

City of Kodiak Regular Council Meeting Agenda for February 13, 2014
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

I. Call to Order/Roll Call	
Pledge of Allegiance/Invocation	
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d. Resolution No. 2014–10, Authorizing the Borrowing From the Alaska Drinking Water Fund of an Aggregate Amount not To Exceed \$2,500,000 to Pay for the Construction of the Monashka Pumphouse	76
e. Authorization of an Agreement With Kodiak Electric Association and Horizon Lines of Alaska, LLC for Electrical Improvements to the Pier III Replacement Project No. 8024	102
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a. City Manager	
b. City Clerk	
VII. Mayor’s Comments	
VIII. Council Comments	
IX. Audience Comments (limited to 3 minutes) (486-3231)	
X. Adjournment	

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DRAFT

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, JANUARY 16, 2014
IN THE BOROUGH CONFERENCE ROOM**

I. MEETING CALLED TO ORDER

Deputy Mayor Gabriel T. Saravia called the meeting to order at 7:30 p.m. Councilmembers Terry J. Haines, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Mayor Pat Branson and Councilmembers Randall C. Bishop and Charles E. Davidson were absent. City Manager Aimee Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson 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 December 12, 2013, Regular Council Meeting and December 10 and December 19, 2013, Special Meetings.

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

III. PERSONS TO BE HEARD

a. Public Hearing on Report of Demolished Building at 1118 Mission Road

Staff worked with the City Attorney to follow the process required by the Uniform Code for the Abatement of Dangerous Buildings (Uniform Code) to demolish the abandoned building that was previously located on the property at 1118 Mission Road. It was necessary for the City to demolish the abandoned building because it had deteriorated over the years and had become a serious hazard. Prior to the public hearing, the Clerk posted the public hearing notification in the newspaper and sent notification to the owner of the property in accordance with Uniform Code requirements. The property owner did not respond to numerous requests from the City to resolve the matter.

Deputy Mayor Gabriel Saravia closed the regular meeting and opened the public hearing.

Dolores L. Padilla-Kairaiuak via telephone said she became aware of the public hearing in December 2013. She referred to her formal letter of protest to the Mayor and City Council regarding the demolition and removal of her house.

Mike Rostad said he was a family friend of Dolores Padilla-Kairaiuak and inquired if a certified letter was sent to her.

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

b. Public Comments

None

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

a. First Reading, Ordinance No. 1314, Authorizing Lease No. 211696 Between the City of Kodiak and ACS of the Northland, Inc. for Pillar Mountain Communication Site No. 10

Deputy Mayor Gabriel Saravia read Ordinance No. 1314 by title. Alaska Communications Systems of the Northland (ACS) (formerly PTI Communications) has maintained a lease for the Pillar Mountain communication Site No. 10 with the City since at least the mid-1990s. ACS wishes to renew the lease for five years with the same terms.

Councilmember Walker MOVED to pass Ordinance No. 1314 in the first reading and advance to second reading and public hearing at the next regular Council meeting.

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

b. Resolution No. 2014-02, Rescinding Resolution No. 06-27, Which Authorized the Future Use of the Downtown Restroom/Police Substation by the Kodiak Maritime Museum for Their Peggy Dyson Exhibit

Deputy Mayor Gabriel Saravia read Resolution No. 2014-02 by title. Adoption of this resolution will rescind a previous resolution from 2006, which provided the Kodiak Maritime Museum (KMM) with an exclusive option to use the office space in the City's former police substation for an interpretive display.

Councilmember Haines MOVED to adopt Resolution No. 2014-02.

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

c. Resolution 2014-03, Adopting a Policy for Use by the Mayor and Council Members of City-Issued iPads

Deputy Mayor Gabriel Saravia read Resolution No. 2014-03 by title. Electronic communication has become a universal method of business communication. The City's elected officials receive numerous email messages and other electronic communication from staff and community mem-

bers related to their duties as elected officials. The Mayor and Council are presently using personal equipment to receive and send electronic communication related to City business. This practice presents a liability, because personal equipment may be seized in the event of a records discovery request. Staff recommended that the Council authorize the purchase of iPads for use by the Mayor and City Council.

Councilmember Whiddon MOVED to adopt Resolution No. 2014-03.

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

d. Resolution 2014-04, Expressing Strong Support for Governor Parnell's Proposal to Appropriate \$3 Billion From the Constitutional Budget Reserve Into the Alaska Retirement Funds in 2015

Deputy Mayor Gabriel Saravia read Resolution No. 2014-04 by title. The City was contacted by Ray Gillespie, the state lobbyist, and Alaska Municipal League (AML) asking local governments to support Governor Parnell's budget proposal, which would move \$3 billion from the Constitutional Budget Reserve (CBR) into the state PERS and TRS retirement trust funds to help offset the unfunded liability, which is estimated at \$12 billion.

Councilmember Walker MOVED to adopt Resolution No. 2014-04.

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

e. Resolution No. 2014-05, Authorizing the Subletting of the Right to Manage and Operate the Leased Premises Under the Lease of Pillar Mountain Communications Site No. 11 From an AT&T Subsidiary to CCATT, LLC

Deputy Mayor Gabriel Saravia read Resolution No. 2014-05 by title. The City has a current lease for Pillar Mountain Communication Site No. 11 with AT&T. AT&T requested transfer of the lease from AT&T to Crown Castle International, an affiliate of AT&T, for the management and operation of the tower site.

Councilmember Whiddon MOVED to adopt Resolution No. 2014-05.

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

f. Authorization of Assessment for the Demolition Costs at 1118 Mission Road and Recording of a Lien Against the Property

Staff worked with the City Attorney to follow the process required by the Uniform Code for the Abatement of Dangerous Buildings (Uniform Code) to demolish the abandoned building that previously occupied the property at 1118 Mission Road. It was necessary for the City to demolish the abandoned building, because it had deteriorated over the years and had become a serious

hazard. The property owner did not respond to numerous requests from the City to resolve the matter.

Councilmember Haines MOVED to authorize the assessment of demolition costs at 1118 Mission Road and authorize City staff to record a lien against the property.

Councilmember Whiddon inquired if interest could be charged for the property.

Manager Kniazowski has sent this inquiry to the attorney but she has not received a response at this time.

Councilmember Whiddon MOVED to amend the motion by inserting “including charging interest if doing so is legally authorized.”

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

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

g. Authorization of Trident Basin Fuel Facility and Pipeline Easement Agreement

Trident Basin is a very active float plane facility with many users. The need for a public fueling facility continues to be important to Trident Basin and the community as a means to support aviation activities, particularly float planes. The present lease expired in June 2013 and Sea Hawk Air requested the agreement be renewed.

Councilmember Walker MOVED to approve Lease and Pipeline Easement Agreement No. 211923 with Sea Hawk Air, Inc. for a term of five years from January 1, 2014, through December 31, 2018, and authorize the City Manager to execute the necessary documents.

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

h. Authorization of City Clerk’s Employment Agreement

This action will authorize the City Clerk’s employment agreement, which was negotiated at the December 12, 2013, regular meeting.

Councilmember Whiddon MOVED to authorize City Clerk’s employment agreement, Record No. 212898, as negotiated on December 12, 2013.

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

VII. STAFF REPORTS

a. City Manager

Manager Kniaziowski said she has been working with Ray Gillespie and Borough staff to prepare for and identify the meetings to be scheduled during the lobbying sessions in February. She announced the reception will be Thursday, February 27, 2014.

Manager Kniaziowski said one of the two AT&T satellite dishes adjacent to the Library has been removed.

Manager Kniaziowski thanked and congratulated Finance Director Mary Munk and staff for achieving the Government Financial Officers Association (GFOA) award. The GFOA is a distinguished budget award given by the Governor. She said this is the 10th or 11th award that Finance Director Munk has received.

Manager Kniaziowski said the drawings are 65 percent complete for the Monashka Pumphouse, and the Pier III drawings are nearly 100 percent complete.

She said the annual planning meeting is scheduled for Saturday, February 8, 2014, from 10 a.m. until 2 p.m.

Manager Kniaziowski said Roe Sturgulewski is working with staff and the contractor to resolve a few warranty items at the Library.

She said that the baseball field is holding water, which was referenced in the Kodiak Daily Mirror. She said the work on the baseball field is under warranty and will be handled by OHNO Construction Co. and DA Hogan & Associates Inc.

Manager Kniaziowski announced that a joint work session is tentatively scheduled for Thursday, January 30, 2014, at 6:30 p.m.

b. City Clerk

City Clerk Marlar discussed the upcoming meeting schedule with the Council and informed the public of the next scheduled Council work session and regular meeting.

Clerk Marlar expressed her appreciation for the Council's support and said she has enjoyed serving as Clerk for 14 years and looks forward to continuing to work for the Council and the community.

VIII. MAYOR'S COMMENTS

Deputy Mayor Gabriel Saravia did not have comments on behalf of the Mayor.

IX. COUNCIL COMMENTS

Councilmember Haines gave an update from the National Marine Fisheries Service meeting he attended. He commented the fisherman and agency seem to be working well together.

Councilmember Walker he said he is glad the Council doubled up on the meeting schedule to accomplish the business that needed to be done. He said he supports the Governor’s bill, because it will stabilize and save funds in the long term. He looks forward to going to the legislative session to lobby for Kodiak projects.

Councilmember Whiddon commented that the Fisheries Analyst RFP will close on January 21, 2014. He gave a fishing update. He voiced appreciation of staff attendance at the meeting.

Councilmember Saravia thanked Clerk Marlar for her years of service. He congratulated Finance Director Munk for obtaining the financial award. He gave a fishing update. He asked the public to be cautious of children on the roads because of the darkness.

X. AUDIENCE COMMENTS

None

XI. ADJOURNMENT

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 8:26 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

<p>DRAFT</p>

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, JANUARY 21, 2014
IN THE BOROUGH CONFERENCE ROOM**

I. MEETING CALLED TO ORDER

Deputy Mayor Gabriel T. Saravia called the meeting to order at 6 p.m. Councilmembers Charles E. Davidson, Terry J. Haines, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Mayor Pat Branson and Councilmember Randall C. Bishop were absent. Finance Director Mary Munk and City Clerk Debra L. Marlar were also present.

II. PUBLIC COMMENTS

None

III. EXECUTIVE SESSION

a. Discussion of Horizon Lines Contract Negotiations

Councilmember Davidson MOVED to enter into executive session to discuss Horizon Lines contract negotiations.

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

The Council entered into Executive Session at 6 p.m.

The regular meeting reconvened at 7:30 p.m.

IV. ADJOURNMENT

Councilmember Haines 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 7:31 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, JANUARY 23, 2014
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, Terry J. Haines, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Randall C. Bishop was absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson 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 January 7, 2014, special meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Stalking Awareness Month

Mayor Branson read the proclamation, which acknowledges stalking as a serious crime and applauds the efforts of victim service providers, police officers, prosecutors, national and community organizations, and private sector supporters for their efforts in assisting victims and promoting awareness about stalking.

Sandra Wilkins accepted the proclamation for the Kodiak Women's Resource and Crisis Center and thanked the Mayor and Council for their support.

b. Public Comments

Joe Dinnocenzo, member of the Kodiak Chapter of the Farm Bureau, requested support for the reinstatement of a full-time cooperative extension agent in Kodiak. He said he collected signatures on a petition for support of funding and has given it to legislators. He stated the Kodiak Island Borough recently approved a support resolution, and he asked the Council to consider adopting a City resolution. He indicated his goal was to demonstrate broad community support for the reinstatement of the agent.

Roland Ruoss, President of Seahawk Air, Inc. said he was present because of the Trident Basin fund deficit article that was published in the newspaper. He said after reviewing the article, he scheduled time with the City Finance Director to explain the deficit, which he learned was large-

ly due to depreciation. He said a significant investment was made in Trident Basin over the last ten years. He said he appreciates the City's financial contribution and would be available to help work on resolving the deficit. He expressed appreciation for the facility and said it improves the businesses within the area. He acknowledged Herman Beukers for setting up Trident Basin years ago.

IV. UNFINISHED BUSINESS

a. **Second Reading, Ordinance No. 1314, Authorizing Lease No. 211696 Between the City of Kodiak and ACS of the Northland, Inc. for Pillar Mountain Communication Site No. 10**

Mayor Branson read Ordinance No. 1314 by title. Alaska Communications Systems of the Northland (formerly PTI Communications) has maintained a lease for the Pillar Mountain communication Site No. 10 with the City since at least the mid-1990s. ACS wishes to renew the lease for five years with the same terms. Council passed Ordinance No. 1314 in the first reading at their January 16 meeting and advanced it to second reading and public hearing at this meeting.

Councilmember Haines MOVED to adopt Ordinance No. 1314.

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. **First Reading, Ordinance No. 1315, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2013 and Ending on the Thirtieth Day of June 2014**

Mayor Branson read Ordinance No. 1315 by title. Supplemental appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2013 and ending on the thirtieth day of June 2014 is in the amount of \$1,472,180. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. These adjustments are for the operating funds, as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. This is the first budget amendment of FY2014.

Councilmember Walker MOVED to pass Ordinance No. 1315 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

b. **Resolution No. 2014-06, Adopting the Federal Fiscal Year 2014 Prioritized Federal Capital Improvements Program List**

Mayor Branson read Resolution No. 2014–06 by title. Each year the City identifies capital improvement projects important to the maintenance and/or improvement of the City’s infrastructure, as well as issues that are important to the City or larger community. The Council reviewed and discussed a list of proposed federal requests at the January 14 and January 21 work sessions and indicated support for the projects and issues as listed. Resolution No. 2014–06 reflects that list, which staff and the City’s federal lobbyist recommend for approval.

Councilmember Whiddon MOVED to adopt Resolution No. 2014–06.

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

c. Resolution No. 2014–07, Certifying the FY2014 Shared Fisheries Business Tax Program Application to Be True and Correct

Mayor Branson read Resolution No. 2014–07 by title. Resolution No. 2014–07 certifies that the City of Kodiak’s FY2014 Shared Fisheries Business Tax Program application is true and correct. This resolution adopts the long form using the standard method application for FY2014. This is the thirteenth year that the long form has been used.

Councilmember Davidson MOVED to adopt Resolution No. 2014–07.

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

d. Authorization of Lease With MorphoTrust USA, Inc. for Office Space at 411 Marine Way

MorphoTrust USA, Inc, the local TWIC contractor, requested a two-year lease for the office space at 411 Marine Way, the downtown restroom building, effective from January 1, 2014, to December 31, 2015. MorphoTrust has occupied this space since early last summer with a short-term lease. The space meets MorphoTrust USA needs, and the office is open two days weekly for TWIC enrollment. The Kodiak Maritime Museum, which previously held the lease, withdrew its plan to establish an exhibit in this space.

Councilmember Haines MOVED to authorize a two-year lease between the City of Kodiak and MorphoTrust USA for the lease of the office space located at 411 Marine Way for the purpose of TWIC card enrollment 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.

e. Acceptance of the FY2013 Comprehensive Annual Financial Report (Audit)

Each year the City Council retains a qualified accounting 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, which has been done by motion.

Councilmember Walker MOVED to accept the City's Fiscal Year 2013 Comprehensive Annual Financial Report.

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

Manager Kniaziowski said she has been working with Ray Gillespie to determine the types of appointments that will be scheduled when in Juneau for the February 27, 2014, legislative reception. She encouraged Councilmembers to attend and to participate in the meetings.

Manager Kniaziowski acknowledged the full stand up of the Emergency Operation Center (EOC) on Friday, January 17, 2014, to respond to the heavy rains and mudslides. She thanked the various participants, including the Kodiak Island Borough, which fully participated in the effort.

Manager Kniaziowski acknowledged the work of the Kodiak Police department in response to two large drug arrests recently.

She said that the design drawings are going well with the Pier III project. She said it was crucial to retain funding for the Aleutian homes Phase V and the Monashka Pumphouse projects to keep the schedule on target.

Manager Kniaziowski indicated that the Council planning work session has been moved to Saturday, February 1, 2014, from February 8, 2014, due to a conflict with the grand opening of the long-term care center. She said the joint work session is scheduled for Thursday, January 30, 2014, in the Borough Assembly Chambers.

Manager Kniaziowski said she, KIB Manager Bud Cassidy, and KANA representatives met with the State Economist from the Department of Labor at the request of Rebecca Skinner. She indicated the information will be compiled and brought to the Council when it is completed.

She said that James Brooks with the Kodiak Daily Mirror is leaving Kodiak and he will be missed.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work session and regular and special meetings. She confirmed that a quorum of the Council was available to attend the February 1, 2014, planning work session.

Clerk Marlar expressed her appreciation to James Brooks.

VII. MAYOR'S COMMENTS

Mayor Branson thanked Deputy Mayor Saravia for filling in during her absence. She thanked James Brooks and wished him well in his professional career. She said she was pleased with the audit and City finances, specifically turning around the deficit. She congratulated the Kodiak Police department for its recent drug arrests and stated illegal drugs should not be tolerated in the community. She thanked those that responded to the emergency response last week, and said she was pleased that there were trained individuals that responded.

Mayor Branson said the Downtown Kodiak Revitalization Special Committee meeting is scheduled for Monday, January 27, 2014, at 5 p.m. at the Senior Center. She said the committee will discuss the priorities they would like to bring to the Council in the future. She also announced the Fisheries Work Group will meet on Monday, January 27, 2014, at 8:30 a.m. in the Borough conference room.

VIII. COUNCIL COMMENTS

Councilmember Saravia welcomed Mayor Branson back and thanked James Brooks for his service to the community and said he hopes Mr. Brooks has accepted a good and profitable job. He thanked Chief Wallace and staff for their service to the community. He said he was pleased with the Emergency Center and the staff response. He gave a fishing update.

Councilmember Whiddon welcomed Mayor Branson back to Kodiak. He thanked Finance Director Munk for her work with the City finances. He stated he appreciated the Kodiak Police department for their work and the arrests they made recently. He said he is interested in exploring a community meeting in the future because of the drug issues within the community.

Councilmember Davidson said he was very pleased with the City finances and happy the auditors confirmed that it was a good financial year for the City. He congratulated the Kodiak Police department for successfully dealing with the drug activities that many communities in Alaska face. He thanked James Brooks for his thorough reporting at the local newspaper.

Councilmember Haines said he was very excited about the financial report and thanked Finance Director Munk. He stated he supports the TWIC office. He is also a supporter of the Peggy Dyson exhibit. He commented he wished the fishing tax benefited Kodiak in a more direct manner. He said that James Brooks did excellent writing while he was in Kodiak, which has enhanced the understanding of the community activities for the public, and he wished him well in his future endeavors.

Councilmember Walker thanked Deputy Mayor Saravia for filling in for Mayor Branson. He thanked the City employees and the Clerk's Office for their assistance. He thanked James Brooks and said he will be missed. He urged the public to ask questions about community activities but to be cautious of spreading misinformation. He offered prayers to Mark Kozak and his family during his surgery.

IX. AUDIENCE COMMENTS

None

X. EXECUTIVE SESSION

a. City Manager's Evaluation

Councilmember Whiddon MOVED 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.

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

The Council entered executive session at 8:17 p.m.

Councilmember Saravia left the meeting at 9:15 p.m.

The regular meeting reconvened at 10 p.m.

XI. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Davidson, Haines, Walker, and Whiddon in favor. Councilmember Saravia was not present. Councilmember Bishop was absent. The motion passed.

The meeting adjourned at 10:03 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: February 13, 2014

Agenda Item: III. a. Proclamation: Teen Dating Violence Awareness and Prevention Month

SUMMARY: This proclamation encourages all citizens of Kodiak to actively support and participate in the ongoing programs designed to reduce and eventually eliminate teen dating violence.

ATTACHMENTS:

Attachment A: Proclamation: Teen Dating Violence Awareness and Prevention Month

Proclamation Declaring Teen Dating Violence Awareness & Prevention Month

WHEREAS, teen dating violence, a pattern of controlling behaviors by one teen over another in a relationship, is a crime that impacts youth and families in Alaska and across the country; and,

WHEREAS, protecting Alaska's most valuable resource, our youth, demands both awareness and action as we strive to ensure their health, safety, and well-being as they develop into the next generation of leaders, parents, and strong role models; and

WHEREAS, teen dating violence includes verbal, emotional, or physical abuse and one in 11 adolescents report being a victim of physical dating violence, and more than one in four have been in a relationship where a partner is verbally abusive; and,

WHEREAS, victims of violent relationships in adolescence suffer not only from the crime itself, but from severe potential long-term consequences, including higher risk for substance abuse and eating disorders; and,

WHEREAS, Teen Dating Violence Awareness & Prevention Month provides an excellent opportunity for citizens to learn more about preventing dating violence and to show support for the organizations and individuals who provide critical advocacy, services, and assistance to victims.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim the month of February 2014 as

TEEN DATING VIOLENCE AWARENESS & PREVENTION MONTH

in Kodiak and encourage all citizens of Kodiak to actively support and participate in the ongoing programs designed to reduce and eventually eliminate teen dating violence.

Dated this 13th day of February 2014.



City of Kodiak

Pat Branson, Mayor

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UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members
From: Aimée Kniaziowski, City Manager 
Thru: Mary Munk, Finance Director 
Date: February 13, 2014

Agenda Item: IV. a. Second Reading and Public Hearing, Ordinance No. 1315, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2013 and Ending on the Thirtieth Day of June 2014

SUMMARY: The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2013 and ending on the thirtieth day of June 2014 is in the amount of \$1,472,180. 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 first budget amendment of FY2014. Staff recommends Council adopt Ordinance No. 1315 following the public hearing.

PREVIOUS COUNCIL ACTION:

- June 13, 2013, Council adopted Ordinance No. 1309 for the FY2014 budget in the amount of \$41,574,208 commencing on the first day of July 2013 and ending on the thirtieth day of June 2014.
- January 23, 2014, Council passed Ordinance No. 1315, Supplemental Appropriation No. 1 to the FY2014 budget, in the first reading.

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 Appropriation No. 1 is requesting the addition of \$1,472,180 to the adopted budget bringing the total amended budget to \$43,046,388 for FY2014.

The Supplemental Appropriation No. 1 is requesting an increase in non-capital funds in the amount of \$1,519,207 and a decrease in capital funds in the amount of \$47,027. Of the \$1,519,207 increase for non-capital funds, \$921,584 is a transfer to the Enhancement Fund from the General Fund based on KCC 3.28.020. KCC 3.28.020 states that 50 percent of the prior fiscal year's General Fund surplus shall be deposited in the City Enhancement Fund. The General Fund surplus is defined as the excess of revenues and other financing sources over expenditures and other financing uses, plus any residual equity transfers in, less any residual equity transfers out, as identified in the audited General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance. The audited net change in fund balance for the year ending June 30, 2013, was \$1,843,167. The remaining \$597,623 in non-capital funds is for adjustments not anticipated due to grant funds received, overtime incurred from staff turnover, increases in utility expenses, and increases in professional fees. Capital projects decreased overall as a result of the closure of completed projects. Additions to projects included the Homeland Security Project in the amount of \$47,973, the Monashka Pumphouse Project in the amount of \$500,000, the Aleutian Homes Phase V Project in the amount of \$5,000, and the Major Park Improvement Project in the amount of \$50,000. Project closures amount to \$650,000, resulting in an overall decrease of \$47,027.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 1 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 FY2014 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 adopt Ordinance No. 1315 Supplemental Appropriation No. 1 to the FY2014 budget following in the public hearing.

CITY MANAGER'S COMMENTS: The City traditionally adopts one major budget amendment each fiscal year to make necessary adjustments to cover changes or additions to projects, to account for the receipt of additional revenues, and increased operating expenses. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes.

Additionally, I recommend Council approve an amendment to the Supplemental by increasing the General Fund by \$85,000 for additional Fire Department overtime expenses. The Finance Director, Fire Chief, and I reviewed the request recently, and I approved including it in the Supplemental as an amendment. This would increase the General Fund additions to \$1,136,207 from \$1,051,207. Therefore, I recommend Council adopt Ordinance No. 1315 after the public hearing and the amendment.

ATTACHMENTS:

Attachment A: Ordinance No. 1315

Attachment B: Backup descriptions containing details and summaries by each fund

Attachment C: Backup line item detail to budget.

PROPOSED MOTIONS:

1. Move to adopt Ordinance No. 1315.
2. Move to amend Ordinance No. 1315 by adding \$85,000 to General Fund expenses for Fire Department overtime, with funds coming from the General Fund fund balance and direct the Finance Director to adjust budget totals accordingly.

