Slope Stability Analyses		40						40	
Geotech Construction Specifications		4						4	
Review Civil Design		8						8	
Construction Agreement		20						20	
Final Report Preparation									
	<i>Subtotal - Hours</i>	88	8	760	0	0	\$0.00	96	
	<i>Subtotal - Costs</i>	\$ 14,520	\$ 760	\$ -	\$ -	\$ -	\$0.00	\$15,280	

DOWL HKM

ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site	WO#	
		DATE:	22-Jan-13
CLIENT:	City of Kodiak	Prepared by	BMM

Labor Category	Contract Manager	Project Manager	Project Engineer Staff	Auto CAD Tech	Expenses	TOTALS
	A. Christie	B. Melocik	Engineer			
Hourly Rate	\$165.00	\$165.00	\$105.00	\$85.00		
Hours						
Task 3						
Concept and Grading Plan						
Project Management/ Scheduling	2					2
Meetings	2	2	2	0		6
Site Concepts		4	8	4		16
Drainage Analysis / Site Development Plan		4	12	8		24
Grading Plans		4	24	40		68
Details		4	16	32		52
<i>Subtotal - Hours</i>	4	18	62	84		168
<i>Subtotal - Costs</i>	\$660.00	\$2,970.00	\$6,510.00	\$7,140.00		\$17,280.00

DOWL HKM

ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site	WO#	
		DATE:	22-Jan-13
CLIENT:	City of Kodiak	Prepared by	BMM

Labor Category	Contract Manager	Project Manager	Project Engineer	Auto CAD Tech	Admin Asst	Expenses	TOTALS
A. Christie	B. Melocik	Staff Engineer					
Hourly Rate	\$165.00	\$105.00	\$85.00	\$80.00			
Hours							
Task 4							
Stormwater Pollution							
Information Gathering from			1				1
Preparing a Monitoring Program			1	0			1
Preparing a Site Map			1	2			3
Appendices Preparation		1	4		2		7
Text Preparation		4	12		10		26
Contact Regulation Agencies			1		1		2
Prepare Notice of Intent		2	1				3
Prepare Submittal to EPA and ADEC		1	1		1		3
<i>Subtotal - Hours</i>	0	8	22	2	14		46
<i>Subtotal - Costs</i>	\$0.00	\$1,320.00	\$2,310.00	\$170.00	\$1,120.00		\$4,920.00

DOWL HKM

ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site	WO#	
		DATE:	22-Jan-13
CLIENT:	City of Kodiak	Prepared by	BMM

ADDITIONAL SERVICES (T&M)

Labor Category	Contract Manager	Project Manager	Project Engineer	Auto CAD Tech	Admin Asst	Expenses	TOTALS
Hourly Rate	A. Christie	B. Melocik	Staff Engineer				
Hours	\$165.00	\$165.00	\$105.00	\$85.00	\$80.00		
AS1							
SWPPP Inspection							
Pre-Construction Conference	2	2					4
SWPPP Field Inspections			30				30
Prepare Field Inspection Report			20				20
<i>Subtotal - Hours</i>	2	2	50	0	0		52
<i>Subtotal - Costs</i>	\$330.00	\$330.00	\$5,250.00	\$0.00	\$0.00		\$5,910.00

**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 30th 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, Client's 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 its 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.

Pillar Mountain Quarry Reclamation
Project Name

City of Kodiak
Project Location

DOWL HKM Project Number

City of Kodiak / Mark Kozak
Client Name / Contact Name

(907) 486-8065 / mkozak@city.kodiak.ak.us
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: Contract Manager

Date Signed: 1/22/13

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members

From: Aimée Kniazowski, City Manager 

Thru: Mark Kozak, Public Works Director and Glenn Melvin, City Engineer

Date: April 11, 2013

Agenda Item: V. f **Authorization of Professional Services Contract for Construction Management Services for the Aleutian Homes, Phase V, Segment A, Project No. 10-03/7026**

SUMMARY: Aleutian Homes Water and Sewer Replacement Phase V, Segment A is a continuation of the upgrade of utilities, pavement and sidewalks in the Aleutian Homes area. The Notice of Award for construction was issued to Brechan Enterprises, Inc. on March 18, 2013. This memorandum discusses the construction management services for the Phase V, Segment A project. Staff recommends that Council authorize a professional services contract to perform construction management services to DOWL HKM in the amount of \$158,588.

