

KODIAK CITY COUNCIL

WORK SESSION AGENDA

Tuesday, February 10, 2015

Kodiak Public Library Multi-Purpose Room

7:30 p.m.

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

Discussion Items

- 1. Public Comments (limited to 3 minutes)
- 2. Shipyard Overview
- 3. FY2016 Revenue Projections1
- 4. Review Draft Federal Fiscal Year 2015 Capital Needs and Issues20
- 5. Review Clean Water Fund Loan for Construction of the Compost Facility
- 6. Review of Keplinger Property Replat.....23
- 7. KPD VRLA Batteries Replacement Review
- 8. Discuss Proposal to Form Downtown Task Force
- 9. February 12, 2015, Agenda Packet Review

ITEMS TO BE SCHEDULED

Planning Session Date

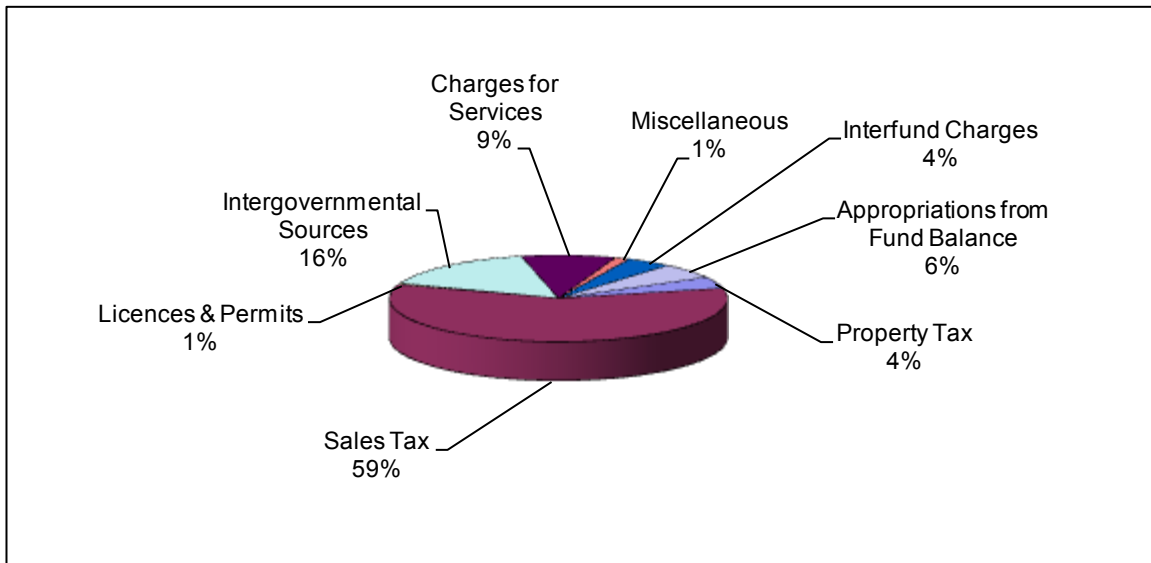
Fiscal Year 2016 - 2019 Revenue & Expense Forecast

Governments find themselves in a difficult position when it comes to providing services and raising revenue; they seek to provide services while minimizing the apparent cost to the taxpayer. In order to develop the fiscal year 2016 budget, three major funds have been forecast to show the projected trends in revenues and expenses for fiscal years 2015 through 2018. The General Fund, Harbor Funds, and Water & Sewer Funds have been forecast based on a regression analysis forecasting method. This is a technique in which a straight line is fit to actual values from fiscal years 2010 through 2014, and the adopted budget for fiscal year 2015 to forecast the future. The forecasts seek to estimate the City's future positions and to identify areas that may need to be addressed in order to protect the City's future ability to maintain adequate fund balance reserves. There was no change in the sales tax cap and it remains at \$750.00 or a maximum tax of \$52.50 per transaction.

GENERAL FUND

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

Figure 1: General Fund - FY 2015 Budgeted Revenues



The following applies to Figure 1 above:

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

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

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

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

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

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

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

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

Figure 2: General Fund - FY 2015 Budgeted Expenditures by Function (less transfers)

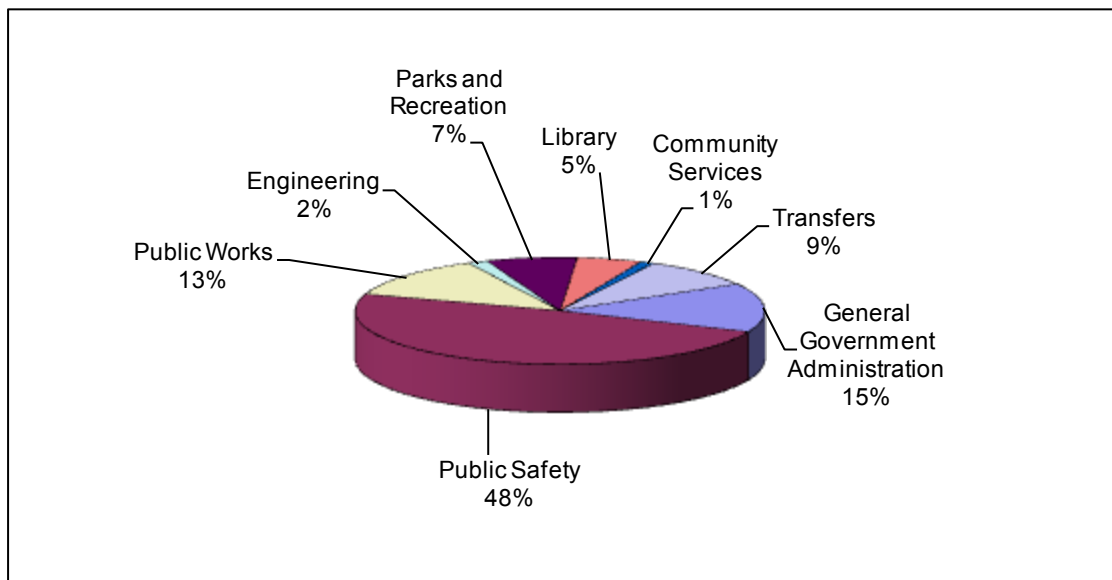
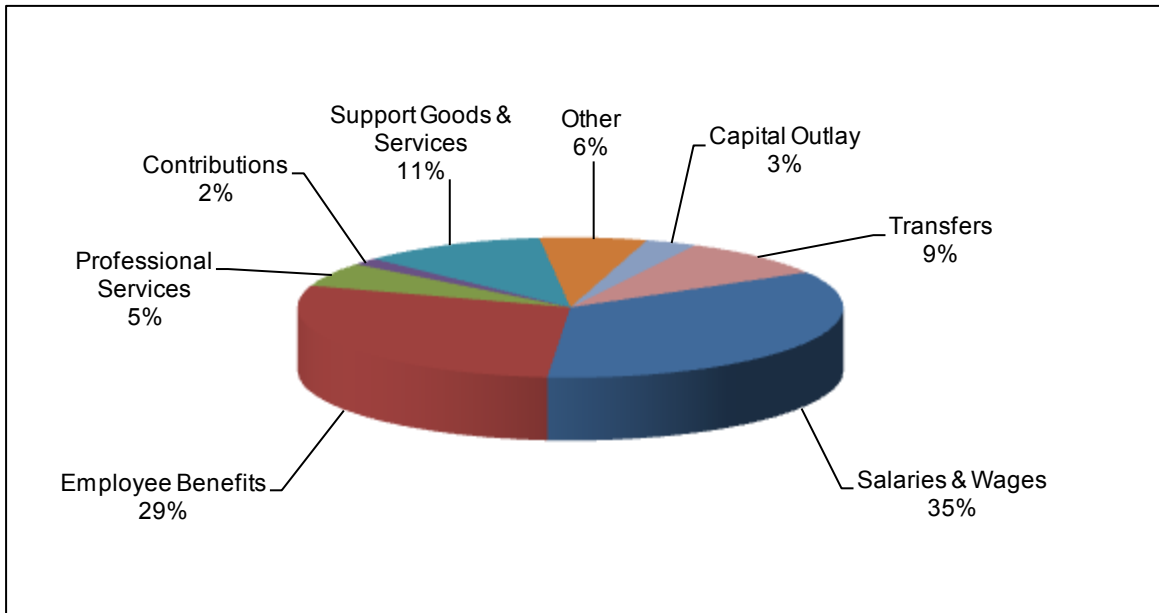


Figure 3: General Fund - FY 2015 Budgeted Expenditures by Account Classification



The following applies to Figure 3 above:

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

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

Professional Services – Includes all services contracted out.

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

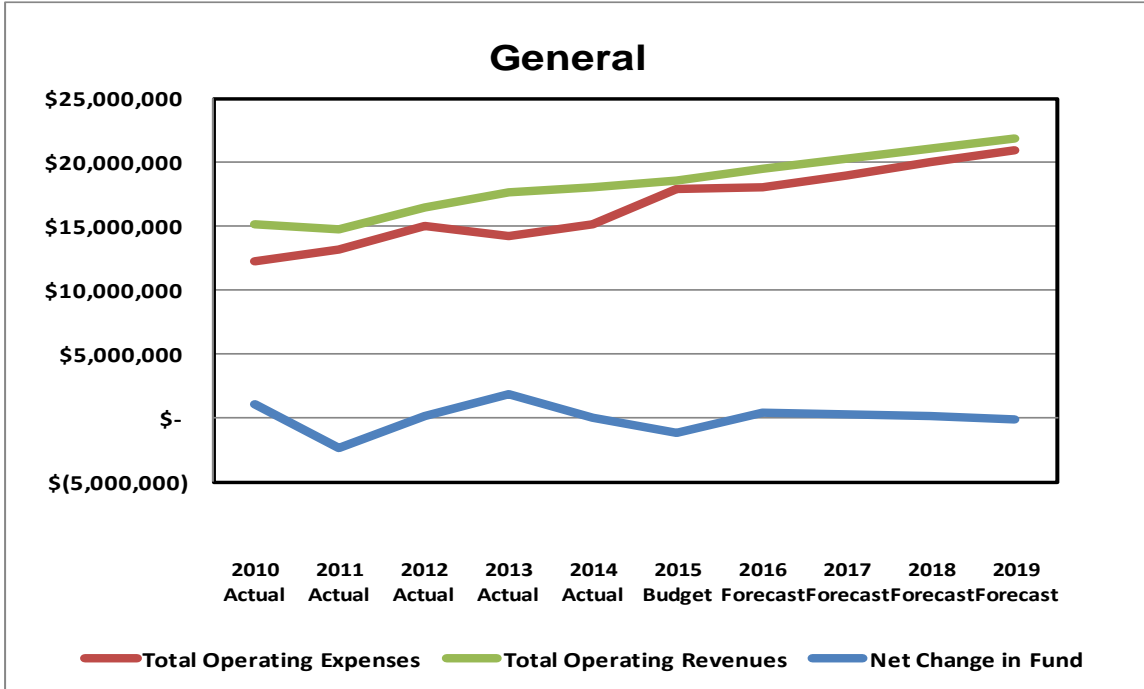
Support Goods & Services - Includes expenditures for communications, advertising, dues and subscriptions, training and travel, supplies, utilities, and equipment rental.

Other – Includes miscellaneous expenses.