CITY OF KODIAK ORDINANCE NUMBER 1315

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING SUPPLEMENTAL APPROPRIATION NO. 1 TO THE BUDGET FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2013 AND ENDING ON THE THIRTIETH DAY OF JUNE 2014

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 2014.

FY 2014 Supplemental Budget				
GENERAL FUND				
	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Property Tax	\$ 773,500	\$ -	\$ -	\$ 773,500
Sales Tax	11,630,000	-	-	11,630,000
Licenses and Permits	76,800	15,000	-	91,800
Intergovernmental	2,589,448	(40,809)	-	2,548,639
Charges for Services	1,633,193	297,241	-	1,930,434
Fines and Forfeitures	20,500	-	-	20,500
Interest Income	45,000	-	-	45,000
Rental Income	180,000	-	-	180,000
Other Revenues	43,800	-	-	43,800
Interfund Charges	882,869	-	-	882,869
Use of Fund Balance	1,156,232	779,775	-	1,936,007
Transfers In	-	-	-	-
Total Amended Revenues	\$ 19,031,342	\$ 1,051,207	\$ -	\$ 20,082,549
Planned Expenditures:				
Legislative	\$ 302,660	\$ 2,000	\$ -	\$ 304,660
Legal	50,000	-	-	50,000
Executive	518,015	28,338	-	546,353
Emergency Preparedness	56,500	-	-	56,500
City Clerk	454,300	4,287	-	458,587
Finance	1,351,521	-	-	1,351,521
Police	6,794,359	39,098	-	6,833,457
Fire	1,851,093	8,500	-	1,859,593
Public Works	2,331,959	-	-	2,331,959
Engineering	255,849	-	-	255,849
Parks & Recreation	1,359,945	-	-	1,359,945
Library	966,805	47,400	-	1,014,205
Non-Departmental	738,531	-	-	738,531

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	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,910</u>
Planned Expenditures:				
Tourism Development	\$ 142,860	\$ -	\$ -	\$ 142,860
KFDA	60,050	-	-	60,050
City Enhancement	-	-	-	-
Total Amended Expenditures	<u>\$ 202,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 202,910</u>

CAPITAL PROJECTS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
300 General Capital Projects	\$ 562,500	\$ 47,973	\$ -	\$ 610,473
315 Vehicle Replacement Capital	72,305	-	-	72,305
301 Street Improvements	450,000	(365,000)	-	85,000
302 Building Improvements	-	-	-	-
305 Water Capital Fund	3,450,000	505,000	-	3,955,000
306 Sewer Capital Fund	-	(285,000)	-	(285,000)
307 Cargo Development Fund	-	100,000	-	100,000
308 Harbor Development	-	(100,000)	-	(100,000)
309 Parks & Recreation Fund	-	50,000	-	50,000
Total Amended Revenues	<u>\$ 4,534,805</u>	<u>\$ (47,027)</u>	<u>\$ -</u>	<u>\$ 4,487,778</u>
Planned Expenditures:				
300 General Capital Projects	\$ 562,500	\$ 47,973	\$ -	\$ 610,473
315 Vehicle Replacement Capital	72,305	-	-	72,305
301 Street Improvements	450,000	(365,000)	-	85,000
302 Building Improvements	-	-	-	-
305 Water Capital Fund	3,450,000	505,000	-	3,955,000
306 Sewer Capital Fund	-	(285,000)	-	(285,000)
307 Cargo Development Fund	-	100,000	-	100,000
308 Harbor Development	-	(100,000)	-	(100,000)
309 Parks & Recreation Fund	-	50,000	-	50,000
Total Amended Expenditures	<u>\$ 4,534,805</u>	<u>\$ (47,027)</u>	<u>\$ -</u>	<u>\$ 4,487,778</u>

ENTERPRISE FUNDS

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Cargo Fund 500	\$ 1,052,675	\$ 453,000	\$ -	\$ 1,505,675
Harbor Fund 510	3,486,750	-	-	3,486,750
Boat Yard/Lift 512	1,331,698	-	-	1,331,698
Electric Fund 515	697,854	-	-	697,854
Water Fund 550	4,421,088	15,000	-	4,436,088
Sewer Fund 570	5,768,895	-	-	5,768,895
Trident Basin Fund 580	381,120	-	-	381,120
E-911 Services	74,570	-	-	74,570
Total Amended Revenues	<u>\$ 17,214,650</u>	<u>\$ 468,000</u>	<u>\$ -</u>	<u>\$ 17,682,650</u>

ENTERPRISE FUNDS CONTINUED

Planned Expenditures:				
Cargo Fund 500	\$ 1,052,675	\$ 453,000	\$ -	\$ 1,505,675
Harbor Fund 510	3,486,750	-	-	3,486,750
Boat Yard/Lift 512	1,331,698	-	-	1,331,698
Electric Fund 515	697,854	-	-	697,854
Water Fund 550	4,421,088	15,000	-	4,436,088
Sewer Fund 570	5,768,895	-	-	5,768,895
Trident Basin Fund 580	381,120	-	-	381,120
E-911 Services	74,570	-	-	74,570
Total Amended Expenditures	<u>\$ 17,214,650</u>	<u>\$ 468,000</u>	<u>\$ -</u>	<u>\$ 17,682,650</u>

INTERNAL SERVICE FUND

	Amended Budget	Supplemental #1	Supplemental #2	Revised Budget
Anticipated Revenues:				
Self Insurance Fund	\$ 590,501	\$ -	\$ -	\$ 590,501
Total Amended Revenues	<u>\$ 590,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,501</u>
Planned Expenditures:				
Self Insurance Fund	\$ 590,501	\$ -	\$ -	\$ 590,501
Total Amended Expenditures	<u>\$ 590,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 590,501</u>
Total Revenues	\$ 41,574,208	\$ 1,472,180	\$ -	\$ 43,046,388
Total Expenditures	\$ 41,574,208	\$ 1,472,180	\$ -	\$ 43,046,388

Section 2: This ordinance shall be in full force and effect from and after its passage as required by law.

CITY OF KODIAK

DEPUTY MAYOR

ATTEST:

CITY CLERK

First Reading: January 23, 2014

Second Reading:

Effective Date:

**CITY OF KODIAK
FY 2014 Supplemental**

	Adopted		Capital Project		Supplemental		Total	Revenues & Expenses		Difference	%
	Budget 2014	Rollover 2013	#1 2014	#2 2014	#1 2014	#2 2014		Budget 2014	As of 12/31/2013		
Fund 100 General Fund											
REVENUES:											
310.100 Property Taxes	770,000						770,000	459,102	310,898	60%	
310.111 PILOT from KIHA	3,500					3,500	3,500	2,948	552	84%	
310.200 Sales Taxes	11,600,000					11,600,000	3,301,701	8,298,299	28%		
310.900 Penalty & Interest	30,000					30,000	8,634	21,366	29%		
320.000 License & Permits	76,800		15,000			91,800	58,980	32,820	64%		
										Increase in Permits for FY 2014	
330.100 PERS Relief	804,708		291			804,999	-	804,999	0%		
										Increase in Department 120 - Clerks	
330.105 State Revenue Sharing	400,065		2,000			402,065	401,964	101	100%		
										Higher then anticipated	
330.130 Fish Tax - Dept of Rev	1,253,000		(63,000)			1,190,000	1,189,750	250	100%		
										Lower then anticipated	
330.131 Fish Tax - DCED (Shared Fish Tax)	50,000					50,000	15,331	34,669	31%		
330.140 Fuel Tax Sharing	7,075					7,075	5,859	1,216	83%		
330.150 Alcohol Beverage Sharing	15,000					15,000	-	15,000	0%		
330.160 Utility Revenue Sharing	38,100					38,100	-	38,100	0%		
										\$1,300 - DOC grant for Prisoner	
330.300 State Grant Capital	15,000		9,800			24,800	1,300	23,500	5%		
										Wheelchair, \$8,500 - MOU ADEC	
										Equipment Purchase	
330.305 State Grant - Operations	6,500		100			6,600	9,632	(3,032)	146%		
330.325 Federal Grant - Operations	-		10,000			10,000	1,280	8,720	13%		
										Federal Grant EMPG	
340.100 Boarding of Prisoners	1,133,993		74,297			1,208,290	907,560	300,710	75%		
										6/27/2013 Authorized 5 year Jail	
340.110 State Trooper Comm Contract	120,000					120,000	19,688	100,313	16%		
340.120 Other Police Services	20,000					20,000	723	19,277	4%		
340.130 Police Protective Custody	2,000					2,000	2,035	(35)	102%		
										Contract with Alaska DOC	
340.210 Borough Animal Control Services	-		72,944			72,944	(56)	73,000	0%		
										New KIB Agreement - \$109,415	
										annually. Prorated November 1 -	
										June 30 = \$72,944.	
340.240 Borough Building Inspections	140,000					140,000	31,498	108,502	22%		
340.300 Ambulance Services	70,000		150,000			220,000	137,610	82,390	63%		
										Outsourced Ambulance Billing	
340.310 Fire Miscellaneous	7,000					7,000	-	7,000	0%		
340.405 School Lifeguard Services	12,000					12,000	7,869	4,131	66%		
340.405 Parks & Recreation Revenues	100,000					100,000	48,407	51,593	48%		
340.520 Library Revenue	18,000					18,000	7,783	10,217	43%		
340.545 Miscellaneous Service Charges	10,200					10,200	8,316	1,884	82%		
350.100 Fines & Forfeits	20,500					20,500	6,742	13,758	33%		
360.100 Interest on Investments	45,000					45,000	3,393	41,607	8%		
363.100 Rents & Royalties	180,000					180,000	133,818	46,182	74%		
375.600 Miscellaneous other	43,800					43,800	1,709	42,091	4%		
380.100 Cargo Terminal Services	85,270					85,270	85,270	-	100%		
380.110 Boat Harbor Services	85,270					85,270	85,270	-	100%		
380.115 Boat Yard Service	85,270					85,270	85,270	-	100%		
380.118 Electric	63,951					63,951	63,951	-	100%		
380.120 Water Services	85,260					85,260	85,260	-	100%		
380.121 Sewer Services	85,260					85,260	85,260	-	100%		
380.125 Trident Basin	42,630					42,630	42,630	-	100%		
380.130 Tourism Services	36,860					36,860	36,860	-	100%		
380.150 Public Works	184,503					184,503	184,503	-	100%		
380.190 Engineering/Inspections Fees	56,290					56,290	56,290	-	100%		
380.400 Vehicle Replacement	72,305					72,305	39,270	33,035	54%		
385.100 Approp. From Fund Balance	1,156,232		779,775			1,936,007	-	1,936,007	0%		
390.780 Transfer In	-		-			-	-	-	-	Use of Fund Balance	
TOTAL REVENUES	19,031,342		1,051,207			20,082,549	7,623,431	12,459,118	38%		

EXPENDITURES:									
Legislative	302,660	2,000	304,660	95,144	209,516	31%	Data Plans for iPads for City Business, Annual Dues were higher than anticipated		
Legal	50,000		50,000	11,895	38,105	24%			
Executive	518,015	28,338	546,353	174,495	371,858	32%	Vehicle purchase for City Manager \$25,338, Fuel \$3,000		
Emergency Preparedness	56,500		56,500	17,393	39,107	31%			
City Clerk - Clerk	297,475	3,529	301,004	116,521	184,483	39%	\$3,029 Salary and Benefit Adjustments, \$500 Supplies		
City Clerk - Records	156,825	758	157,583	63,091	94,492	40%	Salary and Benefit Adjustments		
Finance	1,351,521		1,351,521	595,520	756,001	44%			
Police	6,794,359	39,098	6,833,457	2,601,457	4,232,000	38%	\$1,300 - DOC grant for Prisoner Wheelchair, \$600 for sub-dept 148 Canine professional vet services, \$9,056 Admin to remove radio channels, \$5,500 School Resource for overtime, \$5,800 Police Canine for overtime, \$4,750 Police Canine for concrete pad & dog house, \$1,000 Animal Control for uniforms and \$10,892 Corrections for Fingerprint Scanner.		
Fire	1,851,093	8,500	1,859,593	885,711	973,882	48%	\$8,500 - MOU ADEC Equipment Purchase		
Public Works	2,331,959		2,331,959	861,642	1,470,317	37%			
Engineering	255,849		255,849	90,161	165,688	35%			
Parks & Recreation	1,359,945		1,359,945	539,797	820,148	40%			
Library	966,805	47,400	1,014,205	374,731	639,474	37%	\$27,400 Interim Library Director, Additional expenses related to new building		
Non-Departmental	738,531		738,531	561,287	177,244	76%			
Transfers	1,999,805	921,584	2,921,389	1,966,770	954,619	67%	Transfers: Transfer 1/2 of 6/30/13 surplus to Enhancement Fund Code 3.28.020 - \$921,584.		
TOTAL EXPENDITURES	19,031,342	-	20,082,549	8,955,615	11,126,934	45%			
Fund 251 Tourism Development									
Revenues:									
Hotel/Motel Tax	142,860		142,860	75,021	67,839	53%			
Interest on Investments	-		-	-	-				
Approp. From Fund Balance	-		-	-	-				
Revenues:	142,860	-	142,860	75,021	67,839	53%			
Expenditures:									
	142,860	-	142,860	110,360	32,500	77%			
Fund 254 KFPA									
Revenues:									
Rents	60,000		60,000	79,322	(19,322)	132%			
Interest on Investments	50		50	131	(81)	262%			
Approp. From Fund Balance	-		-	-	-	0%			
Revenues:	60,050	-	60,050	79,453	(19,403)	132%			
Expenditures:									
	60,050	-	60,050	7,942	52,108	13%			
Fund 299 City Enhancement									
Revenues:									

Interest on Investments	55,000		30,072	24,929	55%
Gibson Cove Cannery	42,210		17,424	24,786	41%
Other Revenue - Land Sales	-		-	-	0%
Approp. From Fund Balance	(97,210)	(921,584)	(1,018,794)	-	0%
Transfer from General Fund	-	921,584	-	-	0%
Revenues:	-	-	47,495	(969,079)	0%

Transfer 1/2 of 6/30/13 surplus to
Enhancement Fund Code 3.28.020

Expenditures:

Fund 300 General Capital Projects

Revenue:					
State Grants	760,860	47,973	703,516	105,318	87%
Federal Grants	(366,500)		311,000	65,157	79%
Approp. From Fund Balance	1,500		51,500	51,500	0%
Transfer from General Fund	927,500		2,977,500	-	100%
Transfer from Enhancement Fund	-		100,000	-	100%
Transfer from Harbor Fund	-		20,000	-	100%
Transfer from Land Development	-		70,000	-	100%
Revenues:	562,500	47,973	4,116,859	221,974	95%

2013 Home Land Security Grant
EMW-2013-SS-00098

Expenditures:

4002 City Land Development	70,000		44,989	25,011	64%
4009 Compr Records Management Prog	275,000		250,307	24,693	91%
4013 Museum Building - Phase I	250,000		245,843	4,157	98%
4014 Municipal Airport Improvements	700,000		695,516	4,484	99%
4015 Fire Station Upgrades	550,000		472,333	77,667	86%
4027 Alaska Shield Hazmat Exercise/Anchorage	14,500		8,045	6,455	55%
4028 Financial Software Upgrade	530,000		489,128	40,872	92%
4029 E-911 Upgrade System	275,000		-	275,000	0%
4030 Classification & Compensation Study	100,000		81,960	18,040	82%
4032 Fire Department Engine Replacement	450,000		427,700	22,300	95%
4033 Fire Department Ambulance Replacement	166,000		201,000	201,000	0%
4034 Paving Police Station Parking Lot	(103,500)		248,215	285	100%
4035 Demolition of Old KPD & 1118 Mission	500,000		239,447	376,053	39%
4037 Home Land Security & Emergency Management	11,360		2,587	8,773	23%
4038 Home Land Security & Emergency Management FY 2014	-	47,973	-	47,973	0%
Expenditures:	562,500	47,973	3,206,070	1,132,763	74%

2013 Home Land Security Grant
EMW-2013-SS-00098

Fund 315 Vehicle Replacement Capital Fund

Revenue:					
Transfer from General Fund	72,305		108,395	52,604	67%
Revenues:	72,305	88,694	108,395	52,604	67%
Expenditures:					
4900 Vehicle Replacement Capital	72,305		160,999	160,999	0%
Expenditures:	72,305	88,694	-	160,999	0%

Fund 301 Street Improvement

Revenue:					
State Grants	-		-	-	-
Federal Grants	-		-	-	-
Interest on Investments	-		120,000	-	100%

Approp. From Fund Balance	641,000	641,000	641,000	0%	641,000	0%	Closed Project #5029, Move
Transfer from General Fund	944,000	(320,000)	1,074,000	1,174,000	(100,000)	109%	\$100,000 to Project #8016
Transfer from Water Fund 550	665,032	(30,000)	635,032	635,032	-	100%	Closed Project #5028
Transfer from Sewer Fund 570	60,000	(15,000)	45,000	45,000	-	100%	Closed Project #5028
Revenues:	2,430,032	(365,000)	2,515,032	1,974,032	541,000	78%	
Expenditures:							
5003 Annual Sidewalk/Curb	700,032		700,032	606,315	93,717	87%	
5025 Pavement Repairs	800,000	(100,000)	1,150,000	1,135,050	14,950		Transfers: Council Meeting 12/10/13 - \$83,000 to Project #8016, Resolution 2013-25 \$100,000 to Project #8016
5028 Specs 2000	45,000	(45,000)	-	43,213	(43,213)		Closed Project per Public Works Director
5029 Mission Road Retaining Wall Repair	220,000	(220,000)	-	183,752	(183,752)		Closed Project per Public Works Director
5030 Preliminary Design of Snow Dump Storage Yard	70,000		70,000	52,266	17,734	75%	
5031 Storm Drainage Repair on Shellkof	70,000		70,000	70,000	-	100%	
5032 Storm Drainage Repair on Simeonof	465,000		465,000	-	465,000	0%	
5033 Pillar-Mountain Waste Material Dump Site	60,000		60,000	15,109	44,892	25%	
5098 Transfers	-	-	-	-	-		
Expenditures:	2,430,032	(365,000)	2,515,032	2,105,705	409,327	84%	
Fund 302 Building Improvement Fund							
Revenues:							
Interest on Investments	1,000		1,000		1,000	0%	
State Grants	6,900,000		6,900,000	6,900,000	-	100%	
Local Funding - Pledges	750,000		750,000	500,000	250,000		
Local Funding Grant	500,000		500,000	500,000	-		
Other Local Funding	46,763		46,763	46,763	-		
In-Kind City Owned Land	650,000		650,000	650,000	-		
In-Kind Pre Development	85,185		85,185	85,185	-		
Transfer from General Fund	1,000,000		1,000,000	1,000,000	-	100%	
Transfer from New Library Fund 255	5,424		5,424	5,424	-	100%	
Transfer from Enhancement Fund	2,510,000		2,510,000	2,510,000	-	100%	
Approp. From Fund Balance	-	-	-	-	-		
Revenues:	12,448,372	-	12,448,372	10,915,424	1,532,948	88%	
Expenditures:							
6012 New Library	12,448,372		12,448,372	10,282,458	2,165,914	83%	
Expenditures:	12,448,372	-	12,448,372	10,282,458	2,165,914	83%	
Fund 305 Water Capital							
Revenues:							
State Grants	6,633,297	500,000	7,133,297	5,264,513	1,868,784	74%	DEC Grant 14-DC-073
Federal Grants	768,000		768,000	768,000	-	100%	
Approp. From Fund Balance	644,140	5,000	649,140	649,140	-	0%	Project #7026
ADEC Drinking Loans	2,381,278		2,381,278	1,143,354	1,237,924	48%	
Transfer from Water Fund 550	1,282,500		3,007,500	3,007,500	-	100%	
ADEC Clean Water Loans	341,930		341,930	200,394	141,536	59%	
Transfer from Sewer Fund 570	561,500		2,286,500	2,286,500	-	100%	
Transfer from Street Improvement Fund	78,000		78,000	78,000	-	100%	
Revenues:	12,690,645	505,000	16,645,645	12,748,261	3,897,384	77%	
Expenditures:							

7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain	850,000		850,000	483,483	366,517	0%
7023 UV Water Treatment Facility Construction	7,720,645	(1,465,534)	6,255,111	5,703,734	551,377	0%
7024 Utility Rate Study	48,000		48,000	37,131	10,869	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	3,400,000	5,000	5,892,000	1,967,109	3,924,891	0%
						Additional invoice from Brechan to Phase IV Project 7022 which is closed
7029 Monashka Pump House Feasibility Study	1,070,000	1,965,534	3,035,534	325,922	2,709,612	0%
						DEC Grant 14-DC-073 \$500,000 and Transfer UV Water Treatment to Monashka Pump House \$1,465,534.
7030 Replace Chlorine Solution Storage Tank WWTP	120,000		120,000	253	119,747	0%
7031 Monashka Watershed Survey	250,000		250,000	-	250,000	0%
7033 Pillar Creek Dam Spillway Repair Work	100,000		100,000	37,935	62,065	0%
7034 Periodic Dam Safety Inspections	45,000		45,000	42,178	2,822	0%
7036 Annual Electric Maintenance	50,000		50,000	-	50,000	0%
7099 Transfer	-		-	-	-	0%
Expenditures:	3,450,000	12,690,645	16,645,645	8,597,743	8,047,902	52%
Fund 306 Sewer Capital Fund		505,000	16,645,645	8,597,743	8,047,902	52%
Revenues:						
Charges for Sewer Sales (10%)	26,000		26,000	26,000	-	100%
Approp. From Fund Balance	1,895,000	(285,000)	1,610,000		1,610,000	0%
Alaska Clean Water Loan	-		-		-	0%
Transfer from Sewer fund 570	3,000,000		3,000,000	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:	6,136,000	(285,000)	5,851,000	4,241,000	1,610,000	72%
Expenditures:						
7508 Lift Station Electric (5)	26,000		26,000	1,079	24,921	4%
7509 Upgrade Lift Station #1	150,000		150,000	22,258	127,742	0%
7510 Sludge Study & Composting	285,000	(285,000)	-	284,998	(284,998)	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	29	899,971	0%
7517 Bio Solid Management Project	4,200,000		4,200,000	508,353	3,691,647	0%
7599 Transfer	-		-	-	-	0%
Expenditures:	6,136,000	(285,000)	5,851,000	819,530	5,031,470	14%
Fund 307 Cargo Development Fund						
Revenues:						
State Grants	20,784,000		20,784,000	2,507,300	18,276,700	12%
State Bond Issue	15,000,000		15,000,000	-	15,000,000	0%
Transfer from General Fund	-	100,000	100,000	-	100,000	0%
Approp. From Fund Balance	1,159,700		1,159,700	-	1,159,700	0%
Revenues:	36,943,700	100,000	37,043,700	2,507,300	34,536,400	7%
Expenditures:						
8013 Design & Engineering Pier III	712,000	(712,000)	-	-	-	
8016 Pedestrian Access from Pier II	2,300,000	100,000	2,400,000	1,960,658	439,342	82%
						Consolidate with Project #8024 Transfer - \$100,000 Project #8016 RESOLUTION NUMBER 2013-25, \$83,000 Project #8016 COUNCIL ACTION 12/10/2013

8017 Inspection Pier II and Inner Harbor Docks	85,700	712,000	85,700	64,347	21,353	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	712,000	33,812,000	1,466,111	32,345,889	4%
Expenditures:	36,943,700	100,000	37,043,700	3,515,277	33,528,423	9%

Consolidate with Project #8024

Fund 308 Harbor Development

Revenues:						
State Grant	-		-		-	
Approp. From Fund Balance	(500,000)	(100,000)	415,000		415,000	0%
Transfer from General Fund	500,000		780,000	280,000	500,000	36%
Transfer from Boat Harbor	-		-		-	
Revenues:	1,295,000	(100,000)	1,195,000	280,000	915,000	23%

Expenditures:						
8515 Harbor Security Camera System	10,000		10,000		-	100%
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	49%
8520 SHH Repairs	745,000		745,000	419,937	325,063	56%
8521 Channel Transient Float/ Bull Rails	25,000		25,000	9,699	15,301	39%
8523 Oscar's Dock Fender Piling Replacement	45,000		45,000	10,920	34,080	24%
8524 Water Front Harbor Planning	100,000	(100,000)	-	4,886	(4,886)	0%
9598 Transfers	-		-		-	
Expenditures:	1,295,000	(100,000)	1,195,000	480,149	714,851	40%