PREVIOUS COUNCIL ACTION: The Council approved the FY2013 budget, which included \$2,227,000 for the Phase V project.

DISCUSSION: The replacement of aging water and sewer lines in the Aleutian Homes area is a costly and complex undertaking. Because of this, the City has been doing the upgrades in phases over time and as funding is available. Phases I through IV were constructed from 2007 to 2010. This newest phase, Phase V, Segment A continues the improvements along Thorsheim Street. Phase V, Segments B and C are tentatively planned for 2014 and 2015.

Construction management in this contract includes several key tasks. They are: additional design services, full-time field inspection of the construction, testing of construction materials for conformance with the project specifications, review of contractor submittals and response to contractor requests for information, verification and documentation of swing ties to service connections, the preparation of record drawings, and the coordination with the Alaska Department of Environmental Conservation (ADEC) to attain the certificates to operate the water and sewer systems. These tasks are described in more detail below.

Additional Design Services: The project bids came in lower than expected which left funding available to extend the project approximately 100 feet beyond the project limits. In order to add the additional length to the project, additional design services are required. DOWL HKM will provide the additional design services under this contract to allow the project to move forward with construction of the additional 100 feet to be accomplished through the "Change Order" process.

Full Time Inspection: An engineering intern (EI) will be on-site full time during the construction. An EI is a graduate engineer who has completed the engineering intern examination and is currently working under the responsible charge of a licensed professional engineer. Each EI is familiar with the project design and is fully supported by the design engineer and engineering supervisor, so there is no delay in responding to events happening on the site.

This inspector assures the work is performed in accordance with the plans and the intent of the project design. The inspector is not on site to explain the plans to the contractor or direct the contractor's work. The inspector's objective is to watch out for the City's interest during this more than \$2M project. The project design is based on our best understanding of the site conditions, but the location of the old underground utility mains and service connections in the Aleutian Homes area are not well understood. Typically, on these utility reconstruction projects, the design must be modified in limited areas to accommodate unknown conflicts between new and existing utilities to assure sewer services adequately flow to the mains and to achieve the separation distances between water mains and other utilities necessary to protect the public health. The contractor is not expected to understand the intent of the design, to know where the City has experienced performance problems, or to understand all of the ADEC regulations regarding water and sewer utilities. Without oversight, contractors can make decisions with the best of intentions that may not benefit the City in the long term. Many of the repairs that the City Public Works crew performs on our utilities are the results of well intentioned decisions made by past contractors that turn out to be problems for the City later on.

Construction Materials Testing: It is very important that the soils, concrete, and asphalt pavements used in the project meet our 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. We have 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.

Coordination with ADEC: Prior to construction of water and sewer utilities, the engineered plans must be submitted to ADEC to obtain permission to construct the utilities. On completion of construction, record drawings, stamped by a professional engineer, must be submitted to ADEC for review and issuance of a certificate to operate the utilities. The verifying engineer must attest the work was performed in accordance with the approved plans and that any changes are shown on the record drawings. This requires that the work be observed by the professional engineer or an individual working under his responsible charge.

Contract Management (CM) services typically cost ten to fifteen percent of the construction costs. DOWL HKM proposes to perform the CM services for the Aleutian Homes Water and Sewer Replacement Phase V project on a time and materials (T&M) basis with an estimated total cost of \$158,588, which is roughly nine percent (9%) of the \$1,539,580 construction bid. A copy of DOWL HKM's proposal is presented in Attachment A.

ALTERNATIVES:

1. Authorize the professional services contract with DOWL HKM for work to be performed on a T&M basis. This is the recommended option because staff believes this alternative will best protect the City's \$2.2M investment in this project.
2. Do not authorize the contract, which would result in not performing 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 the lowest long-term maintenance costs. Furthermore, without professional oversight, ADEC will not grant a certificate to operate the new water and sewer utilities.

FINANCIAL IMPLICATIONS: This project is authorized in the FY2013 capital budget and has a current balance of \$2,208,067. This is adequate to complete construction and award this contract.

On completion, the project will reduce utility and road maintenance costs, reduce the risk to public health by correcting noncompliant sewer/water separation distances, and better the water service through the increase in the size of the water main.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council authorize a professional services contract for construction management services for the Aleutian Homes Water and Sewer Replacement Phase V, Segment A project, Project No. 10-03/7026 with DOWL HKM for the quoted price of \$158,588, with funds coming from the Water Capital Improvement Fund.