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

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

Figure 4: General Fund Forecast - Actual 2010-2014, Budgeted 2015, Forecast 2016-2019



Actual operating revenues have exceeded actual operating expenses from fiscal year 2010 through fiscal year 2014 (Fig.4). In fiscal year 2014 revenues were almost equal to expenses resulting in a net change in fund balance of a positive \$29,278, which was considerably better than the budgeted deficit of \$1,975,750. In 2011 the Net Change in Fund was negative due to transfers to capital projects. Table 1 below shows that Sales Tax revenue increased by \$292,807 or 2.6% from fiscal year 2013 to fiscal year 2014.

In fiscal year 2015, the gap between the adopted budget for operating revenues and the budget for operating expenses remained narrow. This will continue to result in smaller gains and impacts the amount of funds available to use for capital projects and fund balance reserves. Historically the City of Kodiak has used fund balance to balance the General Fund budget.

TABLE 1 Sales Tax Revenue

Fiscal Year	Sales Tax Revenue	\$ Increase from Prior Year	% Increase from Prior Year
2010	9,404,691	95,732	1.0%
2011	9,654,542	249,851	2.7%
2012	10,297,107	642,565	6.7%
2013	11,243,913	946,806	9.2%
2014	11,536,720	292,807	2.6%
2015	11,630,000	93,280	0.8%
2016	12,144,428	514,428	4.4%
2017	12,460,183	315,755	2.6%
2018	12,784,148	323,965	2.6%
2019	13,116,536	332,388	2.6%

In fiscal year 2015 there is a budgeted use of fund balance in the amount of \$1,132,088. Under the City Sales Tax code 3.08.025, Allocation of Sales Tax, \$500,000 is allocated to harbor improvement capital projects, \$450,000 to street improvement capital projects, and \$50,000 to parks and recreation capital projects annually. This transfer contributes to the decline each year in fund balance forecasted from fiscal year 2016 through 2019. Additional transfers are made to fund other capital projects.

The revenue sources for the general fund have been somewhat stable with sales tax (59%) (Fig.1) as the largest source of revenue. This has increased after the sales tax was increased from 6% to 7% effective October 2012. Sales tax can generate a great deal of revenue, it is relatively easy to collect, its costs to the taxpayer are opaque, and it is elastic (expands and contracts with the economy). In addition, because it is paid as a percentage of an item's cost, it automatically adjusts during inflationary periods. Unfortunately, it also is regressive, more volatile, and seasonal than property taxes, and relies on the cooperation of business owners.

Property tax makes up 4% of the total revenue for the general fund. The greatest advantage of property tax is its stability during economic downturns. It has been the most unpopular tax because unlike other taxes, it taxes an asset that may not generate any income for the taxpayer and is due in a lump sum.

The second largest revenue source is the intergovernmental revenues (16%) which are revenues received from the State. These revenues can be volatile and unpredictable, especially with low oil prices and the political disorder in the nation's capital. Unlike the sales and property tax that the City Council can control, the City has little control over the intergovernmental revenues received.

The trend for the general fund revenues is increasing at a slower rate than the trend for expenses resulting in an increasing use of fund balance available for capital projects. The fiscal year 2014 budget was developed with the minimum use of fund balance and coupled with several position vacancies resulting in reduced expenses and a \$29,280 positive net change in fund balance. The fiscal year 2015 budget was again developed with the minimum use of fund balance. This process will continue to slowly increase the fund balance in the General Fund; however, it limits the funding of capital projects. The current Capital Improvement Project (CIP) list has unfunded projects such as the City Barn Assessment, New Fire Station, and the resurfacing of Mill Bay Road. These projects and future unidentified projects will decrease the General Fund fund balance and impact the recommended practice of two months of operating expense reserves.

Salaries and benefits are the largest expense in the General Fund, or 63% (Fig.3) of the total expense budget, with support goods and services at 11%. Continued increases in health insurance and worker compensation costs have caused significant increases in the benefit category. The City is faced with increased expenses due to inflation, equipment replacement, and repairs and maintenance to an aging infrastructure. Overall revenues and expenses are projected to increase resulting in a negative net change in fund balance (Fig.4).

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

As of December 31, 2014 total revenues for fiscal year 2015 are approximately \$100,000 (1%) less than total revenues for the same time period last fiscal year. Total expenses for the same period are

approximately \$200,000 (2%) lower than total expenses. Unusually mild weather this winter has led to the significant savings.

Table 3 below shows the detail for the actual, budget and forecasted fiscal years. It is important to note that these forecasts do not include future planned capital projects, which would place further demands on the fund balances. The fiscal year 2015 adopted budget shows the use of \$1,132,088 in fund balance.

TABLE 3: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values 2010-2014

GENERAL FUND	Actual	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund Revenues										
Property Tax	665,999	765,539	917,598	708,684	879,280	853,500	905,415	935,981	966,547	997,113
Sales Tax	9,404,691	9,654,542	10,297,107	11,243,913	11,536,720	11,630,000	12,144,428	12,460,183	12,784,148	13,116,536
Licenses & Permits	70,489	93,193	71,957	237,950	83,253	90,100	131,246	137,939	144,631	151,323
PERS Relief	269,592	407,269	619,957	765,692	791,927	1,279,273	1,357,920	1,524,656	1,709,690	1,894,725
State Revenue Sharing	400,759	428,304	534,336	572,306	402,490	394,074	150,000	154,500	159,135	163,909
Department of Revenue - Fish Tax	1,046,010	740,229	1,123,205	1,252,420	1,189,750	1,283,000	1,372,042	1,448,120	1,524,198	1,600,276
DCEd Shared Fisheries Tax	70,933	87,810	120,822	90,469	106,436	75,000	75,000	77,250	79,568	81,955
Fuel Tax Sharing	5,993	6,215	6,882	7,075	5,859	7,500	7,253	7,444	7,634	7,824
Other Intergovernmental Revenues	95,647	79,664	186,481	87,035	36,426	90,000	70,136	62,782	55,428	48,074
Police & Fire General	707,836	997,627	1,243,237	1,285,144	1,551,196	1,421,000	1,727,850	1,878,377	2,028,903	2,179,430
KIB Revenues	272,873	178,930	217,783	131,397	234,945	225,415	194,661	190,214	185,767	181,321
Parks & Recreation	117,300	121,688	120,121	97,645	99,835	100,500	92,311	87,396	82,481	77,566
Library	18,580	15,467	13,692	15,267	17,078	17,000	16,031	15,989	15,946	15,903
Other Charges for Services	77,789	42,394	7,299	9,019	7,985	10,200	10,000	7,500	7,500	7,500
Fines & Forfeitures	23,514	6,156	3,619	15,308	9,482	15,500	10,000	10,000	10,000	10,000
Interest	31,162	24,500	1,301	9,459	16,396	45,000	15,000	15,000	15,000	15,000
Rents & Royalties	157,686	125,476	154,320	194,099	173,979	195,000	203,946	214,571	225,195	235,820
Miscellaneous	1,066,199	268,423	19,471	45,736	59,301	22,000	45,000	45,000	45,000	45,000
Interfund Charges	678,820	662,622	813,225	865,152	895,876	858,692	960,836	1,008,009	1,055,182	1,102,355
Total Operating Revenues	15,181,871	14,706,050	16,472,414	17,633,771	18,098,214	18,612,754	19,489,076	20,280,909	21,101,953	21,931,628
Fund Operating Expenses										
Salaries & Wages	5,213,895	5,480,849	5,776,122	5,734,555	5,931,306	6,849,048	6,988,480	7,169,942	7,463,347	7,756,752
Fringe Benefits	3,019,330	3,463,215	4,342,347	4,452,490	4,731,103	5,658,740	5,863,391	6,406,086	6,881,515	7,356,943
Professional Services	654,944	812,982	876,000	832,208	978,211	1,099,948	1,143,407	1,219,890	1,296,374	1,372,857
Contributions	232,636	226,218	245,019	234,674	239,641	314,700	292,839	305,418	317,996	330,574
Support Goods & Services	1,735,339	1,721,232	1,705,817	1,593,243	1,611,336	2,169,924	1,929,215	1,978,662	2,028,110	2,077,558
Utility Services	503,316	547,851	618,992	566,076	578,927	688,132	680,322	707,876	735,430	762,984
Administrative Services	33,275	34,559	38,882	45,645	101,398	36,500	70,717	77,100	83,483	89,866
Capital Outlays	322,994	333,557	946,807	310,466	432,628	597,253	593,834	623,324	652,815	682,305
Interest Expense	530,740	528,490	525,990	528,240	529,990	531,240	530,000	530,000	530,000	530,001
Total Operating Expenses	12,246,468	13,148,953	15,075,975	14,297,596	15,134,540	17,945,485	18,092,205	19,018,299	19,989,069	20,959,840
Operating Gain (Loss)	2,935,403	1,557,097	1,396,439	3,336,175	2,963,674	667,269	1,396,871	1,262,610	1,112,884	971,788
Other Financing Sources (Uses)										
GOB Issuance	-	-	-	-	-	-	-	-	-	-
Transfers In	531,870	96,288	492,689	131,847	-	-	-	-	-	-
Transfers Out	(2,318,826)	(3,999,224)	(1,666,189)	(1,624,852)	(2,934,396)	(1,799,357)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Other Financing Sources (Uses)	(1,786,956)	(3,902,936)	(1,173,499)	(1,493,005)	(2,934,396)	(1,799,357)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Change in Fund	1,148,447	(2,345,839)	222,939	1,843,170	29,278	(1,132,088)	396,871	262,610	112,884	(28,212)
Net Assets at Beginning of Year	7,704,123	8,852,570	6,506,731	6,729,670	8,572,840	8,602,118	7,470,030	7,866,902	8,129,512	8,242,396
Net Assets at End of Year	8,852,570	6,506,731	6,729,670	8,572,840	8,602,118	7,470,030	7,866,902	8,129,512	8,242,396	8,214,184

General Fund – Fund Balance

In fiscal year 2014 the replacement to fund balance was almost break even, totaling just \$29,278. The fund balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year-end fund balance is recorded in the following categories: non-spendable, committed, assigned and unassigned balance that can be used. The use of fund balance budgeted in fiscal year 2015 is \$1,132,088. This is reflected in the fiscal year 2014 CAFR, fund balance assigned for subsequent use. The City follows the recommended practice outlined in the Government Financial Officers Association (GFOA) to maintain a minimum General Fund balance of two months operating expense as a reserve. The budgeted fiscal year 2015 ending fund balance that is available for use in the fiscal year 2016 budget is estimated to be \$3,313,689. This is based on the ending fiscal year 2015 unassigned fund balance of \$6,329,056 less two months of operating reserves of \$3,015,367.