Project closed per Harbor Master

Fund 309 Parks & Rec Capital

Revenue:						
State Grants	5,850,000		5,850,000	5,850,000	-	100%
Local Grants	500,000		500,000	555,376	(55,376)	111%
Approp. From Fund Balance	(50,000)	50,000	270,629	270,629	270,629	0%
Transfer from Enhancement Fund	500,000		500,000	500,000	-	
Transfer from General Fund	50,000		301,465	253,371	48,094	84%
Revenues:	7,372,094	50,000	7,422,094	7,158,747	263,347	96%

Expenditures:						
9001 Baranof Park Improvements (E&D)	7,015,000		7,015,000	6,963,914	51,086	99%
9004 Playground Equipment & Improve	73,000		73,000	71,523	1,477	98%
9007 Storage Building - Baranof Park	115,000		115,000	63,863	51,137	56%
9012 Baranof Baseball Field Improvements	48,094		48,094	42,816	5,278	89%
9013 Major Park Maintenance	71,000	50,000	121,000	65,938	55,062	54%
9014 Building Improvement (Weatherization)	50,000		50,000	21,223	28,777	42%
9098 Transfers	-		-	-	-	0%
Expenditures:	7,372,094	50,000	7,422,094	7,229,277	192,817	97%

Fund 500 Cargo Terminal

Revenue:						
PERS Relief	20,050		20,050	-	20,050	0%
Dockage Pier III	120,000		120,000	61,653	58,347	51%
Cruise Ship Revenues	100,000		100,000	19,460	80,540	19%
Pier III Lease	300,000		300,000	126,574	173,426	42%
Wharf	450,000		450,000	224,328	225,672	50%
Interest on Investments	7,000		7,000	2,264	4,736	32%
Warehouse Rental	205,000		205,000	97,372	107,628	47%

Van Storage Rental	40,000		40,000	5,325	34,675	13%
Approp. From Retained Earnings Transfer	(189,375)	453,000	263,625	-	263,625	0%
Revenues:	1,052,675	453,000	1,505,675	536,976	968,699	36%
Expenditures:						
Cargo Terminal Administration	354,271		354,271	155,977	198,294	44%
Cargo Terminal Interfund Charges	181,734		181,734	181,734	-	100%
Cargo Terminal Warehouse	7,000		7,000	280	6,720	4%
Cargo Terminal Pier II	490,670		490,670	232,266	258,404	47%
Cargo Terminal Pier III	19,000	453,000	472,000	27,058	444,942	6%
Expenditures:	1,052,675	453,000	1,505,675	597,315	908,360	40%
Fund 510 Boat Harbor Fund						
Revenue:						
PERS Relief	91,836		91,836	-	91,836	0%
Dockage AMHS	80,000		80,000	23,774	56,226	30%
Exclusive Moorage	1,240,000		1,240,000	1,192,235	47,765	96%
Transient Moorage	500,000		500,000	343,534	156,466	69%
Harbormaster Service	10,000		10,000	4,715	5,285	47%
Gridiron Fees	15,000		15,000	6,498	8,502	43%
Pier/Dock Fees	175,000		175,000	95,082	79,919	54%
Used Oil Fees	15,000		15,000	5,157	9,844	34%
Waiting List Fees	3,000		3,000	1,650	1,350	55%
Trailer Parking Fees	33,000		33,000	12,065	20,935	37%
Bulk Oil Sales/Charges	60,000		60,000	23,590	36,410	39%
Gear Storage	45,000		45,000	30,170	14,830	67%
Parking Meters	10,000		10,000	3,611	6,389	36%
Launching Ramp Fees	15,000		15,000	5,955	9,045	40%
Interest on Investments	14,000		14,000	5,793	8,207	41%
Office Rent AMHS	16,500		16,500	6,504	9,996	39%
Other Revenues	7,300		7,300	338	6,962	5%
Harbor Services to Cargo	167,730	(1,281)	166,449	166,449	-	100%
Approp from Retained Earnings Transfer	988,384	1,281	989,665	-	989,665	0%
Revenues:	3,486,750	-	3,486,750	1,927,119	1,559,631	55%
Expenditures:						
Boat Harbor Administration	3,360,499		3,360,499	1,560,854	1,799,645	46%
Boat Harbor Interfund	126,251		126,251	126,251	-	100%
Transfer to Boat Yard Lift	-		-	-	-	-
Expenditures:	3,486,750	-	3,486,750	1,687,105	1,799,645	48%
Fund 512 Shipyard						
Revenues:						
PERS Relief	13,290		13,290	-	13,290	0%
Customer Fees	709,000		709,000	359,150	349,850	51%
Interest on Investments	1,000		1,000	659	341	66%
Other Revenue	2,000		2,000	2,573	(573)	129%
Approp from Retained Earnings Transfer	606,408		606,408	-	606,408	0%
Revenues:	1,331,698	-	1,331,698	362,382	969,316	27%

\$400,000 - KEA Flywheel Agreement, \$8,000 - Appraisal on Warehouse at Pier III, \$25,000 - BST Consulting Agreement, \$20,000 - Horizon PUA negotiation consultant

Expenditures:						
Yard Administration	1,149,964	1,149,964	549,321	600,643	48%	
Boat Yard Interfund	181,734	181,734	181,734	-	100%	
Expenditures:	1,331,698	1,331,698	731,055	600,643	55%	

Fund 515 Harbor Electrical					
Revenues:					
Non-Meter Charge	25,000	25,000	6,709	18,291	27%
Customer Charge recurring	115,000	115,000	44,280	70,720	39%
Connect/Disconnect fee	7,000	7,000	3,440	3,560	49%
Energy Charge	530,000	530,000	179,135	350,865	34%
Record Fee	1,000	1,000	150	850	15%
HM Service	5,000	5,000	532	4,468	11%
Interest on Investments	1,000	1,000	469	531	47%
Approp from Retained Earnings Transfer	13,854	13,854	-	13,854	0%
Revenues:	697,854	697,854	234,715	463,139	34%

Expenditures:					
Electric Utility Administration	563,046	563,046	141,316	421,730	25%
Electric Utility Interfund	134,808	134,808	134,809	(1)	100%
Expenditures:	697,854	697,854	276,125	421,729	40%

Fund 550 Water Utility					
Revenues:					
PERS Relief	49,450	49,450	-	49,450	0%
Water Sales Metered	1,556,800	1,556,800	822,794	734,006	53%
Water Sales City	1,276,688	1,276,688	563,574	713,114	44%
Water Sales Borough	830,110	830,110	380,917	449,193	46%
Water Service Connections	11,849	11,849	11,921	(72)	101%
Interest on Investments	10,000	10,000	4,567	5,433	46%
Other Revenues	24,500	24,500	15,533	8,967	63%
Approp From Retained Earnings	661,691	676,691	-	676,691	0%
Revenues:	4,421,088	4,436,088	1,799,306	2,636,782	41%

Expenditures:					
Water Utility Transfers	1,725,000	1,740,000	1,737,400	2,600	100%
Water Utility	2,349,774	2,349,774	879,481	1,470,293	37%
Water Treatment Plant	346,314	346,314	121,681	224,633	35%
Expenditures:	4,421,088	4,436,088	2,738,562	1,697,526	62%

Fund 570 Sewer Utility					
Revenues:					
PERS Relief	77,744	77,744	-	77,744	0%
Sewer Service Charges - City	2,229,260	2,229,260	958,741	1,270,519	43%
Sewer Service Charges - Outside	1,157,630	1,157,630	524,363	633,268	45%
Sewer Connections	6,300	6,300	17,171	(10,871)	273%
Septic Truck Discharge	42,800	42,800	40,361	2,439	94%
Lab Testing Fee	25,000	25,000	10,090	14,910	40%
Interest on Investments	10,000	10,000	3,215	6,785	32%
Approp From Retained Earnings	2,220,161	2,220,161	2,252	2,217,909	0%
Revenues:	5,768,895	5,768,895	1,556,192	4,212,703	27%

Expenditures:					
Sewer Utility Transfers	1,725,000	1,725,000	1,725,000	-	100%
Sewer Utility	664,211	664,211	294,528	369,683	44%

Wastewater Treatment Plant	3,379,684	947,947	2,431,737	28%
Expenditures:	5,768,895	2,967,475	2,801,420	51%
Fund 580 Trident Basin				
Revenues:				
Trident Basin - Charges	11,600	13,309	(1,709)	115%
Interest on Investments	1,000	-	1,000	0%
Rentals from Others	33,300	16,564	16,736	50%
Approp From Retained Earnings	335,220	-	335,220	0%
Transfer from Trident Basin Capital Fund	-	-	-	0%
Revenues:	381,120	29,873	351,247	8%
Expenditures:	381,120	152,108	229,012	40%
Fund 585 E-911 Services				
Revenues:				
PERS Relief	510	-	510	0%
Customer Charges	74,060	74,560	(500)	101%
Interest on Investments	-	-	-	-
Approp From Retained Earnings	-	-	-	-
Revenues:	74,570	74,560	10	100%
Expenditures:	74,570	71,797	2,773	96%
Fund 780 Self-Insurance				
Revenue:				
Interest on Investments	5,000	(704)	5,704	-14%
Insurance Refund/Reserve	12,000	16,170	(4,170)	135%
Charges to General Fund	317,931	317,931	-	100%
Charges to Trident Basin	11,215	11,215	-	100%
Charges to Cargo Terminal	25,606	25,606	-	100%
Charges to Boat Harbor	95,218	95,218	-	100%
Charges to Boat Yard	20,267	20,267	-	100%
Charges to Boat Electric	136	136	-	100%
Charges to Water Utility	49,535	49,535	-	100%
Charges to Sewer Utility	53,482	53,482	-	100%
Charges to E-911	111	111	-	100%
Transfer In	-	-	-	-
Approp Fund	-	-	-	-
Revenues:	590,501	588,966	1,535	100%
Expenditures:				
Insurance Expenses	590,501	471,613	118,888	80%
Expenditures:	590,501	471,613	118,888	80%
Non Capital Projects Revenue	37,039,403	14,935,490	22,701,536	39%
Non Capital projects Expenses	37,039,403	18,767,071	19,791,539	49%
	-	(3,831,582)	2,909,998	-
Capital Projects Revenue	4,534,805	87,620,675	43,570,658	50%
Capital Projects Expenses	4,534,805	36,236,209	51,384,467	41%
	-	7,813,809	(7,813,809)	-
Total Revenues	41,574,208	58,985,507	66,272,194	47%
Total Expenses	41,574,208	55,003,280	71,176,005	44%
	-	3,982,227	(4,903,811)	-

Total Non-Capital Projects for FY
Total Capital Projects for FY

37,039,403	-	1,519,207	-	38,558,610
4,534,805	-	(47,027)	-	4,487,778
<u>\$ 41,574,208</u>	<u>\$ -</u>	<u>\$ 1,472,180</u>	<u>\$ -</u>	<u>\$ 43,046,388</u>

**FISCAL YEAR 2014
SUPPLEMENTAL #1**

	Detail Description	Account Number	Total Debit Adjustment	Total Credit Adjustment
	General Fund			
100	Taxi Permits	100.001.320.200		5,000.00
	Building Permits	100.001.320.300		10,000.00
	PERS On-Behalf	100.001.330.100		291.00
	State Revenue Sharing	100.001.330.105		2,000.00
	Fish Tax - Department of Revenue	100.001.330.130	63,000.00	
	State Grant - Capital	100.001.330.300		9,800.00
	State Grant - Capital	100.001.330.305		100.00
	Federal Grant EMPG	100.001.330.325		10,000.00
	Jail Contract with DOC	100.001.340.100		74,297.00
	New KIB Agreement for Animal Control	100.001.340.210		72,944.00
	Ambulance Services	100.001.340.300		150,000.00
	Use of Fund Balance	100.001.385.100		779,775.00
100.100.105	Legislature			
	Data Plans for iPads for City Business	100.100.105.450.130	2,000.00	
100.110.100	Executive			
	New Vehicle Purchase	100.110.100.470.126	25,338.00	
	New Vehicle Fuel	100.110.100.450.330	3,000.00	
100.120.100	City Clerk - Administration			
	Salaries & Wages	100.120.100.410.100	1,684.00	
	Annual Leave	100.120.100.410.170	653.00	
	Social Security	100.120.100.420.120	129.00	
	Retirement	100.120.100.420.130	370.00	
	PERS On-Behalf	100.120.100.420.131	233.00	
	Workers Comp	100.120.100.420.200	-	40.00
	Supplies	100.120.100.450.310	500.00	
100.120.120	City Clerk - Records Management			
	Salaries & Wages	100.120.120.410.100	421.00	
	Annual Leave	100.120.120.410.170	164.00	
	Social Security	100.120.120.420.120	32.00	
	Retirement	100.120.120.420.130	93.00	
	PERS On-Behalf	100.120.120.420.131	58.00	
	Workers Comp	100.120.120.420.200		10.00
100.140.100	Police - Administration			
	Professional Services	100.140.100.430.110	9,056.00	
100.140.142	Police - Corrections			
	Professional Services	100.140.142.430.110	10,892.00	
	Wheelchair Purchase	100.140.142.470.125	1,300.00	
100.140.145	Police - Animal Control			
	Uniforms	100.140.145.420.135	1,000.00	
100.140.148	Police - Canine			
	Overtime	100.140.148.410.140	5,800.00	
	Kennel Pad & House	100.140.148.470.126	4,750.00	
	Professional Services	100.140.148.430.110	800.00	
100.140.149	School Resources			
	Overtime	100.140.149.410.140	5,500.00	
100.150.100	Fire			
	MOU ADEC Equipment	100.150.100.450.310	8,500.00	
100.180.100	Library			
	Professional Services	100.180.100.430.110	27,400.00	
	Public Utility Services	100.180.100.455.100	20,000.00	
100.190.198	Transfers			


	Transfer to Enhancement Fund 299		100.190.198.490.299		921,584.00	
299	Enhancement Fund					
	Use of Fund Balance		299.001.385.100		921,584.00	
	Transfer from General Fund		299.001.390.100			921,584.00
300	General Capital Project Fund					
	State Grant	438	300.001.330.300	4038.2		47,973.00
300.300.438	Home Land Security Ak Shield	438	300.300.438.410.100	4038.5	10,417.00	
300.300.438	Home Land Security Ak Shield	438	300.300.438.430.110	4038.51	37,556.00	
301	Street Improvement Capital Project Fund					
301.320.525	Pavement Repairs	5025	301.001.390.100	5025.6	100,000.00	
	Pavement Repairs	5025	301.320.525.470.725	5025.55		100,000.00
305	Water Capital Project Fund					
	State Grant	7029	305.001.330.300	7029.2		500,000.00
	Use of Fund Balance	7026	305.001.385.100	7026.99		5,000.00
305.340.723	Construction	7023	305.340.723.470.725	7023.55		1,465,534.00
305.340.726	Professional Services	7026	305.340.726.430.110	7026.51	5,000.00	
305.340.729	Construction	7029	305.340.729.470.725	7029.55	500,000.00	
305.340.729	Construction	7029	305.340.729.470.725	7029.55	1,465,534.00	
307	Cargo Development Project Fund					
	Transfer from General Fund	8016	307.001.390.100	8016.6		100,000.00
307.360.816	Professional Services	8016	307.360.816.430.110	8016.51	100,000.00	
500	Cargo Fund					
	Use of Fund Balance		500.001.385.100			453,000.00
500.510.100	Professional Services		500.510.100.430.110		453,000.00	
510	Harbor Fund					
	Harbor Services Cargo		510.001.380.500			427.00
	Harbor Services Shipyard		510.001.380.512			427.00
	Harbor Services Electric		510.001.380.515			427.00
	Use of Fund Balance		510.001.385.100		1,281.00	
550	Water Fund					
	Use of Fund Balance		550.001.385.100			15,000.00
	Supplies		550.560.360.450.310		15,000.00	
					4,723,629.00	4,723,629.00

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: February 13, 2014

Agenda Item: V. a. First Reading, Ordinance No. 1316, Authorizing a Lease to Afognak Native Corporation of a 15,000 Square Foot (0.34 Acre) Portion of USS 4947 Located Adjacent To Tract D-1B

SUMMARY: The Afognak Native Corporation has expressed interest in the purchase of City-owned land adjacent to their property on Near Island since 2009. Following a series of meetings with City staff starting in 2010, Afognak expressed the desire to acquire some or all of the land within USS 4947. With Council's decision to not sell City land, the discussions with Afognak turned to the idea of leasing property for the purposes of viewshed protection. Knowing Council wishes to complete an updated land use study on Near Island before entering into long-term property leases, the attached lease is for a short duration and staff believes it is a benefit to Afognak and the City. Therefore, staff recommends Council pass Ordinance No. 1316 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION: Afognak made a presentation of their request to the City Council at the work session on December 10, 2013. Council expressed support for moving forward with a lease of this property to them.

DISCUSSION: Afognak Native Corporation purchased land from the City on Alimaq Drive on Near Island and recently constructed their corporate headquarters there. They have maintained an interest in acquiring adjacent land on USS 4947 since before 2009.

City and Afognak staff met in 2012 to discuss land availability for a 15,000 sf portion of land adjacent to their property. The City Manager explained that Council decided not to sell anymore City property, especially on Near Island. The Manager suggested Afognak consider leasing the property, which would protect their viewshed and benefit the City through retained ownership and revenue from the rent. Afognak made a written request in March 2013 (Attachment D) to request a long-term lease if the option to purchase was not possible. After a brief meeting in July 2013, it was agreed to move forward with a lease of the property. Afognak would get the property surveyed and the City would obtain an updated commercial appraisal for the property.

Afognak completed the survey of the requested parcel in December 2013 and the City received a final appraisal report in early December. The appraisal identified the market value of the parcel at \$95,000, or

minimum rental price would be 1/10th of the current appraised value. Therefore, the lease reflects a monthly rate of \$791.67 per month for the duration of the five-year lease, which would become effective approximately 37 days from passage of the ordinance. The lease also provides for two successive five-year renewal options if both parties agree and the request is made in writing to the City. Staff believes the lease terms are reasonable and gives the City time to conduct a land use analysis and develop an updated plan for its Near Island properties to better address how to oversee development there as a wide variety of development and usage has occurred in recent years.

ALTERNATIVES:

- 1) Pass Ordinance No. 1316 in the first reading, which is the staff recommendation, because it supports both Afognak and the City's interests at least in the near-term.
- 2) Delay, amend, or do not approve the ordinance, which is not recommended.

FINANCIAL IMPLICATIONS: The lease, if approved, will provide the General Fund with \$9,500 per year in rents over the course of a five-year period.

LEGAL: The City Attorney reviewed the request for staff and drafted the lease document attached. The lease must be authorized by ordinance to meet the requirements of Section V-17 of the City Charter and will not become effective for at least one month after final adoption of the ordinance. The lease rate is set per KCC 18.12.110 which states the minimum lease rate will be 1/10th of the current appraised value of the property which is \$96,000.

CITY MANAGER'S RECOMMENDATION AND COMMENTS: I support Afognak's request to lease the 15,000 sf parcel next to their property on Alimaq Drive. I believe it's in the City's best interest to enter this lease, because the City will retain ownership, the lease will provide revenue to the General Fund, and an updated land use study for Near Island can be prepared during the lease term. I believe the lease supports Afognak's investment in Kodiak and protects their viewshed, although they would prefer purchase or a long-term lease.

ATTACHMENTS:

- Attachment A: Ordinance No. 1316
- Attachment B: Proposed lease between the City and Afognak
- Attachment C: MacSwain and Associates Summary of appraised value, dated Nov 25, 2013
- Attachment D: Letter of request from Afognak, dated March 21, 2013

PROPOSED MOTIONS:

1. Move to pass Ordinance No. 1316 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.
2. Move to postpone the vote on the first reading of Ordinance No. 1316 to a future meeting to be determined by the City Manager.

**CITY OF KODIAK
ORDINANCE NUMBER 1316**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING A LEASE TO AFOGNAK NATIVE CORPORATION OF A 15,000 SQUARE FOOT (0.34 ACRE) PORTION OF USS 4947 LOCATED ADJACENT TO TRACT D-1B

WHEREAS, the City of Kodiak (“City”) owns a 15,000 square foot (0.34 acre) portion of USS 4947 on Near Island located adjacent to Tract D-1B USS 4947 (“Premises”); and

WHEREAS, Afognak Native Corporation (“Afognak”), the owner of Tract D-1B, has requested to lease the Premises from the City to preserve the Premises as open space and protect the viewshed for Tract D-1B; and

WHEREAS, the City has determined that the Premises is not required for any public purpose, and that it is in the best interest of the City to authorize a lease of the Premises to Afognak.

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

Section 1: Notwithstanding anything to the contrary in Kodiak City Code Chapter 18.20, the Council of the City of Kodiak hereby authorizes the lease of the Premises to Afognak in the form now before this meeting (“Lease”), for a term of five years plus two five-year renewal options, and the City Manager hereby is authorized, empowered and directed to execute and deliver the Lease on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as shall to her seem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said document now before this meeting, and from and after the execution and delivery of said document, the City Manager and City Clerk, and their respective designees, each hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of said document as executed.

Section 2: The Lease authorized by this ordinance is subject to the requirements of City Charter Section V-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

**LEASE FOR CITY PROPERTY
BY AND BETWEEN
THE CITY OF KODIAK AND AFOGNAK NATIVE CORPORATION**

This LEASE FOR REAL PROPERTY (the “Lease”) is made and entered into and effective as of the ____ day of _____ 2014 (the “Effective Date”), by and between the CITY OF KODIAK, an Alaska municipal corporation (“Lessor”), and AFOGNAK NATIVE CORPORATION, an Alaska Native corporation (“Lessee”).

1. Premises. Lessor, for and in consideration of the rents, covenants, and conditions hereinafter specified to be paid, performed, and observed by Lessee, hereby leases to Lessee, and Lessee hereby leases from Lessor, the unimproved real property located in Kodiak, Alaska, more particularly described on Exhibit A and diagramed on Exhibit B, attached hereto, together with all rights, rights-of-way, easements, alleys, reversionary rights and privileges, and appurtenances now or hereafter belonging or appertaining thereto, pursuant to this Lease (the “Premises”). Lessor expressly reserves the right to grant easements or rights-of-way across the Premises.

2. Use and Acceptance of Premises.

2.1 Use. Lessee may use and occupy the Premises solely for maintaining the unobstructed viewshed of the Near Island Channel and the City of Kodiak from Lessee’s headquarters building on adjacent property. No structures shall be placed on the property. The Premises shall not be used for any other purpose without the prior written consent of Lessor, which Lessor may withhold in its sole discretion. Lessee shall keep the entire Premises in a clean, safe, sanitary, and orderly condition and in good maintenance, repair, and condition at all times. Lessee shall comply with all applicable federal, state, and local statutes, laws, rules, regulations, orders, and ordinances (regardless of their enactment date) affecting, in any manner or portion, the Premises, Lessee’s property, and/or Lessee’s operations. Lessee shall not use or permit any part of the Premises to be used for any unlawful or unauthorized purpose or perform, permit, or suffer any act or omission upon or about the Premises or improvements which would result in a nuisance or a violation of any applicable laws, ordinances, or regulations. Lessee shall not cause or permit any waste, damage, or injury to the Premises and shall not vacate or abandon the Premises at any time during the Term.

2.2 Acceptance. Lessee has inspected the Premises and Lessee accepts the Premises “AS IS, WITH ALL FAULTS.” Lessor makes no warranties, expressed or implied, concerning the title or condition of the Premises, including survey, access, utility availability, or suitability for use, including those uses authorized by this Lease. Lessor shall have no liability or obligation with respect to the condition, maintenance, or use of the Premises or any improvements hereinafter placed on the Premises.

3. Term.

3.1 Initial Term. The initial term of this Lease shall be for a period of five (5) years, beginning on the Effective Date and expiring at 11:59 pm, _____, 2019 (the “Initial Term”). On that date the lease will terminate, unless renewed as provided in Section 3.2.

3.2 Renewal Term. Lessee shall have the option to renew this Lease (“Renewal Option”) for two (2) successive five (5) year terms (each a “Renewal Term”) by giving Lessor written notice of its intent to commence a Renewal Term at least thirty (30) calendar days, but not more than sixty (60) calendar days, before the date the then current term would otherwise expire, provided that at the time of each renewal notice and the date of commencement of each Renewal Term, Lessee is in compliance with all Lease terms. Failure of Lessee to exercise the option as to any Renewal Term shall terminate the option as to all succeeding Renewal Terms. Unless otherwise required by the context, references herein to “Term” include both the Initial Term and any Renewal Term.