CITY MANAGER'S COMMENTS: The successful completion of this project will provide this section of Aleutian Homes with needed sewer and water system upgrades. The project represents a sizeable investment in City infrastructure. Construction management services help maximize this investment through the performance of various tasks throughout the construction cycle. Therefore, I support staff's recommendation that Council approve a Construction Management contract with DOWL HKM for the Aleutian Homes Water and Sewer Replacement Phase V, Segment A project.

ATTACHMENTS:

Attachment A: DOWL HKM Proposal

PROPOSED MOTION:

Move to authorize a professional services contract with DOWL HKM for the Aleutian Homes Water and Sewer Replacement Phase V, Segment A project in the amount of \$158,588, with funds coming from the Water Capital Improvement Fund, Project No. 10-03/7026 and authorize the City Manager to execute the documents on behalf of the City.



February 25, 2013
W.O. 60311.00

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

Subject: Proposal for Construction Management Services
Aleutian Homes Phase V - Segment A

Dear Mr. Melvin:

DOWL HKM is pleased to submit this proposal to provide additional design services and construction management services in Kodiak for the Aleutian Homes Phase V project during the summer of 2013. We are looking forward to working with you on this project. This proposal outlines our proposed scope of services and fee for your review.

BACKGROUND

In brief, the project involves replacement of existing outdated utilities buried under Thorsheim Street between Oak Avenue and Fir Street. As part of the utility replacement, the roadway itself will also require reconstruction. Therefore, new curb and gutter, sidewalk, and driveways will also be part of the project.

SCHEDULE

DOWL HKM assumes that construction is expected to begin in early May and extend into late July 2013. In general, we expect DOWL HKM inspectors will be working on this project approximately 11 hours per day, 6 days per week during this period. Part of this time may be spent in the DOWL HKM Kodiak office as our inspectors write inspection reports and prepare related documents. The majority of the inspector's time will be spent at the job site.

The inspectors will stay in Kodiak for approximately six weeks each. The outgoing inspector will stay a few days after the arrival of the incoming inspector, to allow for a smooth transition. The following is a list of our inspectors and the approximate dates they will be on-site (pending contractor schedule).

<u>Inspector</u>	<u>Date On-Site</u>
Chase Nelson, E.I., or Nick Fama, E.I.	May 3 to June 12, 2013
Colleen Wilt, E.I., or Mike Dunahoe, E.I.	June 10 to July 28, 2013

Our inspectors will work on other projects during bad weather days or other stops in construction work. The City of Kodiak will not be charged for time spent working on other projects.

POINTS OF CONTACT

Aaron Christie, P.E., will be the Contract Manager for the project and will oversee it for the duration. Aaron will travel to Kodiak twice during the project to review construction progress. Aaron will coordinate his travel with other Kodiak projects, allowing for travel time and costs efficiencies.

Eric Voorhees, P.E., will be the project manager for this project. With a strong background in construction and having spent several construction seasons in the field, including many months in Kodiak working on past Aleutian Homes projects, Eric is well suited as the project manager for the project. Eric will communicate with inspectors on day-to-day problem resolution and progress of the project. He will coordinate with Aaron Christie with any questions or concerns.

SCOPE OF WORK

Task 1 - Additional Design Services

DOWL HKM will provide additional design services to extend the proposed improvements further along Thorsheim Street, if desired by the City of Kodiak. DOWL HKM will locate manholes, valves, and catch basins at strategic locations and establish project limits that will allow future construction phases to occur with minimal disturbance to newly constructed facilities. We assume that a concept design will be established during the initial design meeting with the City of Kodiak, followed by a 65% design submittal. DOWL HKM will then submit a final design. Design will move quickly to allow the contractor time to order the materials needed for construction.

Inspection and On-Site Management

DOWL HKM's team will perform the following duties:

- Attend pre-construction conference in person. Additional project staff can attend via teleconference. This will be discussed in detail with the City of Kodiak staff before this meeting occurs.
- Eric Voorhees, P.E., will make periodic visits to the site and consult with DOWL HKM's inspectors. He will help resolve field issues and provide direction to the inspector.
- Perform inspection and material testing needed during construction. Material testing will include in-place field densities. Laboratory analysis can be provided as needed.
- Use inspection reporting procedures established during past Aleutian Homes projects. DOWL HKM will work with City of Kodiak staff to adjust reporting procedures, as necessary. You or your on-site representative will receive a copy of these weekly.