Table 4 – Fund Balance Availability

General Fund	2010	2011	2012	2013	2014	2015
Non-Spendable - Prepaid	13,618	2,117	-	13,741	8,885	
Committed	-	-	-	-	-	
Assigned - subsequent year use of fund balance	1,440,324	1,638,770	1,490,854	1,156,232	1,132,088	
Unassigned	7,398,628	4,865,844	5,238,816	7,402,867	7,461,144	6,329,056
Total Fund Balance	\$ 8,852,570	\$ 6,506,731	\$ 6,729,670	\$ 8,572,840	\$ 8,602,117	\$ 6,329,056
Unassigned Fund Balance - months of expenditures (includes capital)	7.2	4.4	4.2	6.2	5.9	4.2
Unassigned Fund Balance - months of expenditures (excludes capital)	7.4	4.6	4.4	6.4	6.1	4.4
Two Months of Operating Expenses (includes capital)	\$ 2,191,492	\$ 2,512,663	\$ 2,382,933	\$ 2,522,423	\$ 2,990,914	\$ 3,015,367
General Fund Balance Available for Use	\$ 5,207,136	\$ 2,353,182	\$ 2,855,884	\$ 4,880,444	\$ 4,470,230	\$ 3,313,689
Three Months of Operating Expenses (includes capital)	\$ 3,061,617	\$ 3,287,238	\$ 3,768,994	\$ 3,574,399	\$ 3,783,635	\$ 4,523,051
General Fund Balance Available for Use	\$ 4,337,011	\$ 1,578,606	\$ 1,469,823	\$ 3,828,468	\$ 3,677,509	\$ 1,806,005
Four Months of Operating Expenses (includes capital)	\$ 4,082,156	\$ 4,382,984	\$ 5,025,325	\$ 4,765,865	\$ 5,044,847	\$ 6,030,735
General Fund Balance Available for Use	\$ 3,316,472	\$ 482,860	\$ 213,491	\$ 2,637,002	\$ 2,416,297	\$ 298,321
Five Months of Operating Expenses (includes capital)	\$ 5,102,695	\$ 5,478,730	\$ 6,281,656	\$ 5,957,332	\$ 6,306,058	\$ 7,538,419
General Fund Balance Available for Use	\$ 2,295,933	\$ (612,886)	\$ (1,042,840)	\$ 1,445,536	\$ 1,155,086	\$ (1,209,363)
Six Months of Operating Expenses (includes capital)	\$ 6,123,234	\$ 6,574,477	\$ 7,537,988	\$ 7,148,798	\$ 7,567,270	\$ 9,046,102
General Fund Balance Available for Use	\$ 1,275,394	\$ (1,708,632)	\$ (2,299,171)	\$ 254,069	\$ (106,126)	\$ (2,717,046)

Figure 5 below shows the total fund balance each fiscal year and Figure 6 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year. This figure does not include any capital project expenditures other than the \$1,000,000 required by City's Sales Tax code.

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

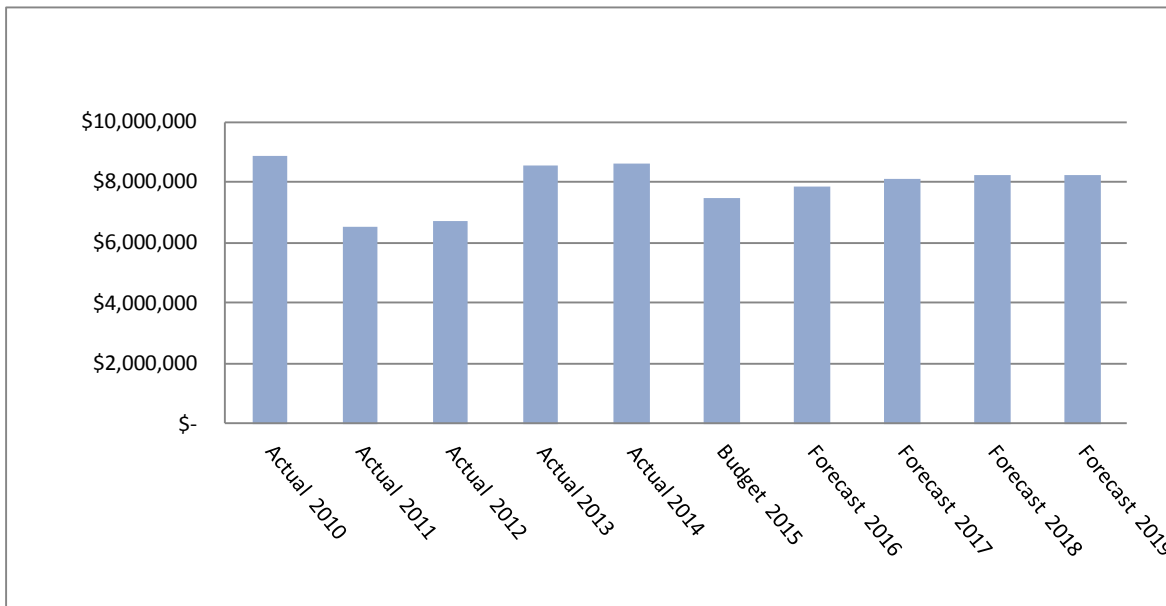
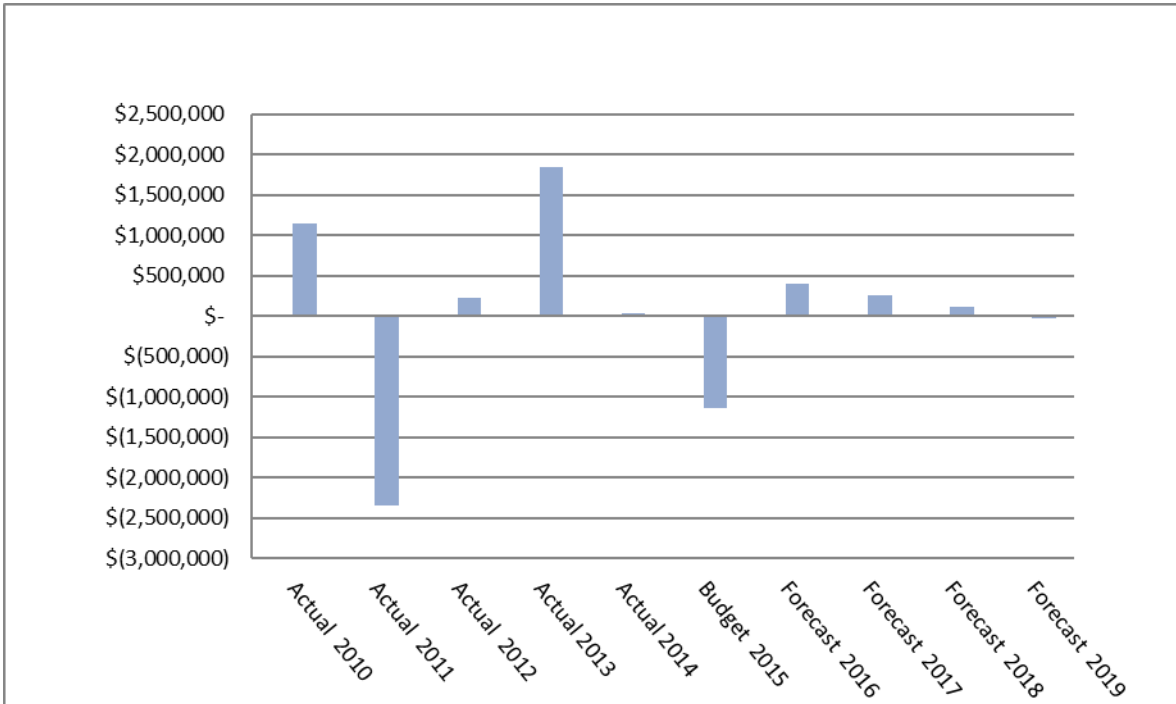


Figure 6: General Fund – Change in Fund Balance each Fiscal Year



WATER & SEWER FUNDS

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

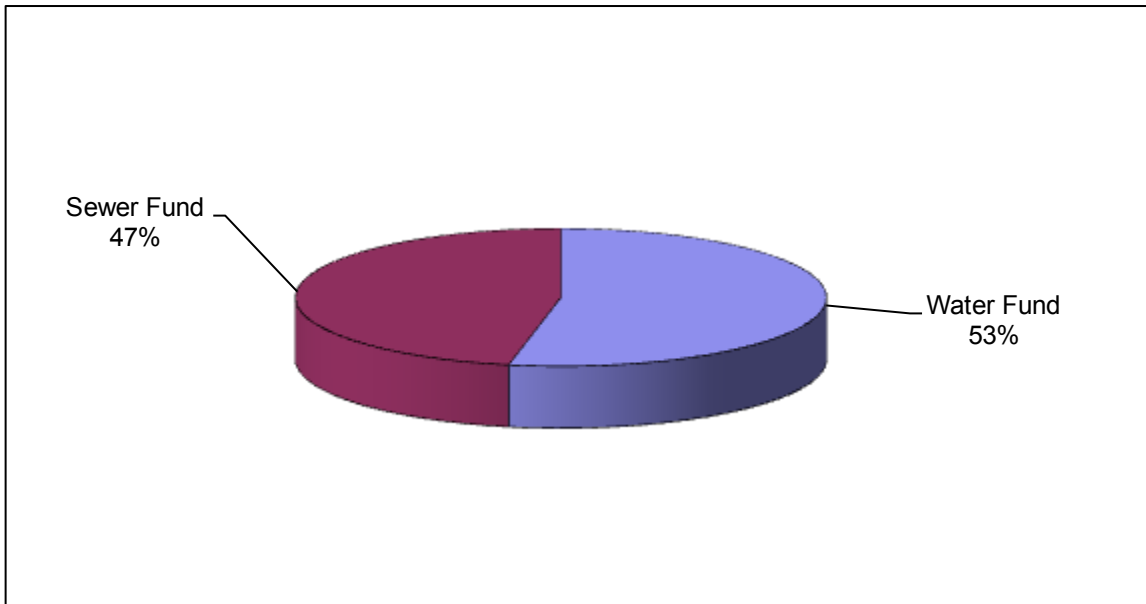
Water Utility Fund

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

Sewer Utility Fund

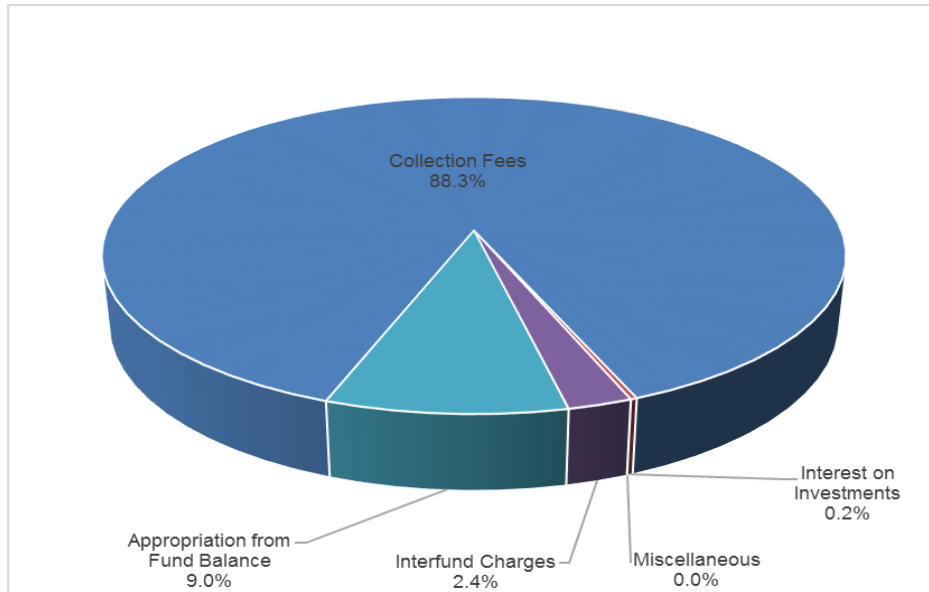
This fund accounts for all activity of the city owned and operated sewer utility.