4. Rent.

4.1 General. Lessee shall pay in advance to Lessor monthly rent (“Rent”), commencing on the Effective Date and due thereafter on the first day of each month during the Term. Rent shall be paid at the address shown in Section 17 below, or such other place as Lessor may designate in writing from time to time. All Rent shall be paid without prior demand or notice and without any deduction or offset whatsoever. All Rent shall be paid in lawful currency of the United States of America. Rent due for any partial month shall be prorated on the basis of the number of days included in the Lease Term.

4.2 Rental Amount and Adjustments. Rent for the first year of this Lease shall be Seven Hundred Ninety-One Dollars and Sixty Seven Cents (\$791.67) per month. Rent adjustments, including establishing Rent for any Renewal Term entered, shall occur as directed under Kodiak City Code 18.20.220 as amended from time to time.

5. Additional Rent.

5.1. Triple Net Lease. This is a triple net Lease, and Lessee shall be responsible for all costs of operating the Premises. Any payment called for in this Lease other than Rent shall be deemed Additional Rent and shall be due as set forth in this Lease, or in the absence of a contrary provision, within ten (10) days of invoice. The failure to pay Additional Rent shall entitle Lessor to the same remedies as the failure to pay Rent.

5.2. Property Taxes and Assessments. Beginning on the Effective Date Lessee agrees to promptly pay, as Additional Rent, to the public authorities charged with the collection thereof, as the same become due and payable, all taxes, assessments (general and special), permits, inspection, and license fees and other public charges, whether of a like or different nature, levied upon or assessed against the Premises and any buildings, structures, fixtures, or improvements now or hereafter located thereon, or arising in respect to the occupancy, use, or possession of the Premises, and which are assessed and are, or may become, a lien during the Lease Term; Lessee agrees to exhibit to Lessor, on demand, receipts evidencing payment of all taxes, assessments, and public charges so payable by Lessee.

5.3. Other Taxes. As Additional Rent, Lessee further agrees to pay any sales, use, gross receipts, or business revenues tax that may in the future be imposed by any public authority upon the rents or revenues payable to Lessor hereunder. Lessor agrees and understands

that the payment of Rent to Lessor shall be net of any such tax that may be imposed upon gross rents or revenues, and those taxes shall be paid by Lessee to Lessor as Additional Rent.

5.4. Utilities. All costs for utilities and other services necessary for the operation of the Premises, improvements thereon, and Lessee's activities thereon, including without limitation, water, sewer, garbage, and snow removal, shall be provided by Lessee at Lessee's sole cost and expense. Lessee shall be solely responsible, at Lessee's sole cost and expense, for necessary utility hook-ups and connection, including without limitation, those necessary for water and sewer.

5.5. Payment by Lessor. Lessor shall have the right to pay any taxes, assessments, levies, or other charges upon the Premises, or other charges payable by Lessee under the terms of this Lease, and to pay, cancel, and clear off all tax sales, liens, charges, and claims upon or against the Premises or any building or improvement that may be placed thereon, and redeem the Premises from the same, from time to time without being obligated to inquire as to the validity of the same. Any sum so paid by Lessor shall become Additional Rent due and payable by Lessee on the next day after any such payment by Lessor.

6. Quiet Enjoyment. Lessor hereby represents and warrants to Lessee that Lessee, upon paying the Rent, Additional Rent, and other charges provided for in this Lease as well as observing and keeping all of the Lease covenants and conditions required of Lessee, Lessee shall lawfully and quietly hold, occupy, and enjoy the Premises during the Term without hindrance or interference by Lessor or by any person or entity claiming a right, title, or interest in or to the Premises through Lessor.

7. Insurance. As of the Effective Date, Lessee shall have obtained and shall maintain throughout the Term, public liability insurance coverage as required under this Lease. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska. All coverage shall be with carriers acceptable to Lessor. The required lines and limits of insurance shall not be less than (1) \$1,000,000 per person, \$3,000,000 in the aggregate per accident, and \$2,000,000 property damage; or (2) amounts which the Lessor reasonably requires to adequately cover the risks involved. Upon the commencement of the first Renewal Term and each Renewal Term thereafter, upon request of either party, Lessor and Lessee shall agree upon new limits for such insurance coverage, which new limits shall, at a minimum, reflect increases (but not decreases) to the cost of living during the Renewal Term. Lessee shall procure and maintain property insurance on any buildings and improvements on the Premises in a minimum amount equal to the replacement value of such building and improvements, and Lessee shall name Lessor and Lessee as insureds on all insurance policies that Lessee is required to maintain under the provisions of this Section 8. Lessee shall furnish copies of certificates evidencing insurance coverage to Lessor automatically, without demand of Lessor, within thirty (30) days of the Effective Date.

8. Indemnification.

8.1 General. Lessee shall save, protect, hold harmless, indemnify, and defend Lessor, and Lessor's officers, directors, employees, agents, and shareholders, of, from, and against any and all liability, damages, demands, penalties, fines, causes of action, losses, costs, or expenses,

including attorneys fees, arising from any act, omission, or negligence of Lessee or the officers, contractors, subcontractors, licensees, agents, servants, employees, sublessees, guests, invitees, visitors, customers, or trespassers of Lessee in or about the Premises or improvements located thereon, or arising from any accident, injury, or damages however and by whomever caused, to any person or property, including but not limited to damage to the Premises itself, improvements thereon, or injury to or death of persons, occurring in or about the Premises or improvements located thereon, or in any manner arising out of Lessee's use and occupation of the Premises or improvements thereon, or as a result of the condition of the Premises or improvements thereon.

8.2 Environmental. Lessee shall abide by, and shall cause its employees, agents, customers, any contractors or subcontractors it employs, and any sublessees, and its and all of their invitees and guests, to abide by all applicable rules and regulations related to fire, safety, health, and environmental protection. Lessee shall transport and dispose of any Hazardous Substances in accordance with all applicable laws. Hazardous Substances may not be used or stored on the Premises without Lessor's express written consent. Without limiting the duty to indemnify as provided in Section 8.1 above, Lessee shall save, protect, defend, indemnify, and hold harmless Lessor from and against any and all demands, claims, causes of action (whether in the nature of an action for damages, indemnity, contribution, government cost recovery, or otherwise), lawsuits, settlements, actions, damages, fines, penalties, judgments, costs, and expenses (including without limitation costs of defense, settlement, and reasonable attorneys' fees), charges, forfeitures, liens, liabilities, or loses of any nature and kind whatsoever that arise during or after the Lease Term from or in connection with the presence or suspected presence of Hazardous Substances in the soil, groundwater, or otherwise on, above, or in the Premises, or otherwise generating from the Premises, or operations or activities thereon, or from Lessee (or its employees, affiliates, parents, agents, contractors, subcontractors, sublessees, guests, invitees, customers, or assigns, and their respective employees, agents, contractors, subcontractors, or subusers), or from any alleged or actual violation of an Environmental Law. This indemnification includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal, or restoration work. For purposes of this Lease, the term "Hazardous Substance" means any flammables, explosives, radioactive materials, crude or refined petroleum, pollutants, contaminants, or any hazardous, toxic, or dangerous waste, substance, or material, including asbestos, defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. Sec. 9601 *et. seq.*), any so-called "Superfund" or "Superlien" law, or any other Environmental Law, including, but not limited to, Alaska Statutes Title 46, Chapters .03, .08, and .09, as now or at any time hereafter in effect. For purposes of this Lease, the term "Environmental Law" means any federal, state, or local laws, ordinances, codes, regulations, rules, orders, or decrees, relating to or imposing liability or standards of conduct concerning the treatment, storage, use, or disposal of any Hazardous Substances.

8.3 Survival. All of the foregoing indemnification, defense, and hold harmless obligations in Sections 8.1 and 8.2 above survive the expiration or early termination of this Lease.

9. Inspection. Lessor and its authorized representatives and agents shall have the right, but not the obligation, to enter the Premises at any reasonable time to inspect the use and condition of the Premises; to serve, post, or keep posted any notices required or allowed under

the provisions of this Lease, including notices of non-responsibility for liens; and to do any act or action necessary for the safety or preservation of the Premises.

10. Condemnation. If all of the Premises or such portion as may be required for the reasonable use of the Premises, are taken by eminent domain, this Lease shall automatically terminate as of the date Lessee is required to vacate the Premises, and all Rent shall be paid, which is due and owing through that date. In the case of a taking of less than that portion of the Premises required for the reasonable use of the Premises, then this Lease shall continue in full force and effect, and the Rent shall be equitably reduced based upon the proportion of the square footage by which the Premises is reduced, such rent reduction to be effective as of the date possession of such portion is delivered to the condemning authority. Lessor reserves all rights to just compensation and/or damage for any taking of the Premises, and Lessee hereby assigns to Lessor, and Lessee shall make no claim against Lessor, for damages arising out of the condemnation, provided, Lessee shall have the right to claim and recover from the condemning authority, to the extent permitted by law, compensation for any loss to which Lessee may be put for the improvements or for Lessee's moving expenses to the extent such damages may be claimed and awarded separately from the damages and/or compensation awarded to Lessor.

11. Assignment or Subletting. Except as provided below, Lessee shall not sublet, mortgage, pledge, or assign its rights under this Lease without the prior written consent of Lessor, which may be withheld in Lessor's sole and absolute discretion. Any purported sublease, mortgage, pledge, or assignment without Lessor's written consent shall be null and void and of no force or effect. Any permitted assignment or sublease will be subject to the terms and conditions of this Lease.

12. Liens. Lessee shall keep the Premises and any part thereof free from liens for labor or materials ordered or supplied upon the express or implied request of Lessee. Should any lien be recorded or a lien be recorded by Lessee, Lessee shall forthwith and within ten (10) days of learning of the recording cause the same to be cancelled and discharged of record at Lessee's sole cost and expense.

13. Surrender of Premises. Upon the expiration or sooner termination of the Term, Lessee shall: quit and surrender the Premises to Lessor clean and in the condition existing on the Effective Date, ordinary wear and tear excepted; remove all of Lessee's property; and, at Lessor's option, remove any alteration, addition, and improvement made by Lessee, repairing all damages to the Premises caused by such removal. Any improvements or installations that are required to be removed but are not shall be deemed to have been abandoned by Lessee and may be retained or disposed of by Lessor, as Lessor shall desire and in accordance with Kodiak City Code, but Lessee shall be responsible for the cost of restoring the Premises as well as all removal and disposal costs.

14. Holding Over. If Lessee fails to surrender the Premises at the expiration or earlier termination of this Lease, occupancy of the Premises shall be deemed to be that of a month-to-month tenancy. Lessee's occupancy of the Premises during the holdover shall be subject to all terms and provisions of this Lease, except Rent shall be 150% of the then-current Rent. No holdover by Lessee or payment by Lessee after the expiration or early termination of this Lease shall be construed to extend the Term or prevent Lessor from immediately recovering possession of

the Premises by summary proceedings or otherwise.

15. Subsidence. Lessor shall not be responsible for any washout, subsidence, evulsion, settling or reliction to the Premises, or for any injury caused thereby to Lessee's or any other person's property. Lessor is not obligated to replace, refill, or improve any part of the Premises during Lessee's occupancy in the event of such washout, subsidence, avulsion, settling, or reliction.

16. Default and Remedies.

16.1 Events of Default. The occurrence of any of the following shall constitute a default by Lessee:

(a) If Lessee at any time during the Lease Term shall fail to make payment of any installment of Rent, Additional Rent, or of any other sum herein specified to be paid by Lessee within ten (10) days after such payment is due; or

(b) If Lessee at any time during the Lease Tern shall fail to observe or perform any of Lessee's other material covenants, agreements, or obligations hereunder, and if within forty five (45) days after Lessor has provided Lessee written notice specifying the failure or failures, Lessee has not commenced to correct the same and proceed diligently to correct the same.

16.2 Remedies. In the event Lessee is in default as defined in Section 16.1 above, Lessor shall have the right at its sole election, then or at any time thereafter, and while such default, defaults, or events shall continue to avail itself of the following remedies:

(a) Lessor may give Lessee notice of Lessor's intention to terminate this Lease and all Lessee's rights hereunder on a date specified in such notice, which date shall be at least thirty (30) days after the date Lessor provides notice. On the date specified in the notice, the Lease Term and all rights granted Lessee hereunder shall come to an end as fully as if the Lease then expired by its own terms. Upon such termination, Lessor shall also be entitled to sue for and recover all Rent, Additional Rent, and other sums accrued up to the time of such termination, and damages arising out of any breach on the part of Lessee, including damages for Rent not then accrued; and

(b) Lessor may, upon written notice to Lessee, without terminating the Lease, immediately terminate Lessee's right to possession of the Premises and retake possession of the same and eject all persons therefrom, and Lessor may then relet or attempt to relet the Premises for the benefit of Lessee for the remainder of the Term or for a longer or shorter period as Lessor may decide is appropriate; notwithstanding the termination of Lessee's right to possession, Lessee shall nevertheless pay to Lessor on the due dates specified in this Lease all Rent, Additional Rent, and other sums required to be paid under this Lease together with the costs of reletting, less the proceeds of any reletting, and Lessee shall continue to perform all other obligations imposed on it under the Lease; and

(c) Lessor may, whether or not it has terminated this Lease or retaken possession of the Premises, sue Lessee for and recover all Rent, Additional Rent, and other sums, including damages, at any time and from time to time accruing hereunder.

17. Notices. Any and all notices and other communications under this Lease, must be in writing and will be deemed to have been duly provided when (a) delivered by hand, (b) sent by facsimile (with written confirmation of receipt), or (c) when deposited in a United States general or branch post office, enclosed in a registered or certified mail prepaid wrapper or envelope addressed as follows:

Lessor: CITY OF KODIAK
710 Mill Bay Road
Kodiak, Alaska 99615
Attention: City Manager
Facsimile: (907) 486-8600

Lessee: AFOGNAK NATIVE CORPORATION
215 Mission Road, Suite 212
Kodiak, Alaska 99615
Attention: _____
Facsimile: (907) 486-2514

Any party may change its address or facsimile number by giving notice in accordance with this Section.

18. Miscellaneous.

18.1 Entire Agreement. This Lease contains the entire agreement between the parties with respect to the subject matter hereof, and except as set forth herein, there are no other agreements, promises, representations, or covenants of any party with respect to the matters covered by this Lease. This Lease may not be amended, modified, or terminated except by a written agreement signed by each party.

18.2 Attorneys' Fees, Costs, and Expenses. In the event either party brings or commences legal proceedings to enforce any of the terms of this Lease, the prevailing party in such action shall receive from the other, in every action commenced, a reasonable sum for attorneys' fees and costs to be fixed by the court in the same action.

18.3 Rights and Remedies. No right or remedy herein conferred upon or reserved to a party hereunder is intended to be exclusive of any other right or remedy. Every right and remedy shall be cumulative and in addition to any other right or remedy provided hereunder, or now or hereafter existing at law or in equity or by statute.

18.4 No Waiver. The failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power, or remedy consequent upon a breach thereof, and the acceptance of Rent during the continuance of any such breach, shall not constitute a waiver by Lessor of any breach or of any term. No waiver of any breach shall affect or

alter this Lease, which shall continue in full force and effect, or the rights of Lessor or Lessee with respect to any other then-existing or subsequent breach.

18.5 Successors in Interest. This Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and permitted sublessees and assigns.

18.6 Late Payment. In the event that any Rent, Additional Rent, or other amount due under this Lease is not received by Lessor when due, a late fee of one and one-half percent (1.5%) per month of the principal amount due shall be due and payable until the full amount of Rent, Additional Rent, or other payment is received by Lessor.

18.7 Applicable Law. This Lease Agreement shall be construed and enforced in accordance with the laws of the State of Alaska.

18.8 Authority. Lessee covenants and acknowledges that it has the full, complete, and absolute authority to enter into this Lease; this Lease has been duly authorized by its governing body; this Lease is a binding and enforceable agreement of and against Lessee; and the person executing the Lease on Lessee's behalf is duly and properly authorized to do so.

18.9 No Partnership, Joint Venture, Etc. Nothing in this Lease shall be intended or deemed to create a partnership, joint venture, association, or other similar relationship between the parties hereto.

18.10 No Third Party Beneficiaries. This Lease does not create, and shall not be construed as creating, any rights or interests enforceable by any person not a party to this Lease.

18.11 Severability. If any provision of this Lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions of this Lease shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

18.12 No Brokers. Each party represents that it has not dealt with a broker in connection with this Lease. Each party agrees to indemnify, defend, and hold harmless the other party from claims of any person for brokerage or finder's fees or commissions or similar payments based upon any agreement or understanding alleged to have been made by any such person in connection with this Lease.

18.13 No Recording. The parties agree that this Lease shall not be recorded as a title document with any governmental authority.

18.14 Counterparts. This Lease may be executed in one or more counterparts, and delivered by facsimile or other electronic transmission, each of which when so executed shall be deemed to be an original and all of which taken together shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the Effective Date.

LESSEE:

AFOGNAK NATIVE CORPORATION

By: _____
Its: _____

LESSOR:

CITY OF KODIAK

By: _____
Its: _____

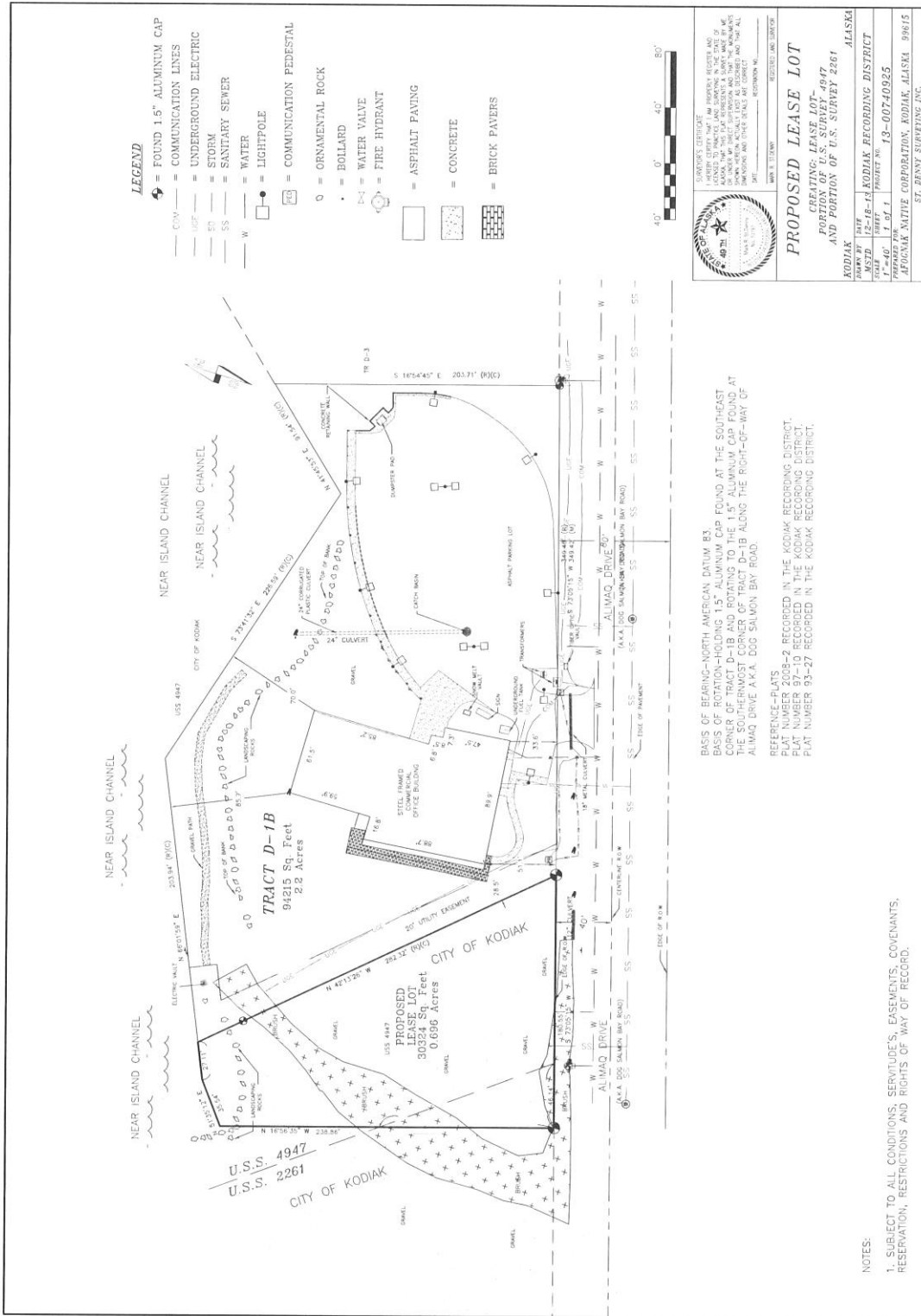
EXHIBIT A

DESCRIPTION OF PREMISES

A 15,000 square foot portion (0.34 Acres) of USS 4947 beginning along the southwest boundary of Tract D-1B, starting at the Alimaq Drive right-of-way, located at 300 Alimaq Drive.

EXHIBIT B

SURVEY OF PREMISES



MacSwain Associates LLC

4401 Business Park Blvd., Suite 22
Anchorage, Alaska 99503
Ph 907.561.1965
Fax 907.561.1955
s.macswain@macswain.com

November 25, 2013

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

Re: Appraisal of 15,000 SF (0.34-Acres) of Commercial Land in Kodiak, Alaska
300 Alimaq Drive (15,000 SF portion of USS 4947)

Dear Mr. Melvin:

We have prepared a **Summary** appraisal of the above-referenced land located in Kodiak, Alaska. The appraised land is a 15,000 square foot commercial lot on Near Island within the City of Kodiak. Per our instructions, we disregard the existing land lease and appraise the unencumbered fee simple value. We prepare this appraisal to comply the *Uniform Standards of Professional Appraisal Practice* (USPAP).

Based on the data, reasoning, and analyses contained in this report, we estimate the market value and annual market rent of the 15,000 square foot lot, as of November 8, 2013, is as follows.

Market Value of 15,000 SF Lot:	\$95,000
Market Rent of 15,000 SF Lot:	\$7,600/Year

Your attention is directed to the Assumptions and Limiting Conditions of this report. We hope the appraisal report assists your evaluation of the property. If you have any questions regarding this report, please contact our office.

Respectfully submitted,



Steve MacSwain, MAI
State of Alaska Certificate No. 42



Trevor Lund
State of Alaska Certificate No. 705



Afognak Native Corporation
215 Mission Road, Suite 212
Kodiak, Alaska 99615
(907) 486-6014 • fax (907) 486-2514
karl@afognak.com

March 21, 2013

Aimée Kniaziowski, City Manager
City of Kodiak
710 Mill Bay Road, Room 220
Kodiak, Alaska 99615

Re: Near Island/Purchase and Lease Options for City-Owned Property

Dear Ms. Kniaziowski:

As you have requested, I write on behalf of Afognak Native Corporation to reaffirm and follow-up on what we have previously discussed regarding Near Island. Afognak is currently constructing its Kodiak headquarters building on Near Island on Tract D-1B, which Afognak owns. The City of Kodiak owns real property, approximately 15,000 square foot portion of USS 4947, adjacent to Tract D-1B which is the only lot located between Afognak’s property and the Near Island Channel.

Afognak’s Near Island headquarters will be important not only because it will be of significant architectural and artistic merit, but because it will have considerable cultural and economic impacts on the Afognak shareholders residing on Kodiak Island and the City of Kodiak itself. For these reasons, it is essential to Afognak that its headquarters’ views of the Near Island Channel and the City be preserved. Afognak proposes to do so by either purchasing or leasing the portion of the City’s Near Island property adjacent to Tract D-1B.

Afognak has been on record with the City for many years as being interested in acquiring the City’s property adjacent to Tract D-1B. In March of 2007, Jana Turvey of Afognak met with your predecessor as City Manager, Linda Freed, and made known Afognak’s desire to acquire any part of Tract D-1 not used for a ferry terminal. Attached is an April 16, 2007, letter from Ms. Turvey to Ms. Freed confirming the discussion at that meeting. Later, on April 30, 2009, Ms. Turvey met with you and Ms. Freed to again discuss the City’s land adjacent to Afognak’s property on Near Island. Attached is Ms. Turvey’s May 26, 2009, letter to you in which Afognak expressly stated its desire to have a “first option for purchase” of the City’s adjacent land.