Construction Management Services

DOWL HKM's team will perform the following duties:

- Answer contractor questions, perform submittal reviews, and office engineering needed to address design modifications.

- Inform the City of Kodiak of out-of-scope construction items.
- Produce utility record drawings at the completion of the project.
- Produce water and sewer connect cards at the completion of the project.
- Coordination with the State of Alaska Department of Environmental Conservation to receive Approval to Operate.

PROPOSED FEE

DOWL HKM proposes to provide the services as outlined as follows:

Additional Design Services (Lump Sum).....	\$ 32,573
Inspection and On-Site Management (Time and Materials)	\$ 99,810
Construction Management Services (Time and Materials)	\$ 26,205
TOTAL	\$158,588

Our estimated fee for this work is \$158,588. This Inspection and On-site Management fee is based on an estimated 66 hours billable per week at a rate of \$115 per hour over 12 weeks. Provided we log at least 650 field hours on the project, this rate includes an allowance for on-site labor, reports, an inspection vehicle, telephone, travel time, overtime, mobilization/demobilization, project management, field supervision, per diem, and housing. If our inspection services total less than 650 hours, we will negotiate with you to cover expenses that cannot be covered by the hourly rate. Please see the attached spreadsheet for more detailed information.

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

Sincerely,
DOWL HKM



Aaron Christie, P.E.
Contract Manager

D60311.00.Melvin.ARC.022513.cam

Attachment(s): As stated

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

City of Kodiak

Date

**DOWL HKM
ESTIMATE FOR PROFESSIONAL SERVICES**

PROJECT:	Aleutian Homes Phase V Construction Management Services	WO#:	1124.60311
		DATE:	2/26/2013
CLIENT:	City of Kodiak	Prepared by:	ARC/EMV

Phase	Basic Services	Total Fees
Task 1	Additional Design Services(Lump Sum)	\$32,573
Task 2	Inspection and On-Site Management (T&M)	\$99,810
Task 3	Construction Management (T&M)	\$26,205
	Total For Basic Services	\$158,588

DOWL HKM

ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	Aleutian Homes Phase V Construction Management Services	WO#	1124-60311
		DATE:	2/26/2013
CLIENT:	City of Kodiak	Prepared by	ARC/BMY

Task	Phase Description	Labor Category	Contract Manager A. Christie \$165.00	Project Manager E. Voorhes \$120.00	On-site Eng./Inspect. Varies													Expenses	TOTALS
		Hourly Rate	\$165.00	\$120.00	\$115.00													10% Markup	
		Hours																	
Task 2	Inspection and On-Site Management (I&M)																		
	Mobilization, Demobilization and Travel		4	8	32														
	On-Site Inspection/Field Engineering (12 weeks @ 66 hr/week)			24	792														
	Shipping Construction Drawings, Documents, Materials																	\$550.00	
	Subtotal - Hours		4	32	824														
	Subtotal - Costs		\$660.00	\$3,840.00	\$94,760.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$550.00	\$99,810

DOWL HKM
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	Alexium Homes Phase V Construction Management Services	WO#	1124.60311
CLIENT:	City of Kodiak	DATE:	2/26/2013
		Prepared by	ARC/EMV

Task	Phase Description	Hourly Rate	Contract Manager A. Christie \$165.00	Project Manager E. Voorhes \$120.00	Engineer II N. Hayden \$105.00	Eng. Tech II	Expenses	TOTALS
Task 3	Construction Management (C&M)							
	Total For Basic Services		8					
	Coordination; ARC and COK		4	24				
	Project Budgeting, Schedule, Planning and Coordination		4	8	40			
	Submittal Review/Contractor Coordination		4	8	20	40		
	Connect Card Documentation		2	8	12	40		
	Record Drawing Documentation		1	4	12			
	Coordination with DEC to receive Approval to Operate							
	Shipping Construction Drawings, Documents, Materials						\$550.00	
	Subtotal - Hours		23	\$2	84	80	0	0
	Subtotal - Costs		\$3,795.00	\$6,240.00	\$8,820.00	\$6,890.00	\$0.00	\$0.00
								\$26,205

EXECUTIVE SESSION

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: April 11, 2013

Agenda Item: X.a. City Manager's Annual Evaluation

SUMMARY: Annually, the City Council reviews the performance of the City Manger. In accordance with the Open Meetings Act, the City Manager 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 Manager's annual performance evaluation.

APRIL 11, 2013
Agenda Item X. a Memo Page 1 of 1