Figure 7: Water & Sewer Funds - FY 2015 Budgeted Revenues by Function



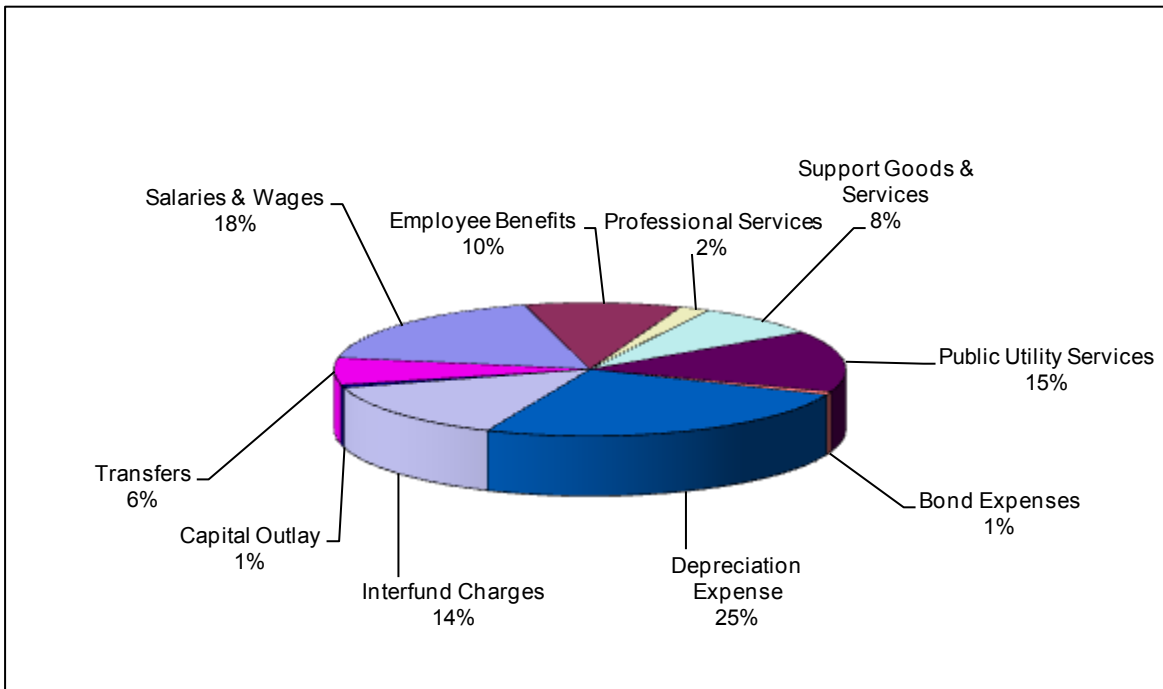
The Sewer Fund generates 47% of total revenues and the Water Fund generates 53% (Fig.7). The Water and Sewer Funds are responsible for maintaining the City's aging infrastructure while keeping rates to residents reasonable.

Figure 8: Water & Sewer Funds - FY 2015 Budgeted Revenues and Appropriation of Fund Balance



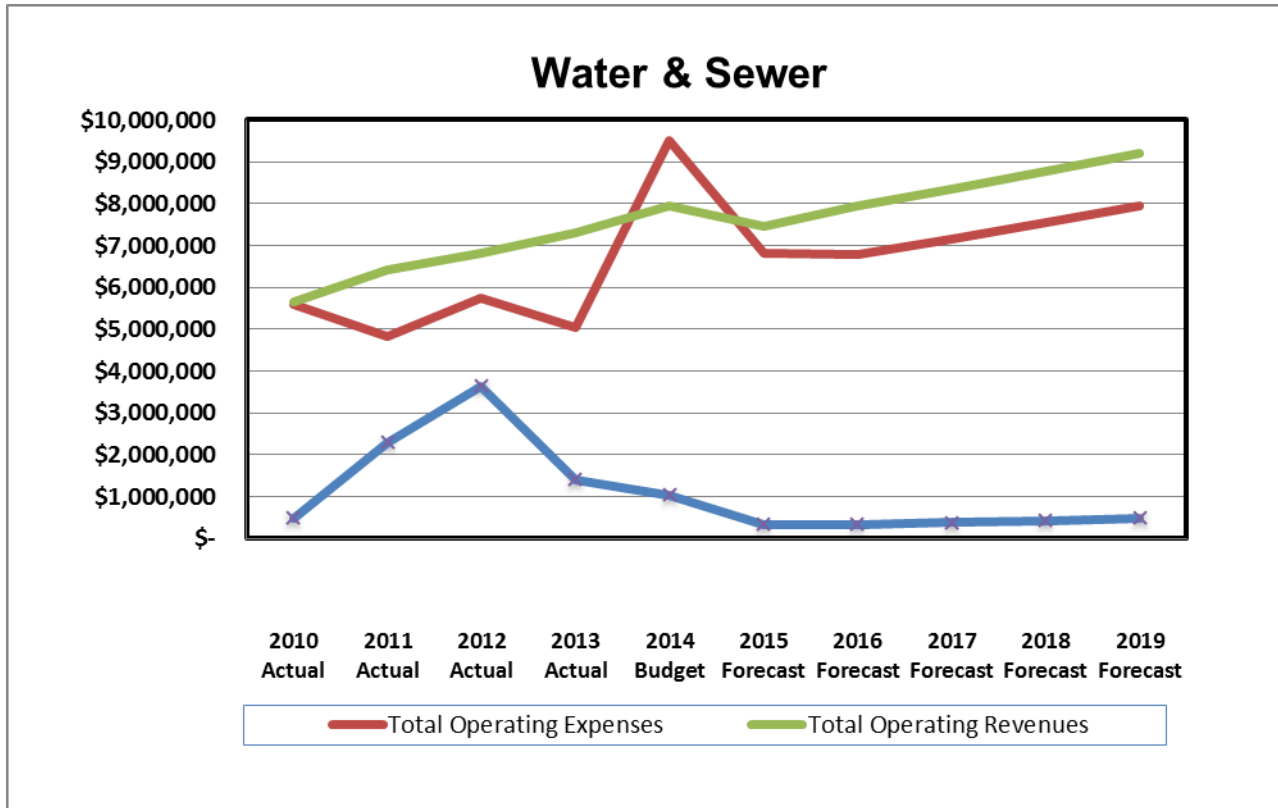
The main source of revenue is collection of fees for services at 88.3% (Fig.8) of total revenues. The Water and Sewer Funds use Fund Balance to make transfers to capital project funds and for operations.

Figure 9: Water & Sewer Funds - FY 2015 Budgeted Expenditures by Account Classification



The largest operating expense in the Water and Sewer Funds is for depreciation expense at 25% of total expenses (Fig.9), salaries and benefits at 18% and utility service at 15%. Transfers to other funds are 6% of total expenses.

Figure 10: Water & Sewer Funds Forecast - Actual 2010-2014, Budgeted 2015, Forecast 2016-2019



With rate studies every five years, the water and sewer funds have been able to plan for future capital projects and operations by maintaining a reasonable fund balance. The last Sewer Fund rate study was 2012 and a new rate study is in progress and should be completed by fiscal year 2015.

Water Rates			Sewer Rates		
Fiscal Year	Residential Rate	% Increase	Fiscal Year	Residential Rate	% Increase
2006	25.30		2006	32.20	
2007	25.30	0%	2007	38.02	18%
2008	26.82	6%	2008	42.93	13%
2009	28.43	6%	2009	48.39	13%
2010	30.13	6%	2010	54.55	13%
2011	34.95	16%	2011	59.82	10%
2012	39.14	12%	2012	62.81	5%
2013	43.84	12%	2013	62.81	0%
2014	47.35	8%	2014	62.81	0%
2015	51.14	8%	2015	65.95	5%
2016	55.23	8%	2016	69.25	5%
2017			2017	72.71	5%
2018			2018	76.35	5%
2019			2019	80.16	5%

Table 5 below shows the detail for the actual, budgeted, and forecast fiscal years. These forecasts do not include future capital projects.

TABLE 5: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values 2009-2014										
Water & Sewer Fund	Actual	Actual	Actual	Actual	Actual	Budget	Forecast	Forecast	Forecast	Forecast
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Fund Revenues										
Collection Fees	5,581,077	6,374,280	6,807,086	7,253,430	7,908,086	7,454,471	7,946,999	8,344,349	8,761,566	9,199,645
Other	58,284	53,477	20,119	38,645	48,552	500	8,079	10,000	10,000	10,000
Total Operating Revenues	5,639,361	6,427,757	6,827,205	7,292,075	7,956,638	7,454,971	7,955,078	8,354,349	8,771,566	9,209,645
Fund Operating Expenses										
Salaries & Benefits	1,487,245	1,549,698	1,771,428	1,630,677	1,811,057	2,056,691	2,110,000	2,191,239	2,295,592	2,399,945
Professional Services	664,733	151,698	67,704	65,159	33,100	138,500	150,000	160,000	170,000	180,000
Support Goods & Services	322,309	342,366	378,181	361,878	384,346	582,190	536,116	576,374	616,633	656,891
Utility Services	468,376	825,707	991,392	783,210	1,000,643	1,092,250	1,203,863	1,302,034	1,400,205	1,498,377
Capital Outlays	12,230	11,896	377,091	3,397	10,223	56,506	62,824	58,329	53,833	49,338
Interfund Charges	173,610	183,180	278,844	289,600	252,500	1,022,870	813,269	940,841	1,068,413	1,195,985
Repairs & Maintenance	711,956	6,286	19,408	39,861	4,145,830	-	-	-	-	-
Depreciation	1,766,325	1,765,018	1,870,595	1,863,851	1,857,990	1,855,439	1,901,644	1,922,151	1,942,658	1,963,165
Total Operating Expenses	5,606,784	4,835,849	5,754,643	5,037,633	9,495,689	6,804,446	6,777,715	7,150,968	7,547,334	7,943,700
Earnings (loss) from Operations	32,577	1,591,908	1,072,562	2,254,442	(1,539,051)	650,525	1,177,363	1,203,381	1,224,232	1,265,945
Nonoperating Revenue (Expenses)										
Investment Income	20,914	38,596	3,846	18,536	32,611	20,000	20,000	20,000	20,000	20,000
Interest Expense	(22,064)	(32,356)	(52,349)	(45,631)	(50,171)	(59,770)	(67,249)	(73,971)	(80,692)	(87,414)
State PERS Relief	42,515	66,234	103,817	102,990	120,350	204,892	204,140	231,952	259,763	287,575
Other	28,777	(490,519)	(96,193)	(611,800)	-	-	-	-	-	-
Net Nonoperating Revenue (Expenses)	70,142	(418,045)	(40,879)	(535,905)	102,790	165,122	156,891	177,981	199,071	220,161
Earning (loss) Before Transfers	102,719	1,173,863	1,031,683	1,718,537	(1,436,261)	815,647	1,334,254	1,381,362	1,423,304	1,486,106
Other Financing Sources (Uses)										
Capital Contributions	1,086,345	1,169,683	3,930,175	175,095	2,477,874	-	-	-	-	-
Transfers In	673,761	669,633	-	1,663,500	-	-	-	-	-	-
Transfers Out	(1,375,761)	(713,633)	(1,315,382)	(2,148,500)	-	(480,424)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Net Change in Fund	487,064	2,299,546	3,646,476	1,408,632	1,041,613	335,223	(165,746)	(118,638)	(76,696)	(13,894)
Net Assets at Beginning of Year	37,088,027	37,575,091	39,874,637	43,521,113	44,929,745	45,971,358	46,306,581	46,140,835	46,022,197	45,945,501
Net Assets at End of Year	37,575,091	39,874,637	43,521,113	44,929,745	45,971,358	46,306,581	46,140,835	46,022,197	45,945,501	45,931,607

Water & Sewer Funds - Fund Balance

	Actual	Actual	Actual	Budget	Budget	Budget
	2014	2014	2014	2015	2015	2015
	Total	Water	Sewer	Total	Water	Sewer
Net Invested in Capital Assets	\$ 30,892,898	\$ 19,811,449	\$ 11,081,449	\$ 30,892,898	\$ 19,811,449	\$ 11,081,449
Unassigned	15,078,460	9,112,092	5,966,368	15,413,683	10,211,134	5,202,549
Total	\$ 45,971,358	\$ 28,923,541	\$ 17,047,817	\$ 46,306,581	\$ 30,022,583	\$ 16,283,998

The City is budgeted to increase the fund balance by \$335,223 in fiscal year 2015. In fiscal year 2014 the increase in fund balance was \$1,041,613. There was a transfer in the amount of \$480,424 to the Aleutian Homes Phase VI and other capital projects in fiscal year 2015. The Fund Balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year end fund balance is recorded in categories that describe the use of the funds. These categories are invested in capital assets, and the unrestricted balance that can be used. Net invested in capital is comprised of all property and equipment less accumulated depreciation and less long term debt. The fiscal year 2015 fund balance that is available for use in the fiscal year 2016 budget is estimated at \$15,413,683. This is based on an ending fund balance of \$46,306,581 for fiscal year 2015 less the net invested in capital of \$30,892,898. The Water Fund has \$10,211,134 and the Sewer Fund has \$5,202,549 available.