Afognak’s interest in the City’s Near Island property is thus not a frivolous or “spur of the moment” desire. Instead, Afognak’s long record of discussions with the City on this issue demonstrates Afognak’s seriousness and desire to come to an accommodation for the benefit of both Afognak and the City.

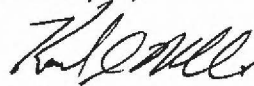
Therefore, by this letter and as we have discussed, Afognak again formally requests that it be given a right of first refusal to purchase the City's property adjacent to Tract D-1B. We understand that the City of Kodiak has imposed a freeze on the disposal of its real property until it can review its procedures. However, we believe there is no reason why an agreement for a right of first refusal in the event of a sale for the Near Island property cannot be negotiated by Afognak and the City prior to the finalization of the City's land disposal procedures.

In the alternative, and as we have also discussed, Afognak would be interested in a long-term lease with the City for the adjacent Near Island property. Afognak would also like to include a right of first refusal to purchase the property as part of the lease.

Please present Afognak's offers for the right of first refusal option and the lease option to the City Council for their consideration.

Afognak appreciates your prior statements to me expressing an understanding of our objectives and the reasonableness of our requests. We would of course be pleased to discuss this further with you and the City Council, and to provide such additional information you or the City Council need to review and consider the options presented in this letter. In the meantime, please do not hesitate to contact me if you have any questions regarding this matter.

Thank you,



Karl McLaughlin
Sr. VP IT and Lands

Enclosures as stated

CC: Dick Hobbs, President/CEO
Dean Clowers, EVP



Afognak Native Corporation

215 Mission Road, Suite 212
Kodiak, Alaska 99615
(800) 770-6014 • (907) 486-6014
Fax (907) 486-2514

April 16, 2007

Ms. Linda Freed, City Manager
City of Kodiak
710 Mill Bay Road, Room 220
Kodiak, AK 99615

Dear Ms. Freed,

The purpose of this letter is to follow up on our discussion on March 27, 2007 regarding our right of first refusal on the lots located on Near Island identified on U.S. Survey 4947 as Tracts D-2 & D-3, and Lot 1.

As discussed in our original request, final land selection will require a replat of the subject property on Near Island. We would like to exercise our option on Lot D-2 and replat the lot to include any portion of Lot D-1 that will not be used for the new ferry terminal. If it is determined that the new ferry terminal will require all of Lot D-1, then we would like to replat Lot D-2 to include either a portion of or Lot D-3 in its entirety. Again, we will not know the final configuration until such time as the State Department of Transportation has finalized their plans for Lot D-1. We are not interested in Lot 1 at this time.

Afognak Native Corporation is very excited about this project and look forward to finalizing our agreement with the City of Kodiak.

If you have any questions, or require additional information, please feel free to give me a call.

Sincerely,

Jana Turvey
Sr. V.P. for Kodiak Corporate Affairs

CC. Dean Clowers
Sr. V.P of Operations



Afognak Native Corporation

215 Mission Road, Suite 212

Kodiak, Alaska 99615

(800) 770-6014 • (907) 486-6014

Fax (907) 486-2514

May 26, 2009

Ms. Aimee Kniaziowski, City Manager
City of Kodiak
710 Mill Bay Road, Room 220
Kodiak, AK 99615

Dear Ms. Kniaziowski,

It was very nice to meet you and thank you for providing me the opportunity to sit down with you and Linda Freed on April 30. The purpose of this letter is to follow up on our discussion regarding the development activity on Near Island and in particular, the land adjacent to ANC's property which the State Marine Highway System has recently vacated as an option for the new ferry terminal and dock.

As I understood our conversation, the City intends to conduct a thorough planning process and develop a comprehensive approach addressing its remaining water front properties – the now vacated land on Near Island, Pier 1, Pier 2, Pier 3, the Transient Float and property off the "spit". September is the target date to be sending out a request for proposal (RFP) to conduct this study with the anticipation it gets accomplished over the winter months. Once the RFP is awarded and the planning moves forward, ANC would like the opportunity to participate in the City's process and to be engaged as it moves forward.

In addition, Afognak Native Corporation would like to "go on the record" with you as the new City Manager and with the City Council as being interested in the land that the State Marine Highway System has now vacated, and should that land become available for acquisition, ANC would like first option for purchase. We understand that it is unknown at this point how much, if any, of that land will come up for sale until after this process is completed and prior to any sale, it will need to be subdivided, platted and appraised.

If you have any questions, please feel free to contact either myself [jana@afognak.com, (907) 481-2107] or Dean Clowers, Executive Vice-President [dclowers@alutiiq.com, (907) 222-9582]. We look forward to working with the City of Kodiak on this project.

Sincerely,

Jana Turvey
V.P. for Corporate Affairs

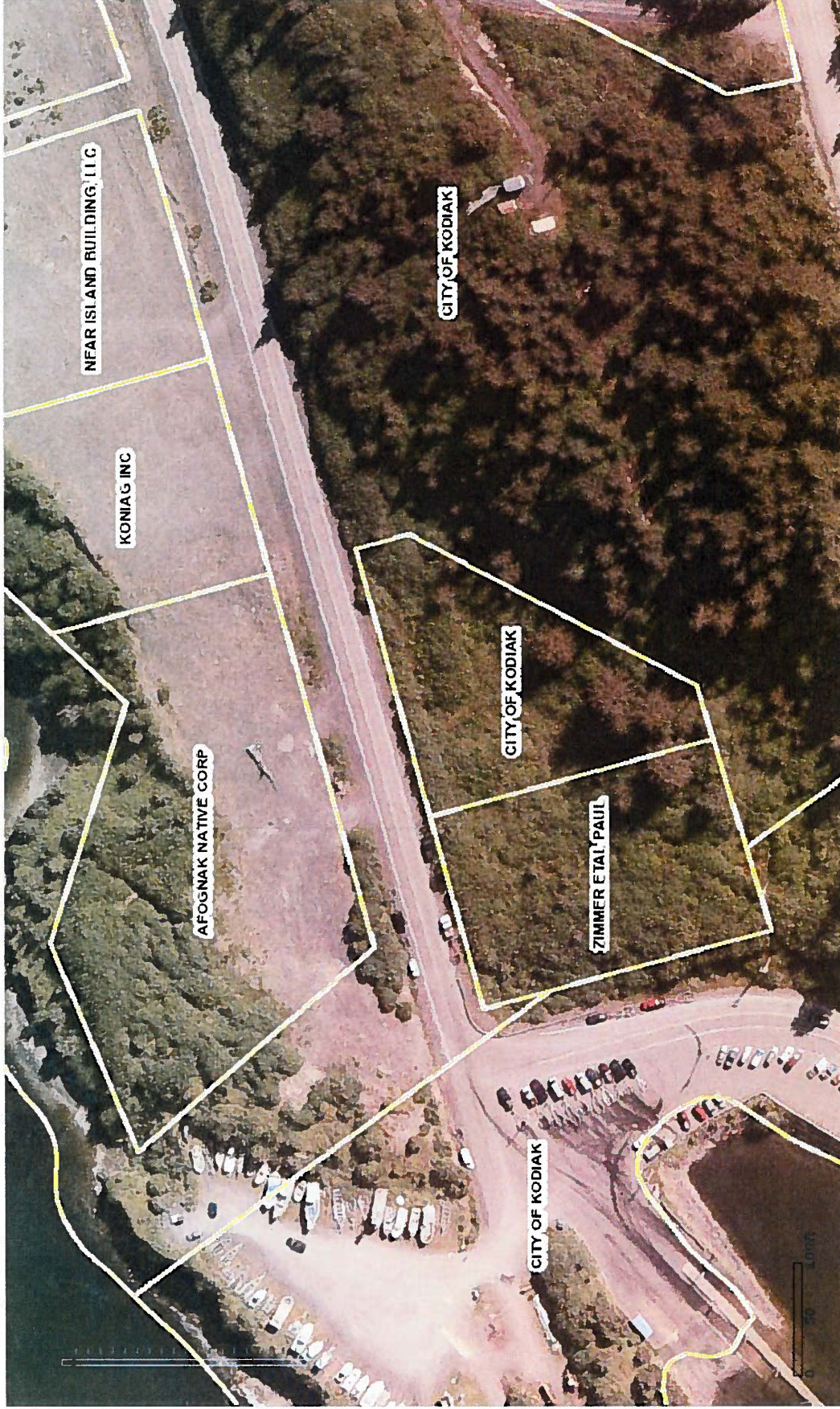
CC: Dick Hobbs, President/CEO
Dean Clowers, EVP
Karl McLaughlin, SVP IT

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: February 13, 2014

Agenda Item: V. b. Resolution No. 2014–08, Approving the City Council’s FY2015 Budget Goals

SUMMARY: The Council reviewed a list of current and proposed budget goals at their annual planning meeting on February 1, 2014. They reviewed and discussed goals that will be used to develop the FY2015 budget. The goals are similar to FY2014 with only a few changes that clarify Council’s policy direction. The goals will be used by staff in the development of the FY2015 City budget. Staff recommends Council approve the budget goals by adopting Resolution No. 2014–08.

PREVIOUS COUNCIL ACTION: Council has adopted annual budget goals each year following discussions at the annual planning session, and they are used in development of the City’s operating and capital budget.

- March 3, 2011, adopted FY2012 budget goals on March 3, 2011, by Resolution No. 2011–04
- February 23, 2012, adopted FY2013 budget goals by Resolution No. 2012–04
- February 28, 2013, adopted FY2014 budget goals by Resolution No. 2013–04
- February 1, 2014, reviewed proposed FY2015 budget goals at annual planning meeting

DISCUSSION: In 2010 Council began to evaluate their budget philosophy and adopted annual budget goals that reflected their priorities. The budget goals are discussed and reviewed during the Council’s annual planning sessions and adopted by resolution at a following meeting. The goals reflect Council’s philosophy and direction for the coming fiscal year. The City Manager uses the goals as a guide in preparation of the City’s operating and capital budget. The goals focus on specific areas of the budget, such as personnel, operating expenses, capital expenditures, enterprise fund performance, and debt service.

Council discussed budget goals for FY2015 at their annual planning session on February 1, 2014. The goals are similar to those from FY2014 (Attachment B). However, Council did make some changes to the goals for the upcoming year that reflect the continuing need for new revenue, ongoing planning, and improved accountability through ongoing reviews of existing programs and services (Attachment A).

Goals like these provide guidance to management as operating and capital budgets are prepared for the new fiscal year. The departmental budgets should reflect the overall budget goals with written

justification provided if variations are needed for operational reasons. Written justifications are reviewed internally and presented to the Council during budget presentations.

When Council adopts the resolution, the Manager will provide a copy to department heads and review the process to be used in the development of the departmental operating and capital budgets.

ALTERNATIVES: There are three primary alternatives for Council to consider.

- 1) Adopt the budget goals as identified in this resolution. This is the staff recommendation because the goals reflect Council's budgetary philosophy and will provide guidance to management and improve budget accountability.
- 2) Amend the list of budget goals.
- 3) Decide not to adopt budget goals for FY2015.

FINANCIAL IMPLICATIONS: The use of formal budget goals does not have a direct financial impact to the City. However, increased Council participation at the outset provides clear guidance to staff on areas of importance to the Council. Budget goals improve planning at the departmental level, provide important information on how departmental budgets interrelate to the entire budget, and provide a means for staff at all levels to understand and work toward reaching Council's goals.

LEAGL: N/A

CITY MANAGER'S RECOMMENDATION AND COMMENTS: The process of adopting formal budget goals gives Council the opportunity to define its direction at the outset of the budget cycle. This process improves accountability by making the management staff and employees aware of Council's concerns and gives them the direction necessary to help achieve the goals. I recommend Council adopt the FY2015 budget goals by resolution, which will help us set the right course as we begin work on the upcoming budget.

ATTACHMENTS:

Attachment A: Resolution No. 2014-08, FY2015 Budget Goals

Attachment B: Resolution No. 2013-04, FY2014 Budget Goals

Attachment C: FY2015 Budget Calendar

PROPOSED MOTION:

Move to adopt Resolution No. 2014-08.

**CITY OF KODIAK
RESOLUTION NUMBER 2014-08**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING
THE CITY COUNCIL'S BUDGET GOALS FOR FY2015**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their February 1, 2014, planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2015 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2015 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

Operating Expenses

General Fund operating (non-personnel) expenses for FY2015 will be at a level consistent with FY2014. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

Required increases to departmental level operating (non-personnel) expenses in the General Fund will be justified to the Manager in writing and, if approved, presented by department heads to the City Council during budget presentations.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

City management will continue to examine ways or hold the line on expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

There will be no increase in the number of employee full-time equivalents (FTEs) of 125.15, providing that revenues remain consistent with FY 2014, and there are no changes in operational needs.

Sections of the PR&R will be reviewed and amended to implement the classification and compensation plan consistent with budgetary resources and improve practices that reflect recognized Human Resources standards.

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance.

General Fund revenues will be forecast conservatively and take into consideration state funding policies such as, community revenue sharing, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

A detailed review of all categories of General Fund expenditures will be conducted in FY2015 to identify ways to decrease expenses.

The General Fund will be budgeted without a deficit through appropriations from the fund balance when/if necessary, and with a goal to maintain up to three months operating reserves. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will develop long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will complete rate studies every five years and present them to the City Council for implementation. In FY2015, Harbor, Shipyard, and Sewer rate studies will be conducted.

The Shipyard will reach a breakeven point (not including depreciation) by the year ending FY2016, including adequate revenues through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will continue to be refined to capture maximum revenues.

Ensure adequate revenues are available to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total amount available to fund non-profit requests will continue to follow the Council established level of funding which is based on 1% of General Fund revenues.

Capital

The City Manager and management staff will develop and refine the City’s formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The City will utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. Once complete, the capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will review and evaluate available information about trends in community conditions, the external factors affecting it, opportunities that may be available, and problems and issues to be addressed.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

**CITY OF KODIAK
RESOLUTION NUMBER 2013-04**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING
THE CITY COUNCIL'S BUDGET GOALS FOR FY2014**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their January 19, 2013, planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2014 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2014 budget:

Revenue

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues to fund routine City services.

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

Operating Expenses

General Fund operating (non-personnel) expenses for FY 2014 will be at a level consistent with FY 2013. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services and assess how well services address community needs and changes that may be necessary to respond to opportunities and challenges and factors that could affect their provision in the future.

Required increases to departmental level operating (non-personnel) expenses in the General Fund will be justified to the Manager in writing and, if approved, presented by department heads to the City Council during budget presentations.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

City management will continue to examine ways or hold the line on expenditures without significant impact to level and quality of services provided to residents.

Personnel Goals

There will be no increase in the number of employee full-time equivalents (FTEs) of 125.15, providing that revenues remain consistent with FY2013, and there are no changes in operational needs.

Administration will centralize human resource functions to ensure uniform application of policies and to limit potential liability.

Selected sections of the PR&R will be amended to implement the classification and compensation study consistent with budgetary resources and improve practices that reflect recognized Human Resources standards.

General Fund

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance.

General Fund revenues will be forecast conservatively and take into consideration state funding policies such as, community revenue sharing, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

A detailed review of all categories of General Fund expenditures will be conducted in FY 2014 to identify ways to decrease expenses.

The General Fund will be budgeted without a deficit through appropriations from the fund balance when/if necessary, and with a goal to maintain a minimum of two months operating reserves. Council may appropriate additional funds for capital projects.

Enterprise Funds

The major enterprise funds will development long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will complete rate studies every five years and present them to the City Council for implementation. In FY 2014, Cargo, Harbor, Boat Yard/Boat Lift, and Sewer rate studies will be conducted.

The Boat Yard/Boat Lift will reach a breakeven point (not including depreciation) by the year ending FY 2015, including adequate revenues through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will continue to be refined to capture maximum revenues.

Ensure adequate revenues are available to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

Community Support

The total amount available to fund non-profit requests will continue to follow the Council established level of funding which is based on 1% of General Fund revenues.

Capital

The City Manager and management staff will continue to work on a formal five-year capital improvement plan (CIP) that will identify, prioritize, and evaluate funding options for capital and major maintenance projects. The City will adopt and utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. Once complete, the capital budget will link to, and flow from, the multi-year capital improvement plan.

Debt Service

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

Quality of Life

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

Economic Development

The City will review and evaluate available information about trends in community conditions, the external factors affecting it, opportunities that may be available, and problems and issues to be addressed.



CITY OF KODIAK

Gar Brauer

MAYOR

ATTEST:

Diane Mullen

CITY CLERK

Adopted: February 28, 2013

City of Kodiak
Budget Calendar FY 2015

FY 2015	ITEM	BY
February 1, 2014	Review City Council Goals and prepare suggested changes	City Manager & City Council
February 11, 2014	City Council Presentation FY 2014 Revenue Projections, & Budget Calendar	City Manager & Finance Director
February 13, 2014	City Council adopts Goals by Resolution	City Manager & City Council
March 5, 2014	Meeting of City Manager & Department Heads to distribute budget packets and provide overview of information in packets.	City Manager & Department Heads
March 31, 2014	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
April 7-18, 2014	City Manager & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 25, 2014	Distribute Manager's Budget to City Council	City Manager
May 10, 2014	City Council and Manager budget work sessions. Departmental Budget Presentation to City Council	City Manager/ Department Heads & City Council
May 22, 2014	First reading of budget ordinance	City Manager/ Finance Director & City Council
June 6, 2014	Advertisement for overall City Council Agenda including Budget	Clerk
June 12, 2014	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2014	Budget Implementation	Finance Director
September 10, 2014	90 day Submittal to Distinguished Budget Presentation Awards Program - Government Finance Officers Association	Finance Director

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: February 13, 2014

Agenda Item: V. c. Resolution No. 2014-09, Supporting the Reinstatement of a Fulltime Cooperative Extension Agent from the University of Alaska Fairbanks to Kodiak

SUMMARY: Joe Dinnocenzo, the local manager of the Kodiak Soil and Water Conservation District office, has requested that Council adopt a resolution supporting the reinstatement of a cooperative extension agent in Kodiak. The Borough Assembly adopted a similar resolution on January 16. Council can adopt the attached resolution if they support the request.

PREVIOUS COUNCIL ACTION: On January 23, 2014, Council received a request from a Kodiak Soil and Water Conservation representative to adopt a resolution to support reinstatement of a full-time cooperative extension agent in Kodiak.

DISCUSSION: A full-time cooperative extension agent was stationed in Kodiak from 1980-1999. The local Farm Bureau and Soil and Water Conservation District organizations believe a full-time agent would benefit the community and the growers in Kodiak. The position could provide professional agricultural help to the increasing number of growers who provide fresh crops from commercial hoopouses and greenhouses and provide assistance to the 4-H program and the Kodiak State Fair.

The Borough Assembly adopted a similar resolution of support at their regular meeting on January 16, 2014, and sent it to the state. Once adopted, this resolution would be forwarded to Senator Stevens and Representative Austerman, as well as the University of Alaska Board of Regents, who make the final approval possible.

ALTERNATIVES: Council may adopt, amend, postpone or fail the resolution. Adoption of the resolution would show local support for the return of this position to Kodiak.

FINANCIAL IMPLICATIONS: N/A

LEGAL: N/A

CITY MANAGER’S RECOMMENDATION AND COMMENTS: A full-time cooperative extension agent here in Kodiak would be beneficial to the community, especially as Kodiakans become more involved in local food production. It may be a difficult year to receive additional financial support from the state, but I support the request and recommend Council adopt the resolution.

ATTACHMENTS:

Attachment A: Resolution No. 2014–09

PROPOSED MOTION:

Move to adopt Resolution No. 2014–09.

**CITY OF KODIAK
RESOLUTION NUMBER 2014-09**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
SUPPORTING THE REINSTATEMENT OF A FULLTIME COOPERATIVE
EXTENSION AGENT FROM THE UNIVERSITY OF ALASKA FAIRBANKS TO
KODIAK**

WHEREAS, a fulltime Cooperative Extension Agent was on duty on Kodiak Island from 1980 to 1999; and

WHEREAS, a fulltime Cooperative Extension Agent is still needed on Kodiak Island; and

WHEREAS, recent expansion of hoophouse and greenhouse and farmer markets has proven the need for agricultural/horticultural expertise in Kodiak; and

WHEREAS, the 4-H youth program has continued depending solely on volunteers for leadership that needs to be assisted with a trained and educated extension agent; and

WHEREAS, the temporary part-time 4-H program aid located in Kodiak has been helpful but lacking in hands-on knowledge of horticultural and agricultural needs in Kodiak; and

WHEREAS, the Kodiak State Fair needs assistance with training and education for agricultural endeavors; and

WHEREAS, the Alaska legislature is the only body that can logically provide the funds to re-install an extension agent in Kodiak; and

WHEREAS, food preservation and safety education is vital to Kodiak, because most residents process fish and game at home or eat subsistence fish and game processed by friends and family; and

WHEREAS, an extension agent and a Cooperative Extension Service District Office in Kodiak would serve the Kodiak community of 14,000 residents making Kodiak one of the top ten largest communities in the state.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, requests the Kodiak State Representative and State Senator to fully fund a cooperative extension agent in Kodiak in the amount of at least \$92,100 per year starting in July 2014 (FY2015).

BE IT FURTHER RESOLVED by the Council of the City of Kodiak, Alaska, that the City Clerk forward copies of this resolution to the Governor, the Kodiak State Legislature, and the University of Alaska Board of Regents.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

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

Date: February 13, 2014

Agenda Item: V. d. Resolution No. 2014–10, Authorizing the Borrowing From the Alaska Drinking Water Fund of an Aggregate Amount not to Exceed \$2,500,000 to Pay for the Construction of the Monashka Pumphouse

SUMMARY: City staff began the evaluation to rebuild or replace the Monashka Pumphouse in October 2010. The analysis and feasibility study are now complete and the design is underway. The City used local funds and has acquired Alaska Department of Environmental Conservation (ADEC) grants and a State of Alaska legislative grant for the project. The Alaska Municipal Matching Grant (AMMG) program through ADEC requires a 30 percent match by the City. Staff submitted an Alaska Drinking Water Fund loan (ADWF) questionnaire for this project and are eligible to apply for a loan. One of the requirements of the program requires the City Council to adopt a resolution authorizing the loan application and another authorizing acceptance of the loan. Staff is requesting Council approval of Resolution No. 2014–10, which authorizes the application for a \$2.5 million dollar loan from the ADWF loan program for construction of the Monashka Pumphouse project.

PREVIOUS COUNCIL ACTION:

- October 2010, Council approved a contract with CH2MHill to complete the Monashka Pumphouse upgrade feasibility study.
- December 2012, Council accepted an Alaska Municipal Matching Grant (AMMG) for \$420,000 that was transferred from the UV project to the Monashka design and construction project.
- January 2013, Council named Monashka Pumphouse project as the No. 1 City priority on the City's FY2014 state CIP list.
- FY2013, Council approved additional capital project funding for the project in the amount of \$425,000 from local funds.
- February 2013, Council approved a contract amendment with CH2MHill for additional pre-design and design work on the pumphouse project.
- September 2013, Council adopted Resolution No. 2013–27, which formally accepts the FY2014 legislative grant in the amount of \$500,000 for Monashka Pumphouse Upgrades.
- December 12, 2013, Council adopted Resolution No. 2013–30, naming the Monashka Pumphouse as the City's No. 1 funding priority for FY2015 on the state CIP list.

February 13, 2014
Agenda Item V. d. Memo Page 1 of 3

DISCUSSION: Staff has actively worked on grant funding since the start of this project. To date, the City has received \$1,885,534 from the AMMG project and \$500,000 from the Alaska legislature. This project is on the AMMG list for an additional \$2,495,452 for FY2015. This AMMG will be available for application once the Governor signs the FY2015 state budget this summer. The AMMG requires a 30 percent match to their funds. Staff plans to use up to \$2,500,000 of the ADWF loan to match the AMMG funds.

By applying for ADWF loans, the City also improves the score for AMMG questionnaires. The loans are based on a borrowing cycle of 5-20 years with a 1.5 percent interest rate. Using the loan helps meet the required DEC match and keep rates lower for ratepayers by spreading out the rate increases over a longer period of time.

The City will only apply for the loan in an amount needed, not the full amount approved. The City is requesting \$2.5 million of the estimated \$6 million because of existing AMMG funds and state legislative grant received last year. Staff feels this amount provides a complete match to the AMMG funds and will provide additional contingency for the project.

ALTERNATIVES:

- 1) Adopt Resolution No. 2014–10, which is the staff recommendation, so they can complete the ACWF loan process. This is the recommendation of staff, because it allows the project to continue and spreads the impact to ratepayers over a longer time.
- 2) Do not adopt the resolution or authorize the loan application, which is not recommended, because the City would be required to use more water capital improvement funds to meet the AMMG’s required 30 percent match.

