

City of Kodiak Regular Council Meeting Agenda for May 28, 2015
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

I. Call to Order/Roll Call	
Pledge of Allegiance/Invocation	
II. Previous Minutes	
Approval of Minutes of the May 14, 2015, Regular Council Meeting.....	1
III. Persons to Be Heard	
a. Public Comments (limited to 3 minutes) (486-3231)	
IV. Unfinished Business	
a. Second Reading and Public Hearing, Ordinance No. 1332, Authorizing a Lease of Space in the Pier I Building to Kodiak Area Chamber of Commerce, Inc.	12
b. Second Reading and Public Hearing, Ordinance No. 1333, Authorizing a Lease of the Head Start Building to Rural Alaska Community Action Program, Inc, d/b/a Kodiak Head Start.....	26
V. New Business	
a. First Reading, Ordinance No. 1334, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016.....	40
b. First Reading, Ordinance No. 1335, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending on the Thirtieth Day Of June 2015	50
c. Resolution No. 2015–16, Rescinding Resolution No. 2014–19 and Establishing Funding Criteria for Nonprofit Grants	68
d. Resolution No. 2015–17, Authorizing the Extension of the Lease and Dock License Agreement Between the City and the Alaska Marine Highway System on a Month-to-Month Basis	80
e. Appointments to the Joint Building Code Review Committee	104
f. Authorization to Cancel the July 9, and August 27, 2015, Regular Meetings and Authorize the City Manager to Schedule a Special Meeting if Needed	115
VI. Staff Reports	
a. City Manager	
b. City Clerk	
VII. Mayor’s Comments	
VIII. Council Comments	
IX. Audience Comments (limited to 3 minutes) (486-3231)	
X. Adjournment	

(This page left intentionally blank.)

DRAFT

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, MAY 14, 2015
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Terry J. Haines, Gabriel T. Saravia, Richard H. Walker and John B. Whiddon were present and constituted a quorum. Councilmember Charles E. Davidson 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 April 9 and April 23, 2015, regular meetings as presented.

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

III. PERSONS TO BE HEARD

a. Presentation of Government Finance Officers Association Budget Award

The Government Finance Officers Association has awarded the City of Kodiak a Distinguished Budget Presentation Award for its FY2014 budget. This award represents the highest form of recognition in governmental accounting and financial reporting.

Interim Finance Director Swanson accepted the award.

b. Proclamation: Library Week

Councilmember Bishop read the proclamation, which encourages all residents to visit the library to take advantage of the range of library resources available at Kodiak Public Library and discover the unlimited possibilities at your library.

Library Director Katie Baxter accepted the proclamation. She said since 1958 the American Library Association has promoted library week to remind communities that public libraries are the individual's resource for life. She said in 1940 Kodiak established a library, and she gave an overview of the current library usage. She said the library is a community anchor for enriching opportunities such as employment, economic, and personal interests. She thanked the Mayor and Council for their support.

c. Proclamation: Declaring Peace Officers Memorial Day and Police Week

Councilmember Haines read the proclamation, which urges all citizens and patriotic, civic, and educational organizations to recognize police officers, past and present, who by their faithful and loyal devotion to their responsibilities have rendered a dedicated service to their community and, in so doing, have established for themselves an enviable and enduring reputation for preserving the rights and security of all citizens.

Police Chief Wallace accepted the proclamation and thanked the Mayor and Council for their continued support and for honoring law enforcement. She asked citizens to thank a police officer for their service.

d. Proclamation: Declaring Emergency Medical Services Week

Councilmember Saravia read the proclamation, which urges residents to recognize the value and the accomplishments of emergency medical services providers.

Fire Chief Mullican accepted the proclamation and thanked the Mayor and Council for their continued support. He said the Fire department staff works hard to respond to emergencies to assist the community.

e. Proclamation: Declaring Older Americans Month

Councilmember Whiddon read the proclamation, which recognizes the important role of older Americans in our community and urges citizens to celebrate older adults and the people who serve and support them as powerful and vital citizens who greatly contribute to the community.

Lawrence Anderson and **David Blacketer** accepted the proclamation. Mr. Blacketer said the Senior Center supports the older Americans within the community. He said the older population, whether working or retired, are viable members of the community. He said senior citizens are volunteering and helping to raise money throughout the state. He thanked the Mayor, Council, and public for honoring older Americans.

f. Public Comments

Lawrence Anderson thanked the Mayor and Councilmembers for their support of the Senior Citizens of Kodiak, Inc. He said Executive Director Pat Branson provides a great service to the older population, she is very caring, and the center's staff is wonderful. He gave a report of the Senior Center's programs and activities, and he stated the services allow for elders to live independently. He gave an overview of the positive survey results regarding the Senior Center's services. He said he is very pleased with the baseball and softball field.

Jeannine Marsh, Tribal Administrator of Sun'aq said there is number of homeless, transients, and inebriated individuals downtown displaying threatening and inappropriate behaviors, which has caused her to contact KPD. She said the disturbances downtown have affected their services and have made staff, parents, and children feel unsafe. She said she is tired of feeling unsafe and requests action be taken by changing ordinances, fixing the square, and patrolling downtown.