Figure 11 below shows the total fund balance each fiscal year and Figure 12 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year. This figure includes an average projected transfer of \$1,500,000 for capital project expenditures.

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

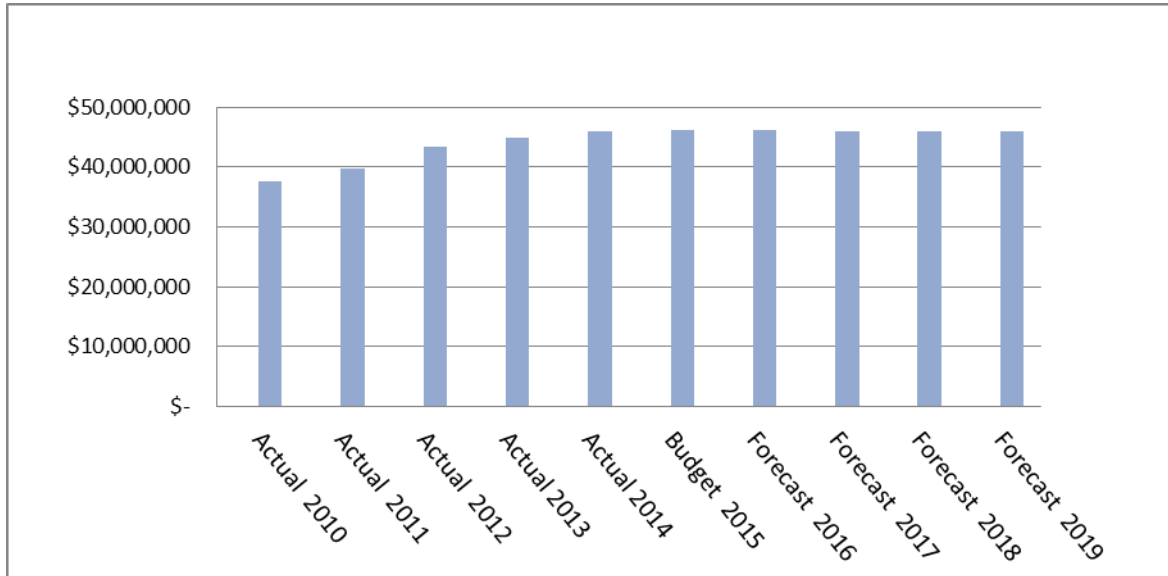
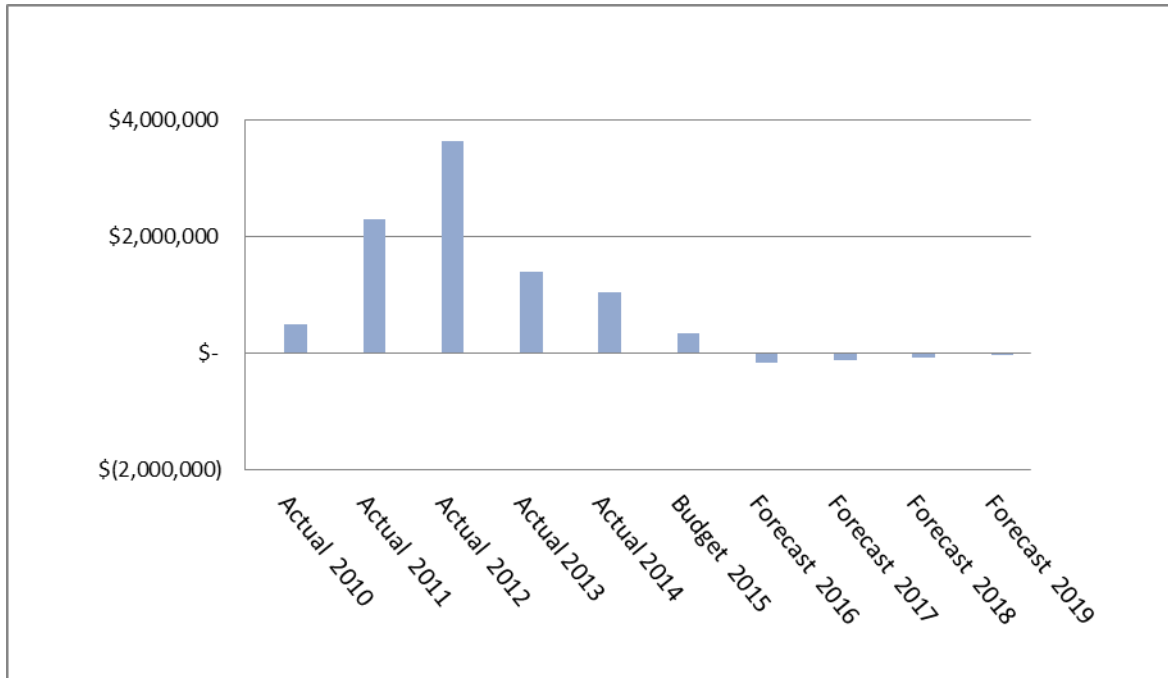


Figure 12: Water & Sewer Funds – Change in Fund Balance each Fiscal Year



HARBOR FUNDS

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

Cargo Terminal Fund

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

Boat Harbor Fund

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

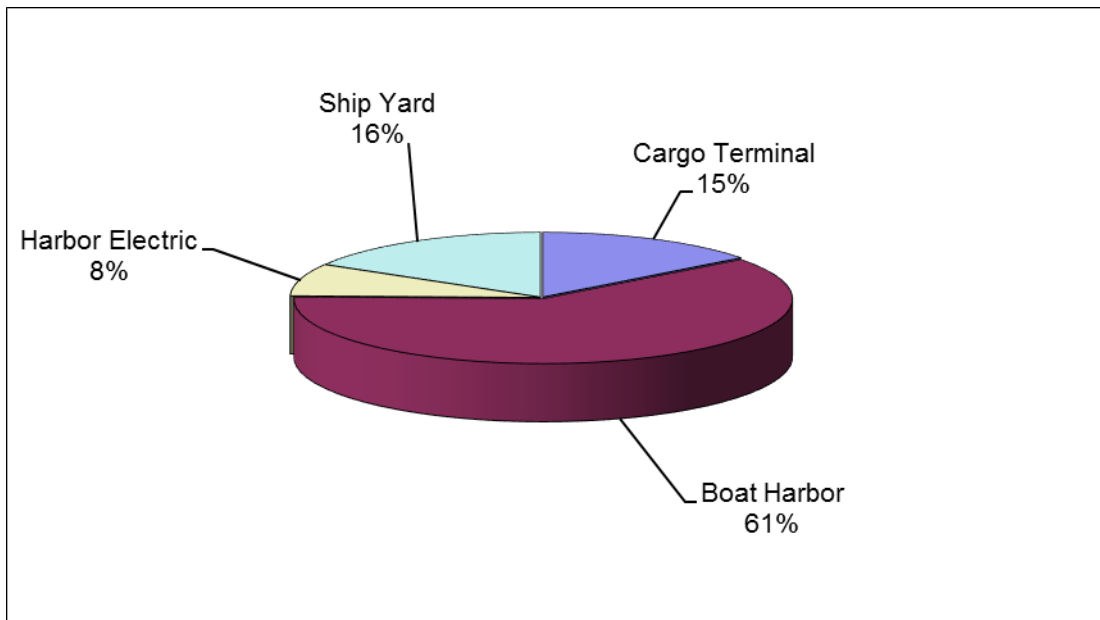
Ship Yard Fund

This fund accounts for all activity for the Ship Yard Facility which is city owned and operated.

Harbor Electric Fund

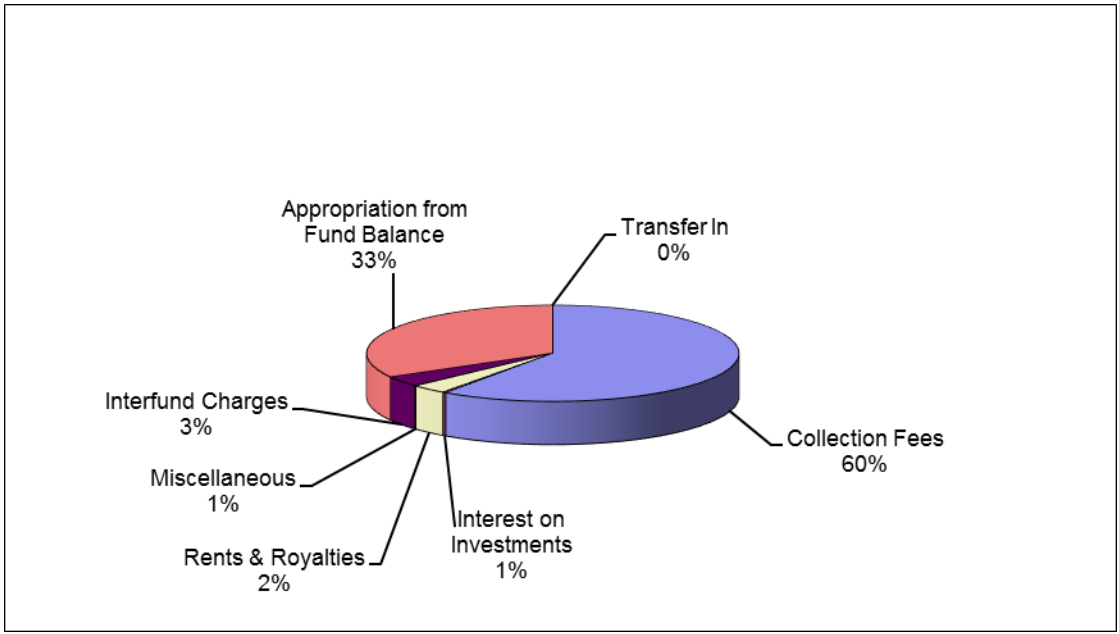
This fund accounts for the use of electrical power for the Boat Harbor, which is city owned and operated and includes two harbors.