FINANCIAL IMPLICATIONS: The current project funding information is below.

FY 2011	City Funds	\$ 225,000	
FY 2012	No Funds Added		
FY 2013	City Funds	\$ 425,000	
FY 2013	AMMG	\$ 420,000	Accepted Dec 2012
FY 2014	State Legislative grant	\$ 500,000	Accepted September 2013 by City Council
FY 2014	AMMG	\$1,465,534	Application was submitted on Nov. 27, 2013. Expect grant offer in Feb. 2014
FY 2014	Alaska Drinking Water Loan	\$2,500,000	Approved to apply for up to \$6 million. The initial application will be submitted for \$2.5 million
FY 2015	AMMG Questionnaire	\$2,495,452	Funding is in Governor’s FY2015 budget. Award July 2014 if approved.

LEGAL: The City Attorney reviews the loan application and prepares the resolutions and the certificate letter that will accompany the final acceptance of the loan.

STAFF RECOMMENDATION: Staff recommends Council approve Resolution No. 2014–10 authorizing the application of an ADWF loan in the amount of \$2.5 million for construction of the Monashka Pumphouse Project No. 11-05/7029.

CITY MANAGER’S COMMENTS: Public Works Director Mark Kozak has been very conscientious about finding grants and loans to fund the majority of this project. The replacement of the pumphouse in a timely manner is absolutely critical to our water customers, and I know Council agrees with that. I support the authorization and encourage Council to adopt the resolution so we can fully apply for the ADWF loan.

ATTACHMENTS:

Attachment A: Resolution No. 2014–10

Attachment B: Preliminary ADWF application summary

PROPOSED MOTION:

Move to adopt Resolution No. 2014–10.

**CITY OF KODIAK
RESOLUTION NUMBER 2014-10**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE BORROWING FROM THE ALASKA DRINKING WATER FUND OF AN AGGREGATE AMOUNT NOT TO EXCEED \$2,500,000 TO PAY FOR THE CONSTRUCTION OF THE MONASHKA PUMP HOUSE

WHEREAS, pursuant to AS 46.03.036 the Alaska Department of Environmental Conservation (“DEC”) may make loans to municipalities from the Alaska Drinking Water Fund (“Drinking Water Fund”) to pay the cost of planning, designing, building, constructing, and rehabilitating public drinking water collection, storage, treatment, or distribution systems; and

WHEREAS, the City of Kodiak (“City”) is eligible to borrow from the Drinking Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Drinking Water Fund are favorable compared to the rates charged by other sources of funds that are available to the City; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter authorizes the City to borrow money and issue evidences of indebtedness therefore, the principal and interest of which are payable solely out of and the only security for which is the revenue of a revenue-producing utility or enterprise when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the utility or enterprise; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter requires that utility revenue obligations of the City be ratified by a majority of the qualified voters of the City only so long as voter approval is required by state law, and under the constitution and statutes of the State of Alaska, the City may issue utility revenue obligations without voter approval; and

WHEREAS, it is necessary and in the best interest of the City and its residents that the City borrow from the Drinking Water Fund an amount not to exceed \$2,500,000 (“Loan”) to pay part of the cost of designing, constructing, and equipping the following water capital improvement (“Project”):

Monashka Pump House	\$2,500,000
---------------------	-------------

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that:

Section 1. Definitions. In addition to the terms defined in the recitals above, the following terms shall have the following meanings in this Resolution:

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the City from the ownership, leasing, or operation of the Water Utility,

except proceeds from the sale of bonds or notes, any grants received for the Water Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund solely to pay or secure the payment of any bonds or notes issued in connection with the Water Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Water Utility of a non-capital nature, and shall include without limitation payments required by any source of supply expenses; fuel expenses; treatment, transmission and distribution expenses; customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory and engineering expenses; payments to pension, retirement, group life insurance, health and hospitalization funds; or other employee benefit funds which are properly chargeable to current operations; interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid by law (including without limitation Ordinance No. 975, as amended) or permitted by standard practices for public utility systems similar to the properties and business of the Water Utility (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Water Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

"Water Utility" means the water utility of the City as the same may be added to, improved and extended for as long as the Loan is outstanding.

Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City, payable and secured only as provided herein. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the Water Utility are hereby pledged to repayment of the Loan. Such pledge shall be subordinate to the lien on Gross Revenues of "Parity Bonds" as that term is defined in Ordinance No. 975, as amended.

Section 3. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of the Project, the City is hereby authorized to borrow money from the Drinking Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$2,500,000.

Section 4. Loan Agreement. The City hereby is authorized to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Sections 2 and 3, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan; provided that the final maturity of the Loan shall not be more than 20 years from the date of the Loan Agreement and the interest on the Loan shall not exceed one and one-half percent per annum.

Section 5. Authority of Officers. The City Manager, the acting City Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not

determined by this resolution, to the end that the City may carry out its obligations under the Loan Agreement and this resolution.

Section 6. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Loan.

Section 7. Effective Date. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

ADWF: Loan Application

Water

State of Alaska > DEC > Online Services > Water Online Application System

Purpose

Please review the information you have entered. If any information is incorrect, click the appropriate section header 'Edit' button to return to that section and edit your data. If the information is correct, click the "Continue" button below to proceed to the Signature and Payment Options page.

Tasks:



- 1. Complete Application Form
- 2. Sign This Application

Usage Tips:

Red items to the left indicate steps that have yet to be completed. You must complete every item from the task list before DEC will process your submittal. You must complete every item from the task list before DEC will process your submittal.

Your Current Application:

Tracking #:	ADWFLA-0040	Facility:	Monashka Pump House Upgrade	Type:	ADWF Loan Application
--------------------	-------------	------------------	-----------------------------	--------------	-----------------------

General Information	Details
Project Title:	Monashka Pump House Upgrade
Is your project on the ADWF Funding Priority List?	Yes
If yes, select your project from the list to confirm:	2014 - Monashka Pumphouse Upgrade
Data Universal Numbering System (DUNS) Number:	22
Location Latitude: Converter	57.843
Location Longitude:	152.485
General Project Location:	Monashka Pump House, Kodiak
Total Community Population:	6130
Total Population Served:	9500
This is:	New Construction
What type of project is this?	Distribution System
Description of Project:	<p>This project will replace the existing pump house with a new building, pumps, electrical and control system. We completed a feasibility study to determine if we rebuild the existing facility. The evaluation determined the structures condition did not justify rebuilding. The report found serious structural deficiencies in its ability to with stand a sicemic event.</p>

Contacts	Details
Signatory Official	Name: Aimee Kniazowski
	Title: City Manager
	Organization: City of Kodiak
	Address: PO Box 1397
	City: Kodiak
	State: AK

Zip: 99615
 Country: USA
 Phone: 907-486-8640
 Cell:
 Fax:
 Email: akniazowski@city.kodiak.ak.us
 Website:

Financial Contact

Name: Mary Munk
 Title: Finance Director
 Organization: City of Kodiak
 Address: PO Box 1397
 City: Kodiak
 State: AK
 Zip: 99615
 Country: USA
 Phone: 907-486-8659
 Cell:
 Fax:
 Email: mmunk@city.kodiak.ak.us
 Website:

Application Preparer

Name: Mark Kozak
 Title: Public Works Director
 Organization: City of Kodiak
 Address: 2410 Mill Bay Road
 City: Kodiak
 State: AK
 Zip: 99615
 Country: USA
 Phone: 907-486-8060
 Cell:
 Fax:
 Email: mkozak@city.kodiak.ak.us
 Website:

Project Costs	Details
Administration Costs:	100,000
Legal Costs:	0
Preliminary Studies/Reports Costs:	315,000
Engineering Design Costs:	600,000
Inspection/Surveying/Construction Management Costs:	1,100,000
Construction Costs:	4,370,000
Equipment Costs:	0
Contingencies Costs:	60,000
Ineligible Costs:	0
Other (Identify Cost):	
Amount:	
Other (Identify Cost):	
Amount:	
Other (Identify Cost):	
Amount:	
Total of Other Costs:	0
Total Cost: (Sum of Above)	6,545,000

Green Project/Component Information**Details**

Is this a green project? Yes

Identify the most appropriate "Green" category type.

Green Project/Component Description:

We requested CH2MHill to calculate the energy savings we might see with the new pumping system. I have attached the brief report showing equal pumping capacity with less energy use.

Is a project cost estimate attached? Yes

Administration:

Legal:

Preliminary Studies/Reports:

Engineering Design:

Inspection/Surveying/Construction

Management:

Construction:

Equipment:

Contingencies:

Other Component (description):

Other Amount:

Total Costs: (Sum of Above)**Estimated Project Schedule****Details**

Is this application for a construction loan? Yes

Loan Agreement Signed: 12/20/2013

Preliminary Engineering Report: 08/30/2013

Design Engineering: 10/10/2013

Preparation of Bid Documents: 03/17/2014

Award of Construction Contract: 05/08/2014

Construction Initiation: 06/02/2014

Construction Completion: 06/30/2015

Initiation of Operation: 06/30/2015

Anticipated first payment request: 06/30/2016

Do you anticipate submitting disbursement requests evenly throughout the project life? Yes

Other Funding**Details**Federal Funds From: N/A
Amount:Other State Funds From: AMMG
Amount: 1,400,000Other Local Funds From: City of Kodiak
Amount: 175,000Other (Identify Source): State of Alaska Legislative Grant
Amount: 500,000Other (Identify Source): N/A
Amount:**Financial Information****Details**

Loan Amount: 2,500,000

Repayment Term in years: Up to 20-Years (1.5% Finance Fee)

Estimated Annual Payment:
(Given the above information, we will provide this if you wish.)

General Funds

Capital Reserves

User Fees 2,500,000

Assessments, LIDs

Taxes (identify type)

Amount

Other (identify)

Amount

Describe whether or not any of these sources of funding or revenue have been previously pledged and, if so, please indicate the type of pledge or encumbrance (such as a previous bond sale, special assessment, legal or judicial settlement, etc.), amount pledged and any balance remaining:
(If none, enter 'no')

The City of Kodiak has additional loans through DEC.

Please describe any litigation that could affect your community's ability to repay this loan:
(If none, enter 'no')

None

Does your community have a debt ceiling? No

If so, what is it?

How much remains available?

Does your community have bonded indebtedness? Yes

What is your current level of bonded indebtedness? 12,600,593

Date: 01/21/2009

Rating: Ak Bond Bank

Amount: 1,000,000

Operating Revenues: 25,500

User Fees Collected: 3,674,447

Non-Operating Revenues: 721,141

TOTAL Revenues: 4,421,088

Operating Expenses: 2,678,441

Annual Debt Service: 17,647

Other Non-Operating Expenses: 1,725,000

TOTAL Expenses: 4,421,088

Reserves: 26,553,563

Existing ordinance that authorizes the collection of user fees.

If User Fees are intended to repay any portion of this loan, please submit: Current fee structure, Pertinent portions of your budget documents,

Most recent State Single Audit,

Most recent rate study or rate analysis

Number of existing residential and commercial users: 2570

Number of proposed residential and commercial users: 2570

How much will this loan repayment increase user fees?

Please describe the increase:

The City of Kodiak performs a rate study every five years and the loan amount would be incorporated in the study.

Current Ave Monthly Residential Customer Charge for Service: 47

Number of days in billing cycle: 30

Frequency of rate setting: 5 years

Number of changes in past 10 years: 10

Date of last rate increase: 07/01/2013

Description of guidance in rate setting:

The City of Kodiak hires an outside firm to do a rate evaluation every five years.

Attached Document Checklist	Details
Documents to be submitted as part of this application:	The Force Account Forms were previously submitted to ADEC within the past year and will not be attached to this application, if applicable
and either:	Preaward Compliance Review Report (EPA Form 4700-4) Certification from your City Attorney stating that the Municipality has sufficient legal authority to incur the debt for an Alaska Drinking Water Fund Loan A resolution from your city council authorizing this loan application and specifying that an additional resolution will be issued to authorize the acceptance of a loan offer from the Alaska Drinking Water Fund.
Has a financial capacity assessment been performed in the past 2 years?	No Last 2 audited financial statements, Most current rate study, Annual Budget for current year

Attachments	Title (Type), Description
--------------------	----------------------------------

Alaska Drinking Water Fund Loan Application Guidance

Step-by-Step Guide

The Alaska Drinking Water Fund Loan (ADWF) Application can now be filled out using the Division of Water's Online Application System. This document will guide you through this online process.

Alaska Drinking Water Fund Loan Application

1 Go to the Division of Water's Municipal Grants & Loans homepage: <http://www.dec.state.ak.us/water/MuniGrantsLoans/index.htm> and select the "Online Loan Application" link under Program Links.

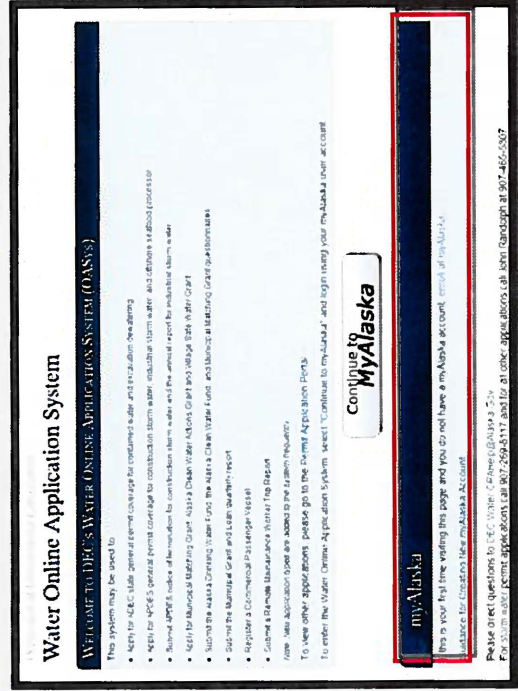
This will take you directly to the DEC's Water Online Application System homepage.



2 From the OASys home page, you can continue to your application by clicking the "Continue to MyAlaska" button.

TIP:

OASys requires an active myAlaska account. If you do not have a myAlaska account, you can create one by following the steps outlined in the "myAlaska" box at the bottom of the page.



When finished with a step, go to the next page by selecting the “**Save & Continue**” button in the lower right corner.

TIP:

At any time, you can logout, and your information will be saved. **NOTE:** Changes to the current page are not saved until you hit “**Save & Continue**”.

At any time, you can also select the “**Overview**” button at the bottom of any page to go to the overview step (**last step**). This step allows you to review your information and to edit previously entered information.

NOTE: Remember, changes to the current page are not saved until you hit “**Save & Continue**”.

If you need to void an application (questionnaire, application, or quarterly report) that was entered in error, please send an email to: DEC.Water.OPAHelp@alaska.gov.

Please include the tracking number for the application needing to be voided.



Step 1 in the application process provides general information about the application. Enter your project's title; location; and description and click the **"Save & Continue"** button to move on to the next step.

The screenshot shows the 'General Information' section of the 'Application Submission Process' form. It includes fields for Project Information, Project Title, Location Latitude, Location Longitude, General Project Location, Total Community Population, Total Population Served, and This is: (with checkboxes for New Construction, Upgrades, Material/Equipment, Source Development, and Storage Facility). A 'Type' dropdown is set to 'ADWFLA DWSB' and 'ADWFLA Loan Application'. A red asterisk indicates a required field.

Step 2 in the Application Submission Process requires you to enter contact information for your application. Click the **"Add"** button to access the Contact Details window.

The screenshot shows the 'Contact Details' form within the 'Application Submission Process' for 'ADWFLA: Loan Application'. It has two tabs: '1. This Contact is the...' and '2. Contact Information...'. The '2. Contact Information...' tab is active, showing fields for Contact Name, Contact Title, Organization Name, Mailing Address, City, State, ZIP, Country, Phone, Fax, e-Mail address, and Web Site. A 'Contacts' table at the bottom has columns for First, MI, Last, and a 'List' button.

The **Contact Details** window allows you to enter contact information. An individual may fulfill multiple roles; select all roles that apply to each contact. Once all required contacts are added, click the **"Save & Continue"** button to move on to the next step.

NOTE: First and Last name fields must contain the first and last name of a person, do not enter an organization or governmental agency.

Step 3 in the application process collects project costs for your project. Enter all applicable costs, click each “**calculate**” button, and click the “**Save & Continue**” button to move on to the next step.

NOTE: If you change any field, you must click the “**calculate**” buttons again.

Step 4 in the application process asks if you project features “Green” components. If so, select the “**yes**” option at the top of the page, select the most applicable “green” category, enter a description, and any “green” project costs. Complete all applicable fields and click the “**Save & Continue**” button to move on to the next step.

Step 5 asks for an estimated project schedule. Select a date for all applicable project milestones and click the "Save & Continue" button to move on to the next step.

TIP:

When entering in a date, click the button next to the appropriate date field to open the calendar. Select the date from the calendar to automatically enter it into the field.

Estimated Project Schedule

Purpose: Please provide an estimated project schedule. * indicates required field

Tracking # : ADWFLA 0049 Facility: Type: test

Estimated Project Schedule:

For help using the calendar in this application, click here

Activity	Facility	Type	Estimated Date
Is the application for a construction loan?			<input type="text"/> <input type="button" value="..."/>
Loan Agreement Signed			<input type="text"/> <input type="button" value="..."/>
Preliminary Engineering Report			<input type="text"/> <input type="button" value="..."/>
Design Engineering			<input type="text"/> <input type="button" value="..."/>
Preparation of Bid Documents			<input type="text"/> <input type="button" value="..."/>
Award of Construction Contract			<input type="text"/> <input type="button" value="..."/>
Construction Inception			<input type="text"/> <input type="button" value="..."/>
Construction Completion			<input type="text"/> <input type="button" value="..."/>
Initiation of Operation			<input type="text"/> <input type="button" value="..."/>
Anticipated test (pretest) request			<input type="text"/> <input type="button" value="..."/>
Do you anticipate submitting disbursement requests evenly throughout the project life?			<input type="text"/> <input type="button" value="..."/>

Previous Overview Save & Continue

click here. *

Yes No *

August, 2012

Su	Mo	Tu	We	Th	Fr	Sa
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
3	4	5	6	7	8	

Today: August 13, 2012

Yes No *

10

Step 6 asks for details on any other funding your project has received outside of this loan. Enter any applicable information and click the "Save & Continue" button to move on to the next step.

Other Funding:
What funds, if any, other than Alaska Drinking Water Fund monies are committed for this project?

Federal Funds From:
Amount: _____

Other State Funds From:
Amount: _____

Other Local Funds From:
Amount: _____

Other (Identify Source):
Amount: _____

Other (Identify Source):
Amount: _____

Previous Overview Save & Continue

11

Step 7 collects information about to your community's financial status and ability to repay this loan. Enter all applicable information and click the "Save & Continue" button to move on to the next step.

Application Submission Process

Purpose:
The funding information is entered to show whether your community can afford to repay the proposed loan from the ADWS. Clean Water Fund Financial Capacity Analysis will be performed prior to loan acceptance. Supplemental information may be requested. * indicates required field

Tracking #: ACWTLA 0056 Facility: 127 Type: ACWTF Loan Application

General Information

Loan Amount: 2,500,000

Payment Terms in Years:
 • Less than 1 Year (0.5% Finance Fee)
 • Less than 5 Years (1.0% Finance Fee)
 • X Up to 20 Years (1.5% Finance Fee)

Financing Annual Payment:
(Given the above information, we will provide the _____ For assistance calculating this please click here)

Please describe the sources of funding that will be used to repay the loan

General Funds: _____

Capital Reserves: _____

User Fees: _____

Assessments, LIDs: _____

Taxes (Identify type): _____

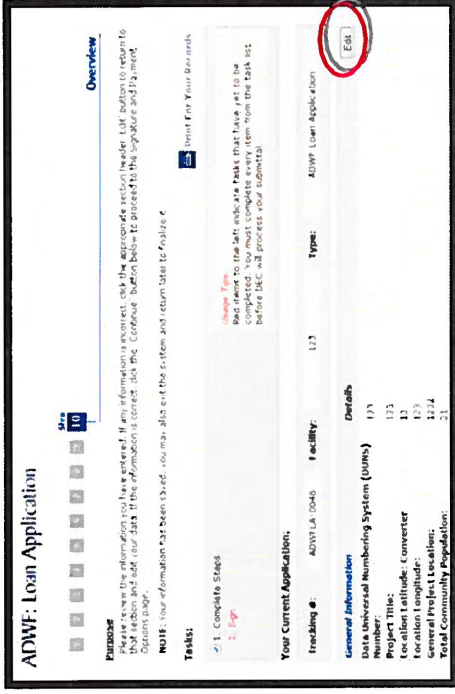
Amount: _____

Other (Identify): _____

Handwritten notes:
 - 5 year water rate studies with loan payments (next to Payment Terms)
 - 5 year water rate studies with loan payments (next to General Funds)

Step 10 is the “**Application Overview**” page (last step). It gives you an opportunity to review and edit the information that you have entered so far.

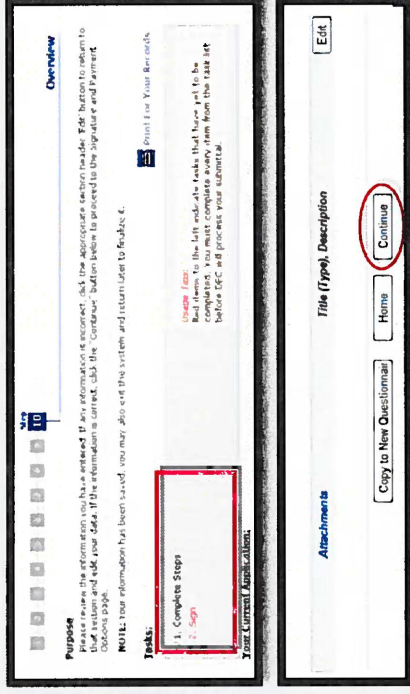
To change any information in a section, select the edit button that corresponds to that section.



After all information is entered and you have finished adding all online attachments, you will need to sign and submit your application.

NOTE: A check will appear next to “**1. Complete Steps**” if the application is complete and ready to be signed.

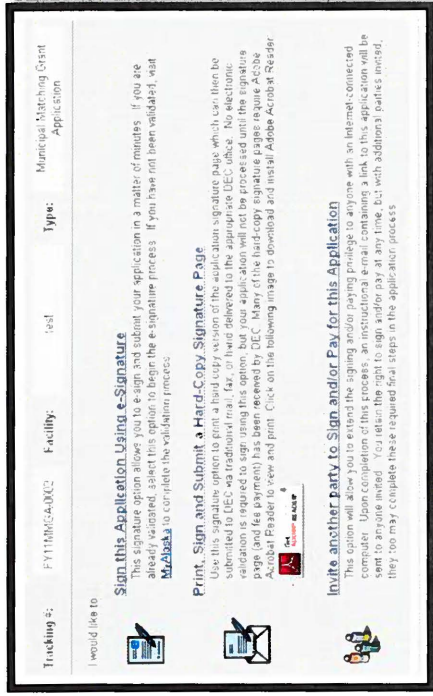
To go the **Final Steps** page, select the “**2. Sign**” link under tasks on the Application Overview page. You can also click on the “**Continue**” button at the bottom of the page.



The “Final Steps” page gives you the signature options available for signing your application.

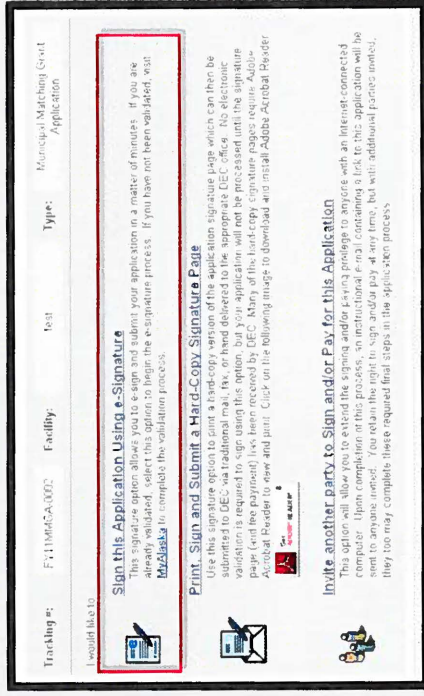
- Sign this Application Using e-Signature (go to step 17 in this guide)
- Print, Sign and Submit a Hard-Copy Signature Page (skip to step 19 in this guide)

Invite another party to Sign and/or Pay for this Application (skip to step 20 in this guide)

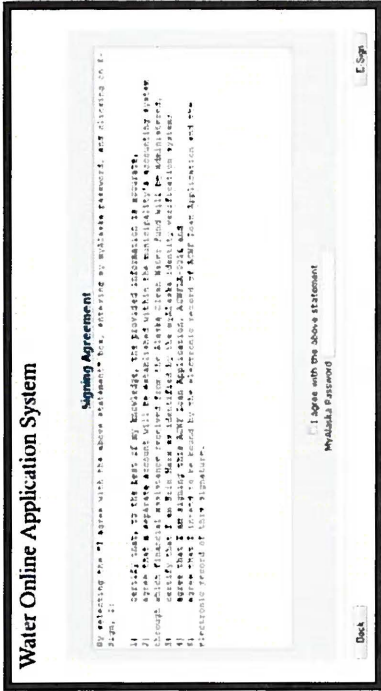


Select “Sign this Application Using e-Signature” if you are already validated to electronically sign an application.