Maurice Burun, former commander of the American Legion, said he has seen the problems downtown and agrees with comments made by Ms. Marsh. He said the public has used the bathroom outside in the area, and he commented there may be a need to help these people. He spoke of pigeon problems in Kodiak and commented these are not local birds to the area. He said Mission road needs to be patrolled more often for speeders.

Candace Branson, Education Coordinator at Sun'aq, said the behavior in the square is inappropriate; she described the behavior she has witnessed while supervising youth activities. Her suggestions were to remove the landscaping and seating, to have improved police responsiveness downtown, and to have a safe environment for healthy activities. She urged the Council to make changes.

Taletha Gertz, parent of one of the Alutiiq dancers, said a fight occurred with four adults outside of Sun'aq where her son witnessed the event and became fearful. She feels frustrated her child had to witness this event downtown. She thinks downtown should be a place of beautification, and the public should not be scared to be in the area. She said she hopes changes are made to eliminate these problems.

Doreen Anderson concurred with the comments shared regarding the concerns downtown. She said the police response has been delayed at various times due to higher priorities within the community. She shared that elderly bingo players do not like to go downtown because of the difficult individuals downtown. She stated she has worked at the tribal hall for 13 years, and this is the worst the downtown area has been.

David Masinter said he wants to recognize the Veterans. He said there is a service at the City Cemetery during Memorial Day. He said he is a resident of the Jackson trailer park and he hopes the Council can help work on places to move their mobile/trailer homes. He said he feels the problems downtown and at the harbor will increase with Jackson trailer park closing. He inquired about KATS services to residents. He thanked the City for listening to his comments. He said there are hard working families in despair at this time over the closing of the trailer park.

Nick Cristique, via telephone, said he has a family to support and a senior citizen in his house and closing of the park will be difficult. He hopes the Council can assist.

Patty Holmes, representing the Kodiak Garden Club, thanked and expressed appreciation for using City property for their event in June. She said the funds received from the upcoming event gives grants to schools and various projects around town.

Jody Spivey, Store Manager at Wells Fargo, said there continues to be a problem in the downtown area and people are sleeping in the bank ATM area. She said staff had to clean blood off the lobby walls from a fight occurring in their facilities. She said there are difficult people to deal with downtown and commented the police are very good about responding when contacted. She hopes there can be something done to address the issues in the downtown area.

Debbie Olsen, Operation Manager for First National Bank, said they have people sleeping in their ATM locations and using their electrical outlets. She has witnessed them displaying inappropriate behavior downtown. She hopes something can be done to improve the downtown area.

Trevor Brown, Executive Director of the Chamber of Commerce, thanked the Council for considering the extension of the lease at Pier I. He said the facility gives the Visitors Bureau and the Alaska Marine Highway a home. He said they have collected funds for renovations of the building. He said Crab Festival is occurring next week, and he thanked Council for the use of the parking lots downtown. He said there are a lot of great events planned for next week. He said community clean up was a success and litter patrol will occur in June. He said he has also heard about the problems downtown and feels it is a community issue, and the downtown revitalization committee has discussed some ideas that can be implemented.

Rusty Olsen said he was born and raised in Kodiak. He said he has worked downtown for over 40 years, and it is in the worst condition at this time. He said there are people who are scared to be downtown. He said he had an incident in the past with a dangerous individual. He encouraged the Council to get involved to keep him and others from having to relocate from the downtown area.

Meagan Roderick said she is from Sitka, and stated she appreciates KPD. She indicated that she sees the transient population, homeless, and mentally ill, living by the Brother Francis Shelter and commented that there needs to be more patrolling to deal with loitering. She indicated she has been assaulted. She supports loitering laws and does not feel safe. She said there are places in Sitka that can be modeled.

Bob Brodie thanked the Council for the opportunity to speak; he said he is a property owner and property manager of a building close to St. Paul Plaza. He said the merchants are held hostage by the people downtown. He said feces, urine, vomit and spit needs to be cleaned up continually and knows the police are currently short staffed. He said a concerted effort between the City, Borough, Chamber, and State needs to occur for the establishment of a residential treatment facility. He spoke of owners getting chain link to secure buildings downtown.

Kyle Crow, via telephone, said this is not a problem unique to Kodiak and feels it is a problem nationwide. He said there used to be campgrounds in Kodiak. He commented on expensive housing in town, property zoning codes, and individuals with mental illness, which are complicated problems for the Council to find solutions.

Barbara Cobban said she lives in Jackson, and there are 113 residing in Jackson trailer park. She said if the City could provide lots for the trailers, they could require a gated community with drug testing and background checks to ensure that residents are in compliance with maintaining their structures. She said it would benefit the City to open land, because it would generate revenue. She asked for consideration of the Council. She said she was a family of five and needs a location to put her trailer.