Figure 13: Harbor Funds – FY 2015 Budgeted Revenues by Function



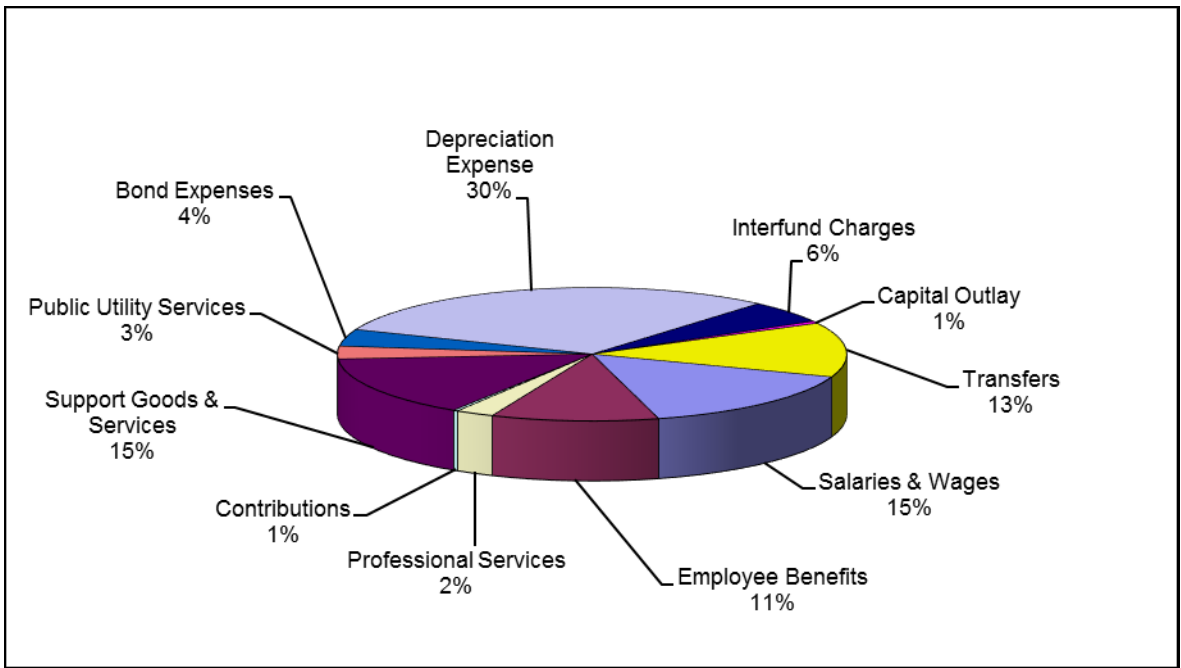
The Cargo Fund is budgeted to generate 15% of total revenues, the Harbor Fund 61% (Fig.13), the Ship Yard 16% and the Harbor Electric Fund 8%. The Harbor Funds are responsible for maintaining the City's Harbors while keeping rates to the fishing fleet reasonable.

Figure 14: Harbor Funds - FY 2015 Budgeted Revenues



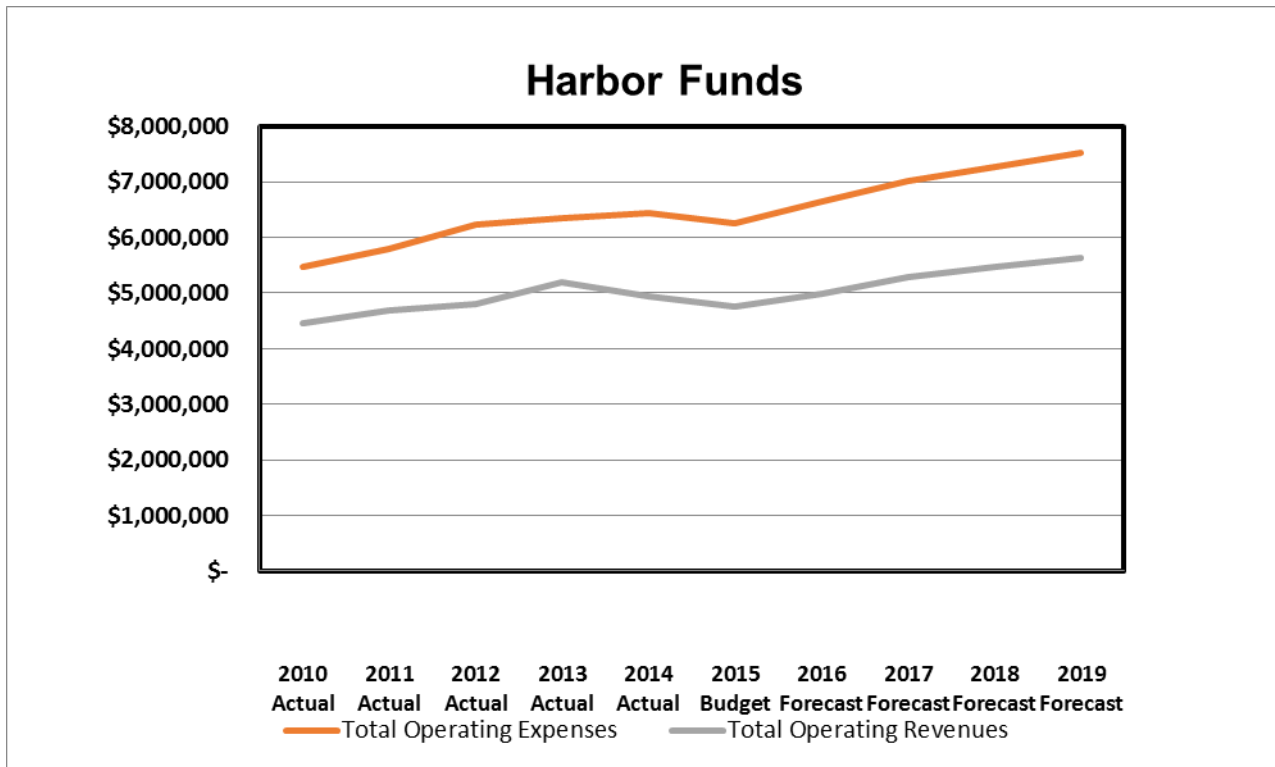
The main source of revenues is collection of fees for services or 60% (Fig.14), of total revenues. The Harbor Funds use Fund Balance to make transfers to capital project funds and for operations.

Figure 15: Harbor Funds – FY 2015 Budgeted Expenditures by Account Classification



The largest expenses in the Harbor Funds are depreciation of the large capital projects at 32%, (Fig.15), of total expenses, salaries and benefits at 26%, and support goods & services at 15%.

Figure 16: Harbor Funds Forecast - Actual 2010-2014, Budgeted 2015, Forecast 2016-2019



As a result of a recommendation from the Harbor Advisory Board, a rate increase was implemented for Harbor moorage rates in fiscal year 2004 for four years and the rates were again adjusted in fiscal year 2011. The chart below shows the increase in moorage rates. Moorage rates are the largest category of fees in the Harbor Funds. The Ship Yard has been in operation since 2010. The Ship Yard rates were increased in fiscal year 2011 and then again in fiscal year 2013. Lift, Block and Launch fees make up about 45% of Ship Yard revenues and Lay Days make up 28%. In the future, continued operating losses may necessitate additional transfers from the General Fund or additional rate increases in the Ship Yard Fund.

Harbor & Ship Yard Rates

Fiscal Year	Annual Moorage Per Foot		% Increase		Fiscal Year	Lift, Block, and Launch		% Increase		Lay Days per foot	
	Low	High	Low	High		Low	High	Low	High	Low	High > 14 Days
2004	23.00	37.00			2010	40.00	70.00				
2005	25.00	60.00	9%	62%	2011	44.00	77.00	10%	10%		
2006	27.00	73.00	8%	22%	2013	53.00	92.00	20%	19%		
2007	28.00	88.00	4%	21%	2014	53.00	92.00	0%	0%		
2008	29.00	98.00	4%	11%	2015	69.00	94.00	30%	2%	2.65	2.65
2009	29.00	98.00	0%	0%	2016	69.00	94.00	0%	0%	2.90	2.65
2010	29.00	98.00	0%	0%							
2011	30.00	100.00	3%	2%							
2012	30.00	100.00	0%	0%							
2013	30.00	100.00	0%	0%							
2014	30.00	100.00	0%	0%							
2015	30.00	100.00	0%	0%							
2016	30.00	100.00	0%	0%							

Low Range = Vessels up to 80 feet
High Range = 151 feet and higher

SHIP YARD RATES				
Fiscal Year	Lay Days		% Increase	
	Low	High	Low	High
2010	1.75	2.75		
2011	2.20	2.20	26%	-20%
2013	2.65	2.65	20%	20%
2014	2.65	2.65	0%	0%
2015	2.65	2.90	0%	9%
2016	2.65	2.90	0%	0%

Low Range = November 1 - March 31
High Range = April 1 - October 31

Table 6 below shows the detail for the actual, budget and forecasted fiscal years. These forecasts do not include future capital projects.

TABLE 6: Forecast Analysis - Income Statement with forecast values along a linear trend using existing values 2009-2014										
Harbor	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
Fund Revenues										
Collection Fees	3,976,024	4,123,339	4,495,391	5,135,917	4,896,078	4,746,500	4,975,000	5,284,598	5,450,453	5,616,308
Other	484,122	553,936	310,002	56,552	48,748	9,300	10,000	10,000	10,000	10,000
Total Operating Revenues	4,460,146	4,677,275	4,805,393	5,192,469	4,944,826	4,755,800	4,985,000	5,294,598	5,460,453	5,626,308
Fund Operating Expenses										
Salaries & Benefits	1,343,916	1,451,235	1,592,967	1,663,133	1,716,591	1,952,255	1,950,970	2,088,270	2,193,514	2,298,758
Professional Services	105,112	228,564	134,550	118,721	584,709	184,500	370,981	412,396	453,812	495,227
Support Goods & Services	1,044,714	1,032,885	1,141,906	942,695	821,845	1,131,722	979,565	968,214	956,863	945,512
Utility Services	140,960	162,895	178,625	181,117	228,078	234,000	253,937	272,886	291,836	310,786
Capital Outlays	97,113	46,869	38,187	30,382	8,699	41,089	45,000	50,000	55,000	60,000
Interfund Charges	391,579	391,309	456,369	600,643	624,528	412,044	574,038	601,073	628,109	655,145
Repairs & Maintenance	568,055	167,021	388,695	495,790	150,219	-	175,000	180,000	185,000	190,000
Depreciation	1,787,423	2,302,339	2,300,721	2,306,264	2,307,178	2,290,526	2,307,178	2,449,104	2,504,178	2,559,253
Total Operating Expenses	5,478,872	5,783,117	6,232,020	6,338,745	6,441,847	6,246,136	6,656,668	7,021,944	7,268,313	7,514,682
Earnings (loss) from Operations	(1,018,726)	(1,105,842)	(1,426,627)	(1,146,276)	(1,497,021)	(1,490,336)	(1,671,668)	(1,727,346)	(1,807,860)	(1,888,374)
Nonoperating Revenue (Expenses)										
Investment Income	38,239	39,610	13,439	30,496	35,612	23,000	35,000	35,000	35,000	35,000
Interest Expense	(306,322)	(334,588)	(332,711)	(334,802)	(327,705)	(309,764)	(293,000)	(310,000)	(327,000)	(344,000)
State PERS Relief	43,076	67,880	98,825	121,783	126,862	269,246	254,354	292,376	330,397	368,419
Other	201,751	112,736	183,343	472,627	-	-	-	-	-	-
Net Nonoperating Revenue (Expenses)	(23,256)	(114,362)	(37,104)	290,104	(165,231)	(17,518)	(3,646)	17,376	38,397	59,419
Earning (loss) Before Transfers	(1,041,982)	(1,220,204)	(1,463,731)	(856,172)	(1,662,252)	(1,507,854)	(1,675,314)	(1,709,971)	(1,769,463)	(1,828,955)
Other Financing Sources (Uses)										
Capital Contributions	-	-	-	1,467,558	7,033,027	-	-	-	-	-
Transfers In	4,945,260	2,283,431	1,300,000	1,319,768	500,000	500,000	500,000	500,000	500,000	500,000
Transfers Out	(4,470,260)	(1,803,431)	(800,000)	(819,768)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Net Change in Fund	(566,982)	(740,204)	(963,731)	1,111,386	5,970,775	(2,507,854)	(1,675,314)	(1,709,971)	(1,769,463)	(1,828,955)
Net Assets at Beginning of Year	40,344,157	39,777,175	39,036,971	38,073,240	39,184,626	45,155,401	42,647,547	40,972,233	39,262,262	37,492,799
Net Assets at End of Year	39,777,175	39,036,971	38,073,240	39,184,626	45,155,401	42,647,547	40,972,233	39,262,262	37,492,799	35,663,844