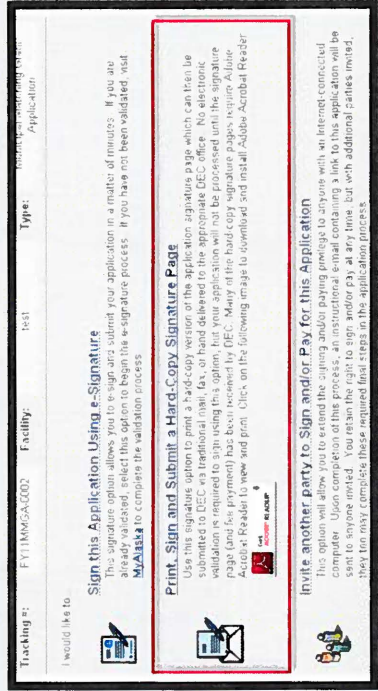
NOTE: If you use a myAlaska account that has been used to apply and e-sign for a PFD, you are automatically validated.



Check the box indicating that you agree with the Signing Agreement and enter your myAlaska Password. To complete the signing process, click on the "E-Sign" button. (skip to step 23 in this guide) You can also click on the "Continue" button at the bottom of the page.

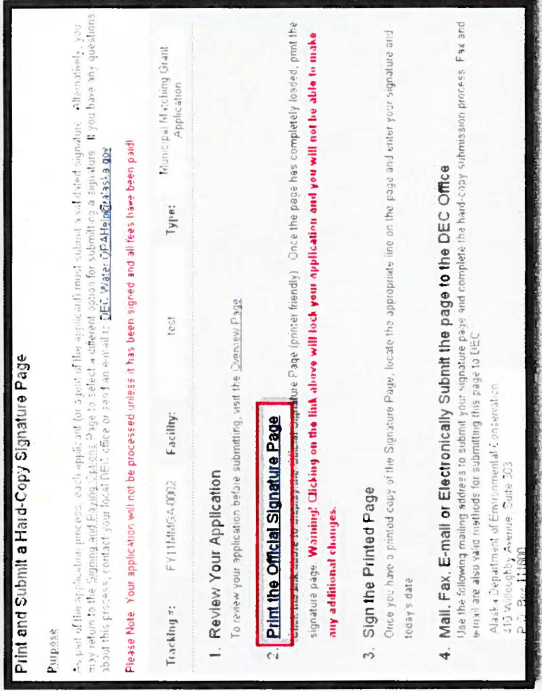


Select "Print, Sign and Submit a Hard-Copy Signature Page" to print a hard-copy version of the application signature page.

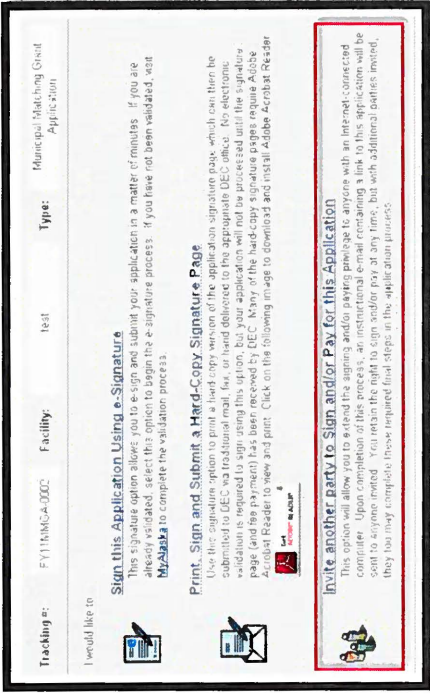


This page explains the steps for printing and submitting a hard-copy signature page. Click on "Print the Official Signature Page" link.

WARNING: Printing your official signature page will lock your application and you will not be able to make any additional changes.



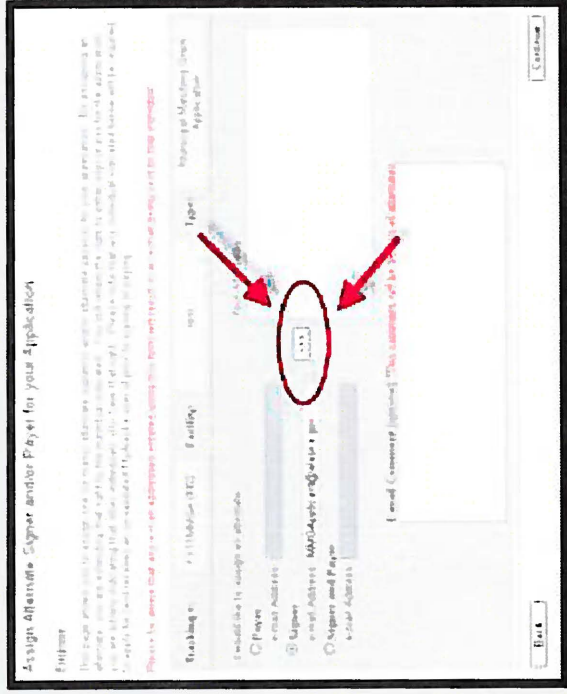
If you require another party to sign for your application, select the "Invite another party to Sign and/or Pay for this Application" from the "Final Steps" Page.



On the next page, select "Signer" from the list of options and enter the email of your alternative signer into the box, then click the >>> button to add that contact to the e-mail list. Click the "Continue" button to complete the step and invite another signer.

WARNING:

You must click the >>> button to add the e-mail to the displayed list of alternates before clicking the "Continue" button or else they won't receive an e-mail.



An instructional email containing a link to this application is sent to the alternate signer allowing them to complete the final steps in the application process.

NOTE: *The alternate signer will need to have a myAlaska account.*

After clicking on the link provided in the email, the alternate payer will login to OASys and enter the Tracking Number and PIN (also provided in the email).

Alternate signer will be taken to the “Final Steps” page, giving them the opportunity to e-sign (if validated) or print, sign and submit a hard-copy signature page for your Grant Application. (See step 20)

After your application has been signed, you will receive an email certifying that your application was signed and another that your application was successfully submitted. If you submitted a hard-copy signature page, it may take a few days to process.

Water Online Application System

Brin Marx (brin.marx@alaska.gov) has identified you as the person responsible to sign for application number 'FY11MMGA-0002' for the facility: 'test'. This application is for a discharge under the Municipal Matching Grant Application MMGA.

In order to access this application, you will need the following Tracking Number and PIN:
Tracking Number: FY11MMGA-0002
Pin: 3978

To continue, please visit the [Water Online Application](#) (https://mytest2.state.ak.us/login_login.aspx?pubid=opa&returnto=https://mytest2.state.ak.us/dec/water/opa.Associate.aspx) site.

Please direct questions to DEC.Water.OPAHLB@alaska.gov. For storm water applications call 907-269-8117 and for all other applications call John Randolph at 907-465-5307.

Water Online Application System

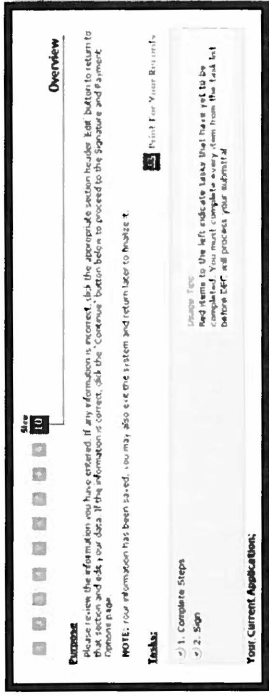
Tracking Number
PIN

ADWF: Loan Application

The electronic submission process for application number ADWFVLA-0018 for Facility: 123 is complete.

24

If you choose to return to the application in the Water Online Application System, the Application Overview will display all tasks completed.



For assistance, please call:

John Randolph at 907-465-5307, or
Kaittee Perisich at 907-451-5337

Amount:

Financial Information

Details

Edit

2,500,000

Loan Amount:

Repayment Term in years: *20*

Estimated Annual Payment:

(Given the above information, we will provide this if you wish.)

General Funds

Capital Reserves

User Fees

Assessments, LIDs

Taxes (identify type)

Amount

Other (identify)

Amount

Describe whether or not any of these sources of funding or revenue have been previously pledged and, if so, please indicate the type of pledge or encumbrance (such as a previous bond sale, special assessment, legal or judicial settlement, etc.), amount pledged and any balance remaining:

(If none, enter 'no')

Please describe any litigation that could affect your community's ability to repay this loan:

(If none, enter 'no')

Does your community have a debt ceiling? *no*

If so, what is it? *none*

How much remains available? *✓*

Does your community have bonded indebtedness?

What is your current level of bonded indebtedness?

Date:

Rating:

Amount:

Operating Revenues:

User Fees Collected:

Non-Operating Revenues:

TOTAL Revenues:

Operating Expenses:

Annual Debt Service:

Other Non-Operating Expenses:

TOTAL Expenses:

Reserves:


If User Fees are intended to repay any portion of this loan, please submit:

Number of existing residential and commercial users:

we have 2570 Accts we bill

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members

From: Mary Munk, Acting City Manager (Horizon Lines and KEA Agreements) 

Thru: Glenn Melvin, City Engineer and Marty Owen, Harbormaster

Date: February 13, 2014

Agenda Item: V. e. **Authorization of an Agreement With Kodiak Electric Association and Horizon Lines of Alaska, LLC for Electrical Improvements to the Pier III Replacement Project No. 8024**

SUMMARY: As the City has moved forward with the Pier III Replacement Project, the need for electrical improvements has been discussed at Council Work Sessions on September 24, 2013, and October 22, 2013. As a result of the discussions, Project Manager Roe Sturgulewski has facilitated a “Three Party Agreement” with the City of Kodiak, Horizon Lines, and Kodiak Electric Association (KEA). This memo provides the background and information used for framing the agreement and discusses three funding options for the City’s \$400,000 portion of the estimated \$3,800,000 total cost. This Council action is requested in order to facilitate procurement of the “Flywheels” and other long lead time items that KEA needs to purchase to meet the crane commissioning date in late 2015. It is staff’s recommendation that Council authorize the agreement, with the City’s \$400,000 expenditure coming from the Cargo Fund.

PREVIOUS COUNCIL ACTION: There was no previous Council action taken regarding this issue.

DISCUSSION: As an essential component of the Kodiak Pier III project, Horizon has confirmed that they will be installing a 100 gauge AC-powered crane. The operating characteristic of this type of crane, as it will be installed and operated at Kodiak, draws a nominal 1.5 to 2.0 megawatts (at three second demand) of electrical power per cycle. At present, this amount of electrical demand would represent 5% to 10% of the power supply capacity available on the KEA network. KEA’s network uses batteries on a regular basis; however, operations of the new crane would repeatedly deplete the KEA battery reserve and potentially downgrade performance and reliability of the KEA network. On an annual basis, the crane operations at Kodiak cycle for 12,500 lifts.

KEA and Horizon Lines are engaged in continuing discussions regarding the electrical power needs for the new crane. KEA will be installing a new 12.47 kVa circuit to service the waterfront. The complete electrical improvement package related with the Pier III project includes (1) installation of a new 12.47 kVa circuit; (2) connections/switches from the existing, nominal 69 kVa transmission line to the new circuit; (3) two flywheels; and (4) other electrical equipment installed on site at Pier III.

Cost estimates for these electrical capacity improvements serving Pier III are \$3.8M. Each flywheel costs \$1.2M, with KEA agreeing to provide maintenance and to pay for everything except \$800,000 in total flywheel costs.

The flywheels work to capture and reuse regenerative power generated by crane operations, reducing total energy usage by the crane by roughly 70%. The flywheels function as a buffer in terms of load fluctuations and help to preserve battery life for the overall KEA system relative to the electrical power demand from crane operations. Per cycle, each flywheel has the potential to return 1 mW in power to the crane's subsequent operation. KEA does have a net metering program that would work to capture the energy savings generated with operations of the flywheels.

Installation of the new electrical service capabilities and flywheels to support operations of the new crane would benefit the city:

- New 12.47kVa service benefits the city and improves service reliability to Pier III
- Overall reliability of service to other city taxpayers on the existing Pier III distribution circuit is improved
- Overall City electrical reliability is improved with the buffering capacity of the flywheel system
- City receives the benefit of the latest generation in crane technology, improving port capacity and long-term viability of the community
- City receives benefits of reduced diesel emission
- Improved electrical service through less downtime of the network
- The new crane eliminates the failure potential of the existing 45-year-old crane due to lack of replacement parts
- Likely low cost option for the community (participation by KEA and Horizon greatly reduce and may allow the public to recover costs)

FUNDING OPTIONS:

Option 1: **PROJECT FUNDS.** It is not clear if State funds can be used to pay the City's share. KEA has applied for a State grant through the AEA Renewable Resources Program. They have said State funds cannot be used as a match. In the event KEA obtained their grant, this would likely preclude the use of State funding for the City's share. A portion of the Pier III Project funding is coming from direct City funds in the amount of \$712,000. While it would be somewhat complicated, it would be possible to allocate \$400,000 of the approved City funds to the flywheel. This would involve a reversing journal entry of \$400,000 in existing expenses.

Option 2: **CAPITAL CREDITS.** This mechanism would pay the City's portion of the Agreement over a specified time at a discount rate. The discount rate would be a nominal 4.25%, and the term is estimated at 60 years. The benefit to the City with this structure would be that no initial payment would be required, and the cost would be spread out over time. The drawbacks are more funding would be required because of the discount rate and result in increased annual requirements to the Operating Budget. This would nominally be \$800,000 a year that would not be allocated to many of the operating departments, particularly Public Works. This arrangement would require additional KEA Board approval and negotiation. The KEA administration does not prefer this approach but has shown flexibility and a willingness to work with the City for the community benefit project by offering to implement this mechanism.

Option 3: CARGO REVENUE FUND BALANCE. This alternative is recommended by City staff, including the Finance and Harbor departments, and is presented in the FY2014 Supplemental Budget. The FY2014 Supplemental Budget request includes the use of fund balance in the amount of \$400,000 in the Cargo Fund. The FY2014 Supplemental budget is scheduled to be adopted at the February 13, 2014, meeting. The drawback with this approach is available reserve funds would be reduced by this amount.

The City Council has the ultimate authority to define the funding source. Staff recommends that the agreement be funded by using the Cargo Fund fund balance in the amount of \$400,000.

ALTERNATIVES:

1. Council could choose to fund the agreement now using the Cargo Fund, which has sufficient funds. Staff recommends this option.
2. Council could fund the agreement through Capital Credits from KEA amortized over a 60-year period at roughly \$8,000 per year.
3. Council could choose to fund the agreement out of the project construction funding.
4. Council could choose not to fund the agreement.

FINANCIAL IMPLICATIONS: In approving this agreement, the City will use \$400,000 of City funds.

LEGAL: The City Attorney has reviewed the agreement and his recommendations have been included.

STAFF RECOMMENDATION: Staff recommends Council authorize the agreement and funding source from the Cargo Fund fund balance in the amount of \$400,000.

ACTING CITY MANAGER'S COMMENTS: The City Manager has designated Mary Munk, Finance Director, to act on her behalf to facilitate the completion of the agreement with KEA. As Acting City Manager for the KEA agreement, I support the recommendation of staff and the project manager.

ATTACHMENTS:

Attachment A: Letter of Agreement

Attachment B: ARCADIS Memorandum dated January 31, 2014

PROPOSED MOTION:

Move to authorize the Pier III Letter of Agreement with the Kodiak Electric Association and Horizon Lines and authorize expenditure of \$400,000 from the Cargo Fund.

LETTER OF AGREEMENT
FOR PIER III
LARGE CARGO CRANE

This Agreement is made by and among KODIAK ELECTRIC ASSOCIATION, INC., P.O. Box 787, Kodiak, Alaska 99615 (“KEA”), CITY OF KODIAK, P.O. Box 1397, Kodiak, Alaska 99615 (“City”), and HORIZON LINES OF ALASKA, LLC, 1717 Tidewater Road, Anchorage, AK 99501 (“Horizon”), together hereinafter referred to as the “Parties.”

WHEREAS, Horizon operates a large diesel powered cargo crane situated at Pier III in the City of Kodiak; and

WHEREAS, the City owns and is rebuilding Pier III; and

WHEREAS, Horizon is replacing the existing crane with a newer larger crane powered by electricity; and

WHEREAS, Horizon has provided KEA with the specifications and performance criteria of the new crane (the “Crane”); and

WHEREAS Horizon has done preliminary, electrical improvement planning and use of City owned land is required for a new power line and flywheel system; and

WHEREAS, under the terms and conditions set out below, KEA is agreeable to extending a new power line to the Shelikof Street area and making other improvements to the KEA system to allow for the operation of the Crane,

NOW THEREFORE, the Parties agree as follows:

1. Project Obligations and Deadlines. The Parties have agreed to perform the following obligations and to conform to the project deadlines under the terms hereof:

For the City—By September 1, 2014, the City will provide all necessary easements for power line and flywheel work on City property or rights of way and will perform all site grading work needed for the flywheel installation.

For KEA—By July 1, 2015, KEA will complete the power line extension and will have acquired and installed the flywheels needed for the operation of the Crane. KEA will complete the installation to a point that will allow the Pier III construction contractor to energize the medium voltage equipment by June 1, 2015 to allow for startup and checkout of the on-site electrical equipment needed to accommodate the crane. This deadline will be extended on a day for day basis should the City fail to meet its deadline described above and, in addition, the City will reimburse KEA for any extra costs involved with the installation of the flywheels that result from the City’s failure to meet that deadline.

For Horizon—By December 31, 2015, Horizon will place the Crane in operation. This deadline will be extended on a day for day basis should either the City or KEA fail to meet its deadline. If Horizon fails to meet the December 31, 2015, deadline date or any

extended deadline date, Horizon will compensate KEA for lost revenue from electric sales in the amount of Seven Thousand Dollars (\$7,000) per month from the deadline date or any extension thereof until the Crane is placed in operation.

2. Project Cost and Contributions. KEA has estimated the cost to KEA for the power line and other system improvements to be approximately Three Million Eight Hundred Thousand Dollars (\$3,800,000). As contributions in aid of construction, Horizon and the City have each agreed to contribute Four Hundred Thousand Dollars (\$400,000) to KEA.

a. The \$400,000 contribution from Horizon will be due on or before February 24, 2014.

The failure of Horizon to timely make its payment will excuse any performance by KEA until the payment is made and new project deadlines are mutually agreed to by the Parties.

b. The \$400,000 contribution from the City will be due on or before February 24, 2014.

The failure of the City to timely make its payment will excuse any performance by KEA until the payment is made and new project deadlines are mutually agreed to by the Parties.

3. KEA Line and Improvements. KEA agrees that the power line and other system improvements necessary for the Crane to operate will be completed in a timely manner in accordance with KEA's deadline for the work. KEA represents and agrees the work shall be done in full compliance with all statutes, regulations and codes applicable to the work.

4. Ownership. After the power line and other KEA system improvements are completed, KEA shall retain ownership notwithstanding the contributions in aid of construction or any other payment made pursuant to this Agreement by either Horizon or the City.

5. Permits and Easements. The City will provide all easements and City granted permissions for the work on City property or rights of way contemplated by this Agreement. The City shall provide KEA with easements for the site on which the flywheels will be located and for the power line running between Pillar Mountain and Shelikoff Street. The easements will be in a format satisfactory to KEA.

6. Crane Specifications. Horizon represents it has provided KEA with the specifications and performance criteria of the Crane that will be installed on Pier III. Horizon acknowledges KEA has designed its new power line and system improvements based on these specifications and performance criteria. Should a different crane be installed by Horizon or should the specifications and performance criteria not be as represented to KEA, Horizon agrees to reimburse KEA for all additional costs, if any, incurred by KEA.

7. Force Majeure. A party's performance may be excused for the period of any reasonable delay which is due exclusively to causes beyond the control and without the fault

of the party, including acts of God, fires, floods, war, insurrection or similar events, provided, however, that the party making a claim of force majeure, within ten (10) days after the happening of any event to be relied upon, shall have made a request thereof in writing to the other parties setting out the details of the claim. A party desiring to object to a claim of force majeure shall provide notice of that objection in writing within twenty (20) days from the receipt of the claim.

8. Connection. Horizon or its agents or contractors shall be responsible for connecting the Crane to the KEA distribution system.

9. Testing. The Crane shall be tested prior to operation. Horizon agrees to coordinate the initial testing of the Crane with KEA so that the appropriate KEA personnel can be available to monitor the testing.

10. Agreement to Purchase Power. After the project is completed, Horizon agrees that it shall purchase electrical power for the Crane from KEA in accordance with KEA's Rules and Regulations for Electric Service and Rate Schedules, as these may change from time to time, and so long as they are commercially reasonable. Horizon hereby agrees to operate the Crane with electrical power purchased from KEA for a period of not less than Ten (10) years, so long as KEA's Rules and Regulations for Electric Service and Rate Schedules are commercially reasonable, to coincide with a time frame set out in Horizon's agreement with the City. If the agreement between the City and Horizon is extended, Horizon further agrees to operate the Crane with electrical power purchased from KEA for the duration of any extension. Should Horizon or its successors or assign secure electrical power from another source prior to the completion of any applicable time frame set out above, Horizon agrees to pay KEA its lost revenues hereunder for the remainder of the then applicable time frame, such time frame not to exceed ten years from the latest signature date hereof.

11. Early Termination. Either the City or Horizon shall have the ability to terminate this Agreement at any time prior to the KEA deadline date. Should this occur the party terminating this Agreement will reimburse KEA for all costs and financial commitments incurred by KEA under this Agreement to the date of its termination.

12. Resolution of Disputes. Should a dispute arise during the course of this Agreement, the Parties shall meet in order to attempt to resolve the dispute. If the Parties cannot resolve the dispute by discussion, the Parties hereby agree that all disputes, claims, or other matters in question between the Parties arising out of or relating to the Agreement will be decided by the trial courts of the State of Alaska. The venue for any legal proceeding will be in Kodiak, Alaska.

13. Attorney's Fees. If any party to this Agreement initiates a legal proceeding to construe or enforce any of the terms and conditions herein, or to obtain damages or relief hereunder, then the prevailing party shall be entitled to its reasonable actual attorney's fees, expenses and court costs incurred in connection with such legal proceedings.

14. Successors and Assigns. This Agreement will be binding on the successors and assigns of Horizon, the City, and KEA.

15. No Partnership or Joint Venture. The relationship between the Parties to this Agreement shall not be that of partners nor of joint ventures and nothing contained in this Agreement shall be deemed to constitute a partnership or joint venture between them.

16. Notices. All notices, correspondence, reports or transmittals that may be required by this Agreement shall be directed to the following:

If to KEA: Kodiak Electric Association, Inc.
Attn: Darron Scott, President/CEO
P.O. Box 787
Kodiak, Alaska 99615
Phone: (907) 486-7700
Facsimile: (907) 486-7720
E-mail: dscott@kodiak.coop

If to the City: City of Kodiak
Attn: Mary Munk
P.O. Box 1397
Kodiak, Alaska 99615
Phone: (907) 486-8659
Facsimile: (907) 486-8600
E-mail: mmunk@city.kodiak.ak.us

If to Horizon: Horizon Lines of Alaska, LLC
Attn: Ken Gill
1717 Tidewater Road
Anchorage, AK 99501
Phone: (907) 263-5016
Facsimile: (907) 263-5010
E-mail: kengill@horizonlines.com

17. Amendments and Waivers. This Agreement may be amended only by a written agreement signed by all Parties. No course of dealing or failure of any party to enforce any provision of this Agreement shall be construed as a waiver of such provision or of any other provision of this Agreement.