Harbor Funds – Fund Balance

	Actual 2014	Actual 2014	Actual 2014	Actual 2014	Actual 2014
	Total	Cargo	Harbor	Electric	Ship Yard
Net Invested in Capital Assets	\$ 35,673,476	\$ 13,872,112	\$ 11,146,618	\$ 32,069	\$ 10,622,677
Restricted for Debt Service	505,050	-	129,581	-	375,469
Unassigned	8,976,875	4,837,526	3,273,271	655,566	210,512
Total	\$ 45,155,401	\$ 18,709,638	\$ 14,549,470	\$ 687,635	\$ 11,208,658

	Budget 2015	Budget 2015	Budget 2015	Budget 2015	Budget 2015
	Total	Cargo	Harbor	Electric	Ship Yard
Net Invested in Capital Assets	\$ 30,693,840	\$ 7,222,380	\$ 12,407,830	\$ 42,471	\$ 11,021,159
Restricted for Debt Service	505,050	-	129,581	-	375,469
Unassigned	11,448,657	11,612,641	(154,036)	712,500	(722,448)
Total	\$ 42,647,547	\$ 18,835,021	\$ 12,383,375	\$ 754,971	\$ 10,674,180

The City's overall operating Harbor is budgeted to use \$2,507,854 of fund balance in fiscal year 2015. In fiscal year 2014 the return of fund balance was a positive \$5,970,775. Of this total \$6,901,680 was in the Cargo Fund, \$(382,208) in the Harbor Fund, \$334 in Electric and \$(549,031) in the Ship Yard Fund. The Fund Balance is made up of the assets of a fund less the liabilities, as determined at the end of each fiscal year. The year end fund balance is recorded in categories that describe the use of the funds. These categories are invested in capital assets, and the unrestricted balance that can be used. The fiscal year 2015 unassigned fund balance that is available for use in the fiscal year 2015 budget is estimated at \$11,488,657. Of this total \$11,612,641 is available in the Cargo Fund, \$(154,036) for the Harbor Fund, \$712,500 in Electric and \$(722,448) in the Ship Yard Fund.

A transfer at the rate of approximately \$800,000 per year to the Ship Yard Fund from the Harbor Fund has been necessary. The Harbor Fund is designated to cover the short fall in the Ship Yard fund, with funds coming from the General Fund if the Harbor Fund is unable to cover the short fall. At the end of fiscal year 2015 the Ship Yard will have a bonded debt balance in the amount of \$4,530,000. The Bond Statement specifies that if gross revenues generated from the Ship Yard Fund are not sufficient to make any payments required, the City shall apply supplemental revenue to make up the deficiency. It is important that all the harbor funds remain viable through proper rate structures to maintain a healthy fund balance.

Figure 17 below shows the total fund balance each fiscal year and Figure 18 shows the change in fund balance each fiscal year or the use of fund balance per fiscal year.

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

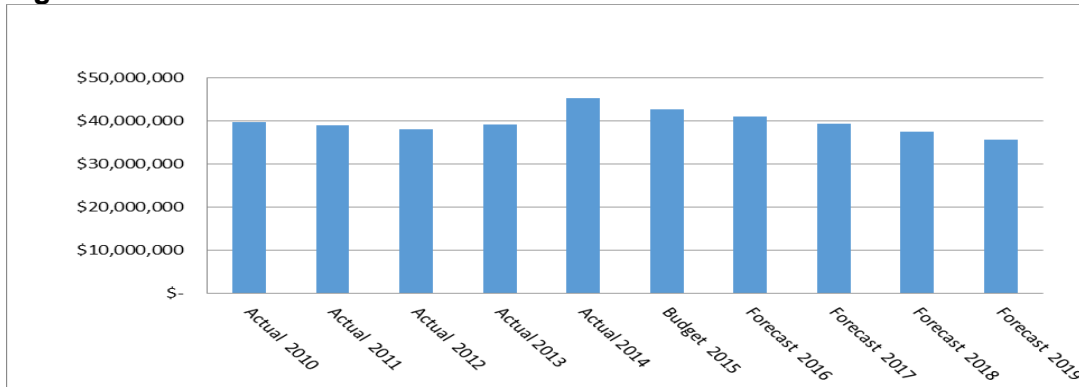
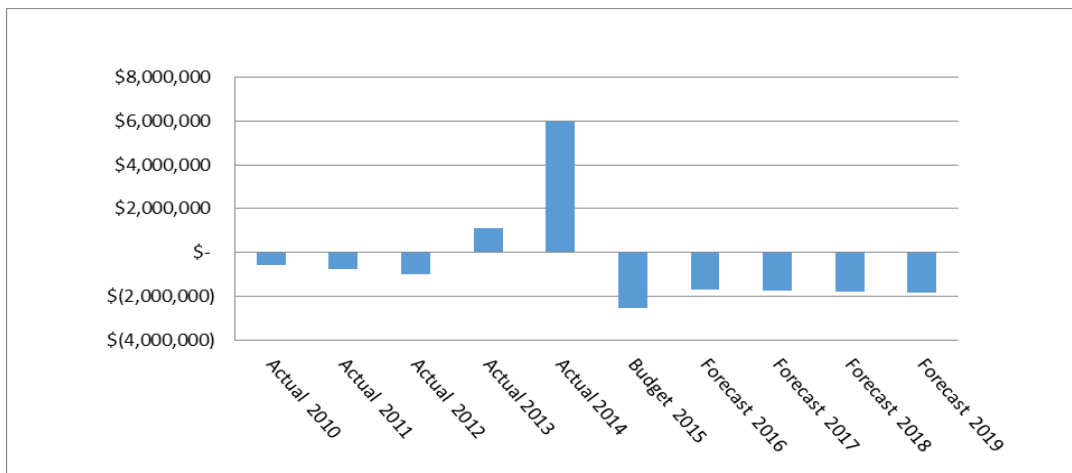


Figure 18: Harbor Funds – Change in Fund Balance each Fiscal Year



City of Kodiak
Budget Calendar FY 2016

FY 2016	ITEM	BY
January 31, 2015	Review City Council Goals and prepare suggested changes	City Manager & City Council
February 10, 2015	City Council Presentation FY 2016 Revenue Projections, & Budget Calendar	City Manager & Finance Director
February 12, 2015	City Council adopts Goals by Resolution	City Manager & City Council
March 11, 2015	Meeting of City Manager & Department Heads to distribute budget packets and provide overview of information in packets.	City Manager & Department Heads
March 31, 2015	Final day for departmental budget requests to be returned to Manager (via Finance Department)	Department Heads
April 6-17, 2015	City Manager & Finance Director reviews departmental budget with respective Department Heads.	City Manager/ Finance Director & Department Heads
April 24, 2015	Distribute Manager's Budget to City Council	City Manager
May 9, 2015	City Council and Manager budget work sessions. Departmental Budget Presentation to City Council	City Manager/ Department Heads & City Council
May 28, 2015	First reading of budget ordinance	City Manager/ Finance Director & City Council
June 1, 2015	Advertisement for overall City Council Agenda including Budget	Clerk
June 11, 2015	Second reading and public hearing of budget ordinance; adoption of budget	City Manager/ Finance Director & City Council
July 1, 2015	Budget Implementation	Finance Director
September 10, 2015	90 day Submittal to Distinguished Budget Presentation Awards Program - Government Finance Officers Association	Finance Director

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PROPOSED 2015-2016 DRAFT

FEDERAL CAPITAL NEEDS AND ISSUES

1. Community Roads and Pedestrian Improvements

The City of Kodiak is faced with a number of pressing infrastructure replacement and improvement projects that remain unfunded. The City is seeking funding for rehabilitation of the Mill Bay Road, the major arterial road providing access to Kodiak's business district (\$3,500,000); the construction of parking areas to remove pedestrian traffic and roadway congestion along Shelikof Street (\$1,650,000); and pedestrian and roadway improvements on the Kodiak waterfront to accommodate cruise ship passengers and local residents who are walking near the seafood plants and Kodiak's working piers (\$1,100,000). In prior years, the City has been able to seek a federal contribution to community road projects through a High Priority Project designation in legislation to reauthorize the Federal Highway Trust Fund ("Highway Bill"). The Congress has suspended this practice. The allocation of funds to the states has been curtailed due to the shortfall in federal gas tax revenues which make up the Federal Highway Trust Fund. The State of Alaska's budget deficit has exacerbated the shortfall, reducing state funds available to communities to repair their roads and provide for pedestrian access. The City of Kodiak is requesting the Alaska Delegation's assistance in advocating for some minimum guarantee of Federal Highway Trust Fund revenue to be dedicated to road infrastructure owned by local governments, or an increase in the allocation to the Transportation Alternatives Program of funds for pedestrian improvements.

2. Karluk Lake Enrichment Project

The Karluk Lake system, on the west side of Kodiak Island, is the largest producer of sockeye salmon in the Kodiak area, and supports a large portion of the area's commercial and subsistence sockeye fisheries. Since 2007, returns of adult sockeye to the Karluk system have been extremely poor, most likely due to over-escapement of spawning adults in earlier years. Continuing low returns will not only deprive local fisheries, low spawning escapements will also reduce the supply of marine-derived nutrients to the lake system. Thus, the system may remain in at a low state of productivity indefinitely into the future.

In order to bring the Karluk Lake ecosystem back to its earlier, higher level of production, the Kodiak Regional Aquaculture Association (KRAA) proposes to apply nutrients over the course of up to five years. This lake enrichment project follows established protocols for rehabilitating sockeye salmon rearing environments. Since Karluk Lake is within the Kodiak National Wildlife Refuge and a pre-statehood withdrawal, however, the Fish and Wildlife Service must perform a compatibility review and an environmental assessment. The FWS has completed a draft environmental assessment and will render a decision this year. The City is requesting the Delegation's active support for the enrichment project.

3. Impact of Sea Lions on Ferry Terminal Dock

The State of Alaska and the federal government allocated funding to engage in a major project involving the rebuild of the City of Kodiak's Pier I. The project was developed to replace the aging wooden structure at Pier I and to improve the limited uplands to better accommodate docking of the M/V Tustumena, the State's seagoing ferry that Kodiak depends heavily upon. The project is budgeted at \$11,000,000 for construction and utility work. The project began in October, 2014 but was suspended in November over concerns about Stellar sea lions. The National Marine Fisheries Service required a 350 meter radius exclusion area as a permit condition for the project. Under this permit condition, work must stop each time a marine mammal enters the 350 meter radius. The State decided to suspend the project and seek a permit modification to allow for continuation of work when marine mammals enter the exclusion area. This is likely to delay resumption of the project until September, 2015 or perhaps longer. A larger project involving Pier III in Kodiak was conditioned on a 1000 meter radius exclusion area. Last year Sand Point faced a similar permit condition for the construction of docks and floats within its new harbor. This has become a recurring problem throughout coastal Alaska because the sea lions following the fishing fleet back to the shore facilities. It is costing major delays in important harbor infrastructure projects and hundreds of thousands of additional dollars in project costs without any finding that the construction projects are actually harming Stellar sea lions. The City of Kodiak feels strongly that NMFS should engage in a rulemaking procedure to allow for harbor projects to move forward without the need for exclusion areas. The City requests the Delegation's assistance in exploring this issue with NMFS to identify a solution to this problem.

4. EPA's "Waters of the U.S." Rule

The Environmental Protection Agency and the U.S. Army Corps of Engineers is moving forward with a proposed "Waters of the United States" rule that would expand Federal permitting and other requirements to many waters currently regulated by State and Local governments. The proposed rule would also apply to private landowners. The key change being proposed would expand Clean Water Act coverage to "other waters" where there is a "significant nexus" to currently covered interstate waters, territorial seas and navigable waterways. That determination is meant to be "case-specific" but has not been fully defined and the concern is that "significant nexus" could be interpreted to include floodplains, certain man-made waterways and ditches, self-contained water bodies such as ponds or temporary/isolated wetlands. Under this model, Alaska's extensive acreage of wetlands would likely mean that wetlands and other water bodies, including small streams and tributaries, that are seemingly isolated and geographically far removed from any current CWA-covered waterway would fall under the new definition. The City of Kodiak feels that the proposed rule would add extra layers of bureaucracy to the efforts of Kodiak citizens to use their land and for the City to engage in future public works projects. The City is requesting that the Alaska Delegation support legislative initiatives to curtail this proposed rule.

5. EPA's Fishing Vessel Discharge Rule

EPA has promulgated two rules to require commercial fishermen to obtain Clean Water Act incidental discharge permits as a condition for operating both small and large fishing vessels.

The permits would cover ballast water, fish hold water, anchor chain mud, deck wash/runoff, bilge pump discharge, gray or “stick” water, laundry, shower, and galley sink water. The permits require burdensome reporting, monitoring, inspections and compliance activities – all subject to heavy fines and citizen lawsuits under the Clean Water Act for what seems to be minimal environmental protection. The Congress has imposed a three year moratorium preventing EPA from implementing the Small Vessel General Permit Rule and the Vessel General Permit Rule. Efforts are underway within the Congress to make the moratorium permanent. The City of Kodiak is requesting that the Alaska Delegation actively support a permanent moratorium.

6. Rural Subsistence Determination

Under current requirements, Alaskan communities with of population of less than 2,500 are generally considered rural, making their residents eligible to qualify for subsistence harvest. Communities with populations between 2,500 and 7,000 may or may not be considered rural depending on other characteristics such as level of subsistence use, economic diversity, state of public infrastructure and transportation accessibility, among other criteria. With a population of roughly 6,000 people but possessing significant rural characteristics, the City currently qualifies as “rural” for purposes of the Rural Subsistence determination.

The Secretaries of Interior and Agriculture are currently reviewing the Rural Subsistence Determinations for Alaskan communities. The review is examining communities such as the City of Kodiak that fall within the 2,500 to 7,000 population window to see if they should keep that designation. The City wants to ensure that the largely non-resident and transient population at the U.S. Coast Guard Base – Kodiak is not factored into the population numbers and that the review continues to count the area’s geographic remoteness, reliance on subsistence consumption, high cost of living, and significant Native population as determinants in keeping a rural designation. The City is also concerned that that the new policy might consider aggregate populations from communities outside the City, which would then place it over the 7,000 population benchmark. The City of Kodiak requests that the Alaska Delegation communicate the need for the City of Kodiak classified as “rural”. The City of Kodiak believes its residents should remain permanently rural for purposes of ANILCA Title VIII, because Kodiak is a geographically and statistically remote archipelago and a community designated as frontier for many federal services.

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SURVEY DETAIL
0' 50' 75' 100'

PRELIMINARY PLAT

REPLAT
BRYAN THORSHHEIM SUBDIVISION
SUB LOTS 26, 27, AND 28 OF LOT 18 BLOCK KODIAK TOWNSHIP
ALASKA, U.S.S. 2657B, RIGHT OF WAY OF "PLATTED RIGHT OF WAY"
PLAT 64-2 AND HILL CREST STREET
CREATING:
BRYAN THORSHHEIM SUBDIVISION
28 A OF LOT 18 BLOCK 16, KODIAK TOWNSHIP ALASKA, U.S.S. 2657B
AND ADDITIONAL RIGHT OF WAY ON PLATTED RIGHT OF WAY

DATE: 11/11/2017
DRAWN BY: MRS. R. S. DENNY
CHECKED BY: MRS. R. S. DENNY
PROJECT NO.: 14-0640612
SHEET NO.: 1 OF 2
PREPARED FOR: CITY OF KODIAK, 2410 MILL BAY ROAD
KODIAK, ALASKA 99615

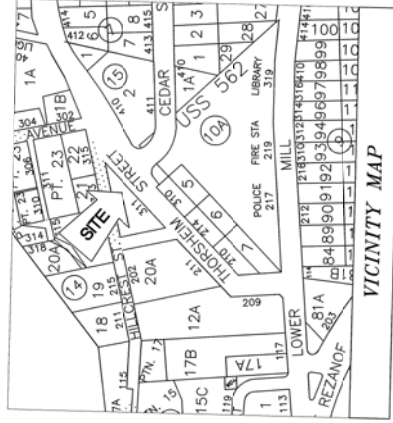
ST. DENNY SURVEYING INC.
P.O. BOX 366, KODIAK, ALASKA 99615
(907) 461-3500

LINE TABLE

LINE	BEARING	DISTANCE
L1	N 75°43'02" E	4.50
L2	N 65°27'18" E	7.28
L3	S 84°59'06" W	4.08
L4	N 44°13'09" W	6.03
L5	S 81°16'03" E	6.03
L6	N 63°47'39" W	10.63
L7	S 20°15'55" E	6.50
L8	N 73°09'18" E	3.86
L9	N 84°14'45" W	4.84
L10	S 79°42'19" E	14.70
L11	N 32°07'15" W	11.03

STATE OF ALASKA
49th DISTRICT
MRS. R. S. DENNY
No. 1977
REGISTERED LAND SURVEYOR

BASS OF BEARING-NORTH AMERICAN
DATUM 83
BASIS OF ROTATION-2 1/2"
BRASS CAP FND "USGLOS
2537A FOUND IN THE
NORTHWESTERLY CORNER
OF LOT 18 BLOCK 14 U.S.
SURVEY 2537 A HELD FOR
POSITION AND A 1 1/2"
ALUMINUM CAP FOUND IN
THE SOUTH EASTERLY
CORNER OF LOT 18 BLOCK
14 U.S. SURVEY 2537 A
HELD FOR LINE.



- LEGEND**
- ⊕ = FOUND AKDOT CL MONUMENT
 - ⊙ = FOUND 1-1/2" ALUMINUM CAP
 - (R1) RECORD DIMENSION U.S. SURVEY 2537B
 - (R2) RECORD DIMENSION PLAT 54-2
 - (C) COMPUTED DIMENSION

REFERENCE-
U.S. SURVEY NO. 2537-A, RECORDED IN THE KODIAK RECORDING DISTRICT.
U.S. SURVEY NO. 2537-B, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 50-01, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 54-02, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 62-21, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 77-22, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 81-07, RECORDED IN THE KODIAK RECORDING DISTRICT.
PLAT 88-21, RECORDED IN THE KODIAK RECORDING DISTRICT.

NOTES:
1. SUBJECT TO ALL CONDITIONS, SERVITUDE'S, EASEMENTS, COVENANTS,
RESERVATION, RESTRICTIONS AND RIGHTS OF WAY OF RECORD.



Kodiak Island Borough

Community Development Department

710 Mill Bay Road Room 205

Kodiak, Alaska 99615

Phone (907) 486-9363 Fax (907) 486-9396

www.kodiakak.us

January 2, 2015

Anchor Apartments LLC
2410 Mill Bay Road
Kodiak, AK 99615

Re: Case S15-013. Request Preliminary approval of the replat of Sub Lots 26, 27, and 28 of Thorsheim Subdivision of Lot 18, Block 16, Kodiak Townsite, vacating portions of road rights-of-way and creating Lot 28A of Thorsheim Subdivision of Lot 18, Block 16, Kodiak Townsite (KIBC 16.40 and 16.60).

Dear Sir or Madam:

Please be advised that the Kodiak Island Borough Planning and Zoning Commission has scheduled the case referenced above for Public Hearing at their February 18, 2015 regular meeting. This meeting will begin at 6:30 p.m. in the Assembly Chambers, 710 Mill Bay Road, Kodiak, Alaska. Attendance at this meeting is not mandatory but recommended.

One week prior to the regular meeting, on Wednesday, February 11, 2015 at 6:30 p.m. in the Borough Conference Room (#121), the Commission will hold a packet review work session for the purpose of reviewing packet materials and staff summaries of cases scheduled for the regular meeting.

The public is welcome to attend the packet review work session; however, the work session **is not** for the purpose of receiving public testimony. Applicants who wish to present testimony and/or evidence related to their case should appear at the Public Hearing during the Regular Meeting and present such information in person.

Please contact the Community Development Department at 486-9363 if we can answer any outstanding questions or provide additional information. In advance, thank you for your cooperation.

Sincerely,

Sheila Smith, Secretary
Community Development Department

CC: Mark Kozak, City of Kodiak Public Works Department

Kniazowski, Aimee

From: Kozak, Mark
Sent: Tuesday, January 20, 2015 1:38 PM
To: Jack Maker
Cc: Kniazowski, Aimee; Melvin, Glenn
Subject: Keplinger Replat

Good afternoon Jack,

Here is what I had prepared as part of our comment response. Since I am providing it to you now I will not submit it as part of your comment period.

This proposed subdivision is an effort by the City of Kodiaks to correct a long standing encroachment issue with this property created when the City built the Hillcrest access back in the 1960's. Over the years the City had numerous discussions with the past property owner (Lloyd Cannon) to resolve this encroachment on his property. The history on this issue is very long and has some conflicting documents. However the entrance to Hillcrest drive off of Thorsheim is almost entirely on this property.

In 2005 in preparation for our Thorsheim Street water and sewer replacement project the City proposed to Lloyd Cannon the concept that this replat is based on. Mr. Cannon rejected the concept and further work was not pursued. The property is now owned by Mr. Mark Keplinger who is very familiar with the past history. As the new owner the City had discussions with Mr. Keplinger and proposed the same concept to him that Mr. Cannon declined.

The submitted preliminary plat was acceptable to Mr. Keplinger as a solution to this issue. An agreement was signed between Mr. Keplinger and the City based on this conceptual idea. The City would have a plat prepared in order to address the Hillcrest encroachment into his property and submit it to the Community Development Department.

The existing water and sewer services to the newly proposed lots will still be with ROW and will not require any special easements to accommodate them.

Please let me know if you need any additional information.

Thank you, Mark

Mark Kozak
Public Works Director
2410 Mill Bay Road
Kodiak, AK 99615
W;907-486-8060
F;907-486-8066
mkozak@city.kodiak.ak.us