18. Severability. If any term or provision of this Agreement is held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each term and provision hereof shall be valid and enforced to the fullest extent permitted by law.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska without regard to its rules on the conflict of laws.

20. Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter contained herein. There are no representations, understandings or agreements that are not fully expressed in this Agreement.

21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

KODIAK ELECTRIC ASSOCIATION, INC.

By: _____

Its: _____

Date: _____

CITY OF KODIAK

By: _____

Its: _____

Date: _____

HORIZON LINES OF ALASKA, LLC

By: _____

Its: _____

Date: _____



Memorandum

TO: Aimee Kniazowski
FROM: Roe Sturgulewski
DATE: January 31, 2013
RE: Kodiak Pier III
 KEA Flywheel Agreement

This provides an approval recommendation for the attached Agreement with KEA and Horizon regarding installation of a flywheel and other improvements. As noted in our October 15, 2013 memo, electrical improvements are needed to accommodate the new crane. These improvements will also have an overall City benefit from a delivery and redundancy perspective.

Subsequent to the October Council discussion, we worked with KEA and Horizon to develop the attached Agreement. The KEA Administration is taking this Agreement to their board on February 20, 2014.

Discussions have occurred with City staff on the City funding mechanism since the October Council Work Session. Three options exist to fund the installation: Project funds; Capital Credits; or a third option preferred by City staff, payment from the Cargo Reserve Fund. A brief synopsis of the benefits and tradeoffs of each option follow.

PROJECT FUNDS. It is not clear State funds can be used to pay the City's share. KEA has applied for a State grant through the AEA Renewable Resources Program. They have said State funds cannot be used as a match. In the event KEA obtained their grant, this would likely preclude the use of State funding for the City share. A portion of the Pier III Project funding is coming from direct City funds. While it would be somewhat complicated and involve accounting treatment, it would likely be possible to allocate \$400 K of the approved City funds to the flywheel. This would involve journal entry of \$400 K in existing expenses.

CAPITAL CREDITS. This mechanism would pay the City's portion of the Agreement over a specified time at a discount rate. The discount rate would be a nominal 4.25% and the term would be on the order of 60 years. The benefit to the City with this structure would be that no initial payment would be required and the cost would be spread out over time. The drawbacks are more funding would be required because of the discount rate and result in increased annual requirements to the Operating Budget. This would nominally be \$8K/year and be allocated to many of the operating departments, particularly Public Works. This arrangement would require additional KEA Board approval and negotiation. The KEA administration does not prefer this approach but has shown flexibility and a willingness to work with the City for the community benefit project by offering to implement this mechanism.


CARGO REVENUE FUND BALANCE. This alternative is preferred by City staff including the Finance and Harbor departments and is presented in the Supplemental budget. Adequate funds are available in this account. The drawback with this approach is available reserve funds would be reduced by this amount.

The City Council has the ultimate authority to define the fund source. In the event there was a preference for an alternate source, a modification would need to be done to the Supplemental budget.

Please contact me if you have any questions related to this subject.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: February 13, 2014

Agenda Item: V. f. Authorization of Amendment to the City Manager's Contract

SUMMARY: This action will amend the City Manager's employment contract by extending it for one year, from April 28, 2014, through April 30, 2015, per Section 2 D of the agreement.

PREVIOUS COUNCIL ACTION:

- September 12, 2013, Council authorized the Manager's employment contract effective back to June 1, 2013
- January 23, 2014, Council and Manager met in executive session to discuss Manager's performance and to discuss the contract extension

DISCUSSION: The Manager and Mayor and Council met in executive session on January 23, 2014, to evaluate the Manager's performance and to discuss renewal of the contract, per Sections 2 and 13 of the agreement. It is the intent of both parties to extend the contract for another year from April 2014 through April 2015 under the same terms.

ALTERNATIVES: Council may approve, amend, or chose not to approve the contract amendment.

CITY MANAGER'S COMMENTS: Once again, I appreciate Council's continuing support and am pleased to renew my employment agreement for another year. I declined to accept a pay increase for the coming year, as I believe my compensation is adequate. I am proud of being a public employee and like what I do. I help navigate us through many complex issues from the management responsibilities of eight City departments, to oversight for multiple capital projects, to state and federal lobbying efforts, to my responsibilities as the Emergency Services Manager for the Kodiak Island Borough. I look forward to another productive year.

ATTACHMENTS:

Attachment A: City Manager's Employment Contract

PROPOSED MOTION:

Move to amend the City Manager's employment contract, record No. 210865, by striking April 27, 2014, and inserting April 30, 2015, in Section 2 A.

February 13, 2014
Agenda Item V. f. Memo Page 1 of 1

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made and entered into this 13TH day of SEPT. 2013, between the CITY OF KODIAK (hereinafter called "City") and AIMÉE L. KNIAZIEWSKI (hereinafter called "Manager").

SECTION 1: DUTIES

Employer hereby agrees to employ Employee as City Manager of the City of Kodiak to perform the functions and duties as specified in Title 29 of the Alaska State Statutes, Articles I, II, and III of the City Charter, and Title 2 of the Kodiak City Code City's Personnel Rules and Regulations to perform such other legally permissible and proper duties and functions as the City Council may prescribe.

SECTION 2: TERM

A. This agreement shall become effective retroactive to June 1, 2013, when the new classification and compensation was implemented for all City employees and shall remain in effect until April 27, 2014. At least ninety (90) days prior to the termination of the Agreement, both Employer and Employee shall declare their intentions as to whether to extend this Agreement for additional term(s), as provided in paragraph D of this Section.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, paragraph A, of this Agreement.

C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from her position with Employer, subject only to the provisions set forth in Section 3, paragraph B, of this Agreement.

D. In the event the parties agree, this Agreement may be extended on the same terms and conditions as herein provided, for periods of one (1) year.

SECTION 3: TERMINATION AND SEVERANCE PAY

A. In the event Employee is terminated by Employer before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform the duties of City Manager, Employer agrees to pay Employee a lump sum cash payment equal to three (3) months' aggregate salary plus accrued and unused personal leave in lieu of any and all other damages or monies that Employee might claim. Provided, however, that in the event Employee is terminated because of any illegal act involving personal gain to him, then Employer shall have no obligation to pay the aggregate severance sum designated in this paragraph.

B. In the event Employee voluntarily resigns her position with Employer before

expiration of the aforesaid term of employment, then Employee shall give Employer three (3) months' notice in advance and Employer agrees to pay Employee any accrued and unused personal leave. Provided that such notice is given, there will be no breach of this Agreement by reason of said resignation, and Employee shall not be responsible for any damages hereunder.

SECTION 4: SALARY

Employer agrees to pay Employee for services rendered hereunder an annual base salary of \$137,170 payable in installments at the same time as other employees of the City are paid. Effective on the anniversary date during the term of this Agreement, Employer agrees to increase said base salary on the basis of a favorable annual review of Employee the increase in an amount equal to the total percentage increase (if any) in the Anchorage Consumer Price Index Urban (CPI-U) for the previous year as is regularly published by the U.S. Bureau of Labor Statistics, San Francisco, California.

SECTION 5: HOURS OF WORK

It is recognized Employee must devote time outside normal office hours to the business of Employer.

SECTION 6: PROFESSIONAL DEVELOPMENT

Employer recognizes that the duties of Employee require a certain amount of travel by Employee including travel to ICMA, AML and SWAMC. Payment for such travel and entertainment shall be made by Employer upon presentation of actual and reasonable expenses, excluding alcohol.

SECTION 7: DUES AND SUBSCRIPTIONS

Employer agrees to pay the following dues and expenses on behalf of Employee: membership dues for the Alaska Municipal Manager's Association and International City Manager's Association; actual and reasonable expenses for Employee to attend the Alaska Municipal Manager's Association Conference, Alaska Municipal League Local Government Conference, and other conferences mutually agreed to in writing by both parties.

SECTION 8: VEHICLE

Employer agrees to provide Employee with exclusive use of a vehicle at all times during employment with the City. Employer shall provide for insurance, repair and operation and maintenance of said vehicle. Employee shall be responsible for any and all federal income tax consequences associated with use of vehicle.

SECTION 9: PERSONAL LEAVE

Employee shall accrue personal leave (vacation leave) at the rate of 320 hours or eight (8) weeks per year, payable in equal installments during each pay period. Employee shall accrue sick leave at the same rate as other City employees as identified in Section 1102 of the City's Personnel Rules and Regulations.

SECTION 10: RETIREMENT SYSTEM

Employee shall remain covered by the Public Employees Retirement System.

SECTION 11: PERSONNEL RULES

Except to the extent specifically referenced in this Agreement, provisions of the City's Personnel Rules and Regulations are not applicable to Manager's personnel status as a City employee.

SECTION 12: MEDICAL BENEFITS

Employee shall be entitled to medical benefits as specified in Section 415 of the City of Kodiak's Personnel Rules and Regulations.

SECTION 13: EVALUATIONS

Employee shall be given a performance evaluation ninety (90) days before the Employee's anniversary date of April 27th.

SECTION 14: INTEGRATION AND MODIFICATION

This Agreement is the fully integrated Agreement of Employer and Employee and
City Manager Employment Agreement
City Contract No. 210865
Page 3 of 4

supersedes all prior Agreements between the parties relating to the subject matter herein. This Agreement shall remain in force and shall be binding upon the successors, assigns, and heirs of each of the parties and shall not be changed orally but only by mutual agreement in writing by both parties.

IN WITNESS WHEREOF, the City of Kodiak (Employer) and Aimée Kniazowski (Employee) hereby accepting the above conditions, set their hand and seal to execute this Agreement, this 17th day of September 2013.

EMPLOYEE:

Aimée Kniazowski
Aimée L. Kniazowski

EMPLOYER:

Pat Branson
Patricia Branson, Mayor

Attest:

Michelle Shunavoff Nelson for
Debra L. Marlar, City Clerk



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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Debra Marlar, City Clerk DM

Date: February 13, 2014

Agenda Item: V. g. Advisory Board Appointments

SUMMARY: Several advisory board seats expired at the end of December. Volunteers were solicited via newspaper advertisements, public service announcements, and City Clerk and department head recruitment efforts. Additional recruitment efforts were made in January, and applications have been received for appointment to the Building Code Board of Appeals and to the ex-officio seats on the Parks and Recreation Advisory Board. Appointments to these boards are made by the Mayor and confirmed by the Council.

The student position on the Parks and Recreation Advisory Board requires a letter of endorsement from the Student Council Advisor, and the USCG position requires a letter of endorsement from the USCG commanding officer. Letters are included with the applications.

The terms for the Parks and Recreation Advisory Board ex-officio positions are set at the time of appointment.

At Tuesday's work session, Mayor Branson and Councilmembers interviewed applicants and considered applications.

BACKGROUND: Advisory board members are appointed at the end of each year when terms expire and throughout the year as necessary.

{Mayor Branson will make her appointments to the Building Code Board of Appeals, and Parks and Recreation Advisory Board.}

Building Code Board of Appeals *KCC 14.40.010: The building code board of appeals shall consist of five members, four of whom shall be qualified by experience and training to pass upon matters pertaining to building construction. One member shall be selected from the community at large. Each of the five members shall be appointed by the mayor and ratified by the council.*

2 vacant seats ending December 31, 2016

2 vacant seats ending December 31, 2015

Applicants: R. Scott Bonney (Civic/structural engineer)
Gregg Hacker (35 years construction/bldg. mgt.)
Ed Mahoney (Bldg. contractor and certified bldg. analyst)

Parks and Recreation Advisory Board *Four regular members shall be residents within the Kodiak City limits, and three regular members shall be residents from inside or outside the Kodiak City limits.*

1 alternate seats ending December 31, 2014 (one-year term)

1 ex-officio student seat

1 ex-officio USCG seat

Applicant(s):

Deborah P. Bitanga, ex-officio student seat

Andrew Joca, ex-officio USCG seat

ATTACHMENTS:

Attachment A: Building Code Board of Appeals Current Member List and Applications

Attachment B: Parks and Recreation Advisory Board Current Member List and Applications
w/letter of endorsement

PROPOSED MOTION:

Move to confirm the Mayoral advisory board appointments to Building Code Board of Appeals and the Parks and Recreation as stated.



Office of the City Clerk

710 Mill Bay Road, Room 216, Kodiak, Alaska 99615

BUILDING CODE BOARD OF APPEALS

Five seats

TERM	BOARDMEMBER	HOME	WORK	FAX	MAILING ADDRESS
2015	John Butler JBHJS@PTIALASKA.NET	486-4604	486-3706	486-2497	P.O. Box 2610
2015	Vacant				
2015	Vacant				
2016	Vacant				
2016	Vacant				

Legislation	Appointments
--------------------	---------------------

Kodiak City Code Chapter 14.40

10/25/84	01/23/86	02/12/87
01/08/87	12/14/87	12/12/88
01/26/89	01/11/90	12/14/90
01/09/92	01/14/93	01/27/94
12/22/94	12/14/95	12/12/96
03/27/97	12/11/97	12/10/98
02/10/00	05/24/01	12/13/01
01/23/03	01/13/05	12/15/05
12/13/07	02/28/08	12/11/09
12/9/10	2/23/12	12/13/12



City Clerk's Office
 710 Mill Bay Road, Rm. 216
 Kodiak, AK 99615
 (907) 486-8636 / (907) 486-8600 (fax)

ADVISORY BOARD APPLICATION

GREGG HACKER
 NAME

907 539 5230
 HOME TELEPHONE

907 481 2288
 WORK TELEPHONE

907-481-2280
 FAX

ghacker01@kodiak.ak.gov
 EMAIL

1310 BARANOV ST
 RESIDENCE (STREET) ADDRESS

SAME
 MAILING ADDRESS

23 YEARS
 LENGTH OF RESIDENCE IN KODIAK

23 YEARS
 LENGTH OF RESIDENCE IN ALASKA

Are you a registered voter in the City of Kodiak?
 Do you own property in the City of Kodiak?

Yes No
 Yes No

On which boards are you interested in serving?
 (List in order of preference)

List your areas of expertise and education that would benefit the boards for which you are applying.

BUILDING CODE BOARD OF APPEALS

35 YEARS OF CONSTRUCTION AND BUILDING MANAGEMENT

Community Activities:

Professional Activities: KIR AIRB

MEMBER FOR 20 YEARS

[Signature]
 Signature

12/19/2013
 Date

Return application to City Clerk, 710 Mill Bay Road, Rm. 216, Kodiak, AK 99615
 Fax: 486-8600



Office of the City Clerk

710 Mill Bay Road, Room 216, Kodiak, Alaska 99615

PARKS AND RECREATION ADVISORY BOARD

Nine members (including two alternates) from the community chosen to reflect cultural and ethnic diversity, one USCG representative, and one student seat. Four regular members shall be residents within the Kodiak City limits, and three regular members shall be residents from inside or outside the Kodiak City limits.

TERM	BOARDMEMBER	HOME	WORK	FAX	MAILING ADDRESS	City/KIB
2015	John Butler jbjhs@ptialaska.net	486-4604	486-3706	486-2497	PO Box 2610	C
2015	Helm Johnson helm@rideakimbo.com	539-5014	539-5014	866-510-1563	PO Box 261	C
2015	Jim Willis jawdawg@gci.net James.B.Willis@uscg.mil	486-3678	487-5391	487-5275	1516 Ismailov St.	C
2016	Amy Fogle philfogle@hotmail.com	486-3525	539-2535	486-3250	1136 Wolkoff Lane	C
2016	Marcus Dunbar mdunbar01@kibsd.org	486-0809	481-2214		1477 Selief Lane	C
2016	Natasha Hayden natashab@gci.net	486-5922	512-0519		305 Neva Way	B
2016	Ryan Murdock boneyardsurfing@gmail.com	952-1072	486-2316		3272 Mill Bay Rd.	C
2014 Alternate 1	Jeremiah Gardner 58northkodiak@gmail.com	486-6249	486-6249	486-6249	1231 Mill Bay Road	N/A
2014 Alternate 2	VACANT					N/A
20?? USCG	VACANT					
20?? Student	VACANT					

Regular terms expire December 31 (three-year terms)
 Alternate terms expire December 31 (one-year terms)
 USCG term set at appointment
 Student term set at appointment

Legislation

Resolution Number 03–84
 Resolution Number 44–86
 Resolution Number 2000–4, 01/27/00
 Resolution Number 01–7, 02/22/01
 Resolution Number 04–25, 07/08/04
 Resolution Number 2011–23, 08/25/2011

[Clerk’s Note: The alternates do not make motions or vote unless regular member(s) are absent.]

Appointments

01/12/84	02/26/84	12/13/84
01/10/85	06/13/85	12/19/85
01/23/86	01/08/87	02/12/87
11/03/87	12/14/87	10/27/88
12/12/88	10/12/89	01/11/90
12/14/90	01/09/92	03/12/92
05/14/92	07/09/92	01/14/93
01/27/94	02/10/94	03/10/94
09/22/94	12/22/94	10/05/95
12/14/95	10/24/96	12/12/96
12/11/97	12/10/98	01/26/99
02/25/99	02/10/00	02/22/01
05/24/01	12/13/01	02/28/02
05/09/02	07/24/03	02/26/04
01/13/05	08/24/06	12/14/06
12/13/07	02/28/08	02/12/09
06/24/10	08/26/10	12/9/10
01/13/11	09/22/11	2/23/12
08/09/12	8/23/12	12/13/12
02/28/13	06/27/13	12/12/13

Deborah Bitanga

PO Box 1362 Kodiak, AK 99615 (H) (907)512-1112 (C) (907)512-112
deborah.bitanga@yahoo.com

Professional Summary

Compassionate community servant with more than 100 volunteer hours on several organizations. Driven to represent the student body by being a well-rounded student.

Personal Strength

Fluent in English, Tagalog, & Ilocano, Goal-oriented, Hardworking, Artistic

Work History

Litter Patrol	Jun 2011 – Aug 2011
Kodiak Chamber of Commerce	100 E Marine Way #300
Part of a four person crew who gathered trash within and outside of City limits	
Medical Records Assistant	Aug 2013 – Current
Kodiak Island Medical Associates	1818 E Rezanof Dr.
File medical charts, sign files, fax prescriptions and shred paper	
Secretary Intern	Sep 2013 – Current
Kodiak Island Borough School District	722 Mill Bay Rd.
Operate the computer for breakfast and lunch to record students' balances.	

Education

Kodiak High School 11 th grade	722 Mill Bay Rd.
University of Alaska Fairbanks Leadership Program	505 South Chandalar Dr.

School Organization

Student Government – Class Secretary 2013 – 2014
National Honor Society – Student Government Representative 2013 – 2014
National Society of High School Scholars – KHS Ambassador 2013 – 2014
Kodiak Teen Court – Bar Assoc. Vice Pres. and Board Member 2013 – 2014

Sports

City League Baseball – Summer 2012
Varsity Tennis – Fall 2012

Volunteer Experience

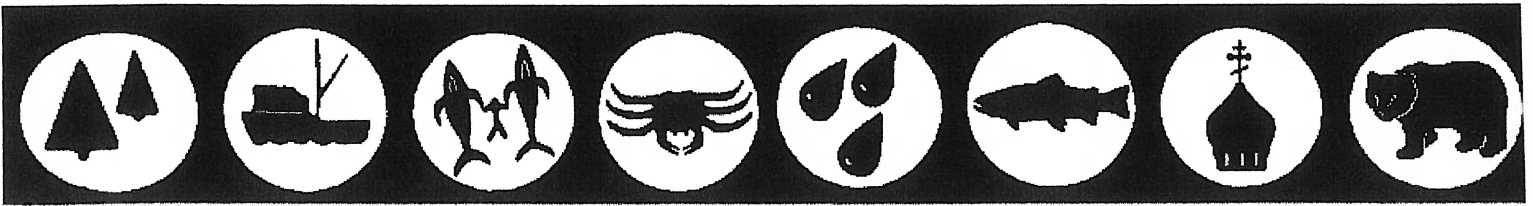
Kodiak High School - Crossing Guard for Key Club
Kodiak Public Library – Summer Craft Sessions and Reading Program
St. Mary's Parish – Vacation Bible Camp Mentor and Thrift Shop

Accomplishments

Elks Student of the 1st Quarter 2012 – 2013
Academic Excellence Visual Arts 2012 – 2013
National Honor Society 2013 – Current
Kodiak Teen Court Outstanding Attorney 2012 – 2013
Kodiak Island Borough Student of the Month November 2013

Certifications

CPR and First Aid Certified 2013



Kodiak High School

722 Mill Bay Road
Kodiak, AK 99615
(907) 481-2501

To Whom It May Concern:

Kodiak High School Student Council of 2013/14 would like to recommend Deborah Bitang to serve on the City of Kodiak Parks and Recreation Advisory Board as the School District's ex officio seat.

Deborah is an insightful young lady who will serve faithfully and contribute positively to your organization.

Sincerely,

Lindsey Glenn
Student Council Advisor



City Clerk's Office
 710 Mill Bay Road, Rm 216
 Kodiak, AK 99615
 (907) 486-8636 * (907) 486-8600 (fax)

Advisory Board Application Form

Andrew Joca

NAME

(305) 401-4499 (907) 487-5320 x2226 (907) 487-5334 Andrew.S.Joca@uscg.mil
 HOME TELEPHONE WORK TELEPHONE FAX EMAIL

565 Perez Way, Kodiak, AK 99615

RESIDENCE (STREET) ADDRESS

565 Perez Way

KODIAK, AK 99615

MAILING ADDRESS

5 months

LENGTH OF RESIDENCE IN KODIAK

5 months

LENGTH OF RESIDENCE IN ALASKA

**Are you a registered voter in the City of Kodiak?
 Do you own property in the City of Kodiak?**

Yes No *KLB*
 Yes No

**On which boards are you interested in serving?
 (Please list in order of preference)**

**Please list your areas of expertise and education that
 would benefit the boards for which you are applying.**

Parks and Recreation Advisory
(U.S. Coast Guard representative)

B.S. Civil Engineering, U.S. Coast Guard Academy, 1998

M.S. Project Management, George Washington University, 2009

Licensed Professional Engineer (PE), State of RI

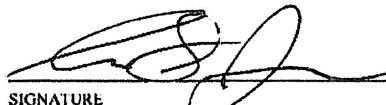
Project Management Professional (PMP), Proj Mgmt Institute

Community Activities: _____

Professional Activities: _____

- Member of Board of Directors, Island Trails Network
 (<http://islandtrails.org>)
- My wife Katie and I have two young children, and
 make regularly use the swimming pool, ice rink
 and playgrounds in the city of Kodiak

In 15 years as a Coast Guard officer, I have extensive
 experience leading teams to accomplish a wide variety
 of difficult and time critical tasks, both at sea and
 ashore. In my current job as Engineering and Management
 Branch Chief, I am responsible for the construction,
 major maintenance and real property programs for Coast
 Guard Base Kodiak. My strong background in facility
 management, engineering & real estate, coupled with the
 perspective gained from living in many communities across
 the country will bring great value to the Advisory Board,
 and I look forward to the opportunity to contribute.


 SIGNATURE

10 DEC 2013
 DATE

Return application to City Clerk, 710 Mill Bay Road, Room 216, Kodiak, AK 99615
 Fax: 486-8600

Revised: June 2009

U.S. Department of
Homeland Security

United States
Coast Guard



Commanding Officer
United States Coast Guard
BASE Kodiak

P. O. Box 195005
Kodiak, Alaska 99619-5005
Phone: (907)487-5320 x2226
Fax: (907) 487-5606
Email: Andrew.S.Joca@uscg.mil

5740

Kodiak Parks and Recreation
Attn: Mr. Charlie Powers
410 Cedar Street
Kodiak, AK 99615

DEC 23 2013

Dear Mr. Powers,

On behalf of the U.S. Coast Guard and "Team Kodiak", I highly recommend Lieutenant Commander Andrew S. Joca to be the Coast Guard's Appointed Representative for the Kodiak Parks and Recreation Advisory Board. Lieutenant Commander Joca was recently assigned to Kodiak and can provide continuity to the position for the next three years. His background as a facility manager and diverse community experience gained through his 15 year career will provide invaluable input to the board. Additionally, he is a local homeowner and his wife and children are actively involved in the community. As such, Lieutenant Commander Joca has a vested interest in the success of the Kodiak Parks and Recreation Department.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wołoszynski".

JERALD L. WOŁOSZYNSKI
Captain, U.S. Coast Guard
Commanding Officer, BASE KODIAK