Costas Gianopolis said he came to Kodiak in 1988 from Jamaica and he was welcomed into the community. He spoke about a trailer he helped purchase years ago. He said trailer park residents have spoken at the City and Borough meetings because there are over 500 that will not have a home. He asked for everyone to help.

Jean Barber spoke about the trailer park closing and the 100 trailers that have families that will need to relocate. She spoke about the lack of available housing and the availability and usage of

vouchers. She expressed her concern about where these people will go because facilities are full. She asked what the community is going to do to help these people.

Judi Kidder said the ordinances need to be revised to relocate trailers to a new lot. She spoke about bycatch issues discussed at the Borough meeting and about the high prices of housing and the housing market. She spoke about Habitat for Humanity houses, vouchers, and the school district budgets.

Leonard Roberson, via telephone, said there has been years of economic mismanagement. He said he reads about the City projects with high dollar prices and commented the population is decreasing, and the costs of spending should be reduced. He does not support sidewalk construction.

Enrique Perez spent 17 years living in Jackson trailer park and asked for the Council to help. He said the residents pay City and Borough taxes in the community. He said many of the homes have additions and will be difficult to move.

Kevin Andresen, via telephone, said he is a resident of Jackson trailer park. He commented he understands this closing of the trailer park is not a City issue, but he asked the City to use their power to work with the Borough to slow down the closure.

Aseura Antonio voiced his opinion as a trailer park home owner. He works at Ardiners and would hate to leave Kodiak because he can't find a place to live. He thanked the Council for the opportunity to speak.

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

a. **First Reading, Ordinance No. 1332, Authorizing a Lease of Space in the Pier I Building to Kodiak Area Chamber of Commerce, Inc.**

Mayor Branson read Ordinance No. 1332 by title. Ordinance No. 1332 authorizes a ten-year lease of space in the Pier I building to the Kodiak Chamber of Commerce. The Chamber of Commerce, a nonprofit organization, promotes the economic, commercial, and industrial development of Kodiak, including tourism and tourism related activities. The current ten-year lease expires June 30, 2015.

Councilmember Haines MOVED to pass Ordinance No. 1332 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

b. **First Reading, Ordinance No. 1333, Authorizing a Lease of the Head Start Building to Rural Alaska Community Action Program, Inc, D/B/A Kodiak Head Start**

Mayor Branson read Ordinance No. 1333 by title. The City has provided a no-cost lease to the Rural Alaska Community Action Program, Inc. (RurAL CAP), for the local Head Start Program since 1994. The program leases the property at 419 Hillside Drive. The lease term is for five years at the rate of \$1.00 per year, and the City provides in-kind water and sewer services. RurAL CAP notified the City on April 22, 2015, that it would like to renew its lease. Due to the terms, the lease must be approved by ordinance.

Councilmember Bishop MOVED to pass Ordinance No. 1333 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

c. Resolution No. 2015–14, Authorizing the Issuance of a Permit to the Kodiak Garden Club for Use of Public Property for its Annual Plant Sale

Mayor Branson read Resolution No. 2015–14 by title. Resolution No. 2015–14 authorizes the issuance of a permit to the Kodiak Garden Club to use the covered area of the Baranof Park ice rink to hold its annual plant sale on June 6, 2015.

Councilmember Walker MOVED to adopt Resolution No. 2015–14.

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

d. Resolution No. 2015–15, Authorizing Issuance of a Permit to the Filipino-American Association of Kodiak for the Use of Public Property for a Dance to Fund the Filipino-American Basketball Team’s Travel Expenses

Mayor Branson read Resolution No. 2015–15 by title. The Filipino-American basketball program is raising funds for basketball trip to Wasilla They requested the use of the Teen Center for a dance fundraiser on May 29, 2015, from 7-11:30 p.m. Fil-Am proposes to charge an entry fee of \$3 per participant or \$5 per couple.

Councilmember Haines MOVED to adopt Resolution No. 2015–15.

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

e. Authorization of ABC Board Restaurant Designation Permit and Transfer of Ownership From Kodiak Harbor Convention Center to Island Hotels, LLC

Kodiak Harbor Convention Center filed an application for a restaurant designation permit and transfer of ownership with the State of Alaska Alcoholic Beverage Control (ABC) Board. The permit is currently held by Kodiak Harbor Convention Center, and the owners of the permit have requested the permit be transferred to Island Hotels, LLC dba Chart Room. State regulations require the ABC Board to forward the restaurant designation application to the City Council for

approval before a permit can be issued. State regulations also provide an opportunity for the City Council to protest issuance of a liquor license.

Councilmember Whiddon MOVED to approve the ABC Board Restaurant Designation Application and Transfer of Ownership for Island Hotels, LLC.

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

f. Authorization of Purchase/Replacement of HVAC Controller at Wastewater Treatment Plant (WWTP)

The heating, ventilation, and air conditioning (HVAC) controller failed at the WWTP. The controller is no longer made or supported by the manufacturer. A request for quotes was issued and two quotes were received.

Councilmember Haines MOVED to approve the purchase of a replacement HVAC controller from CCI Automated Technologies in the amount of \$23,881, with funds coming from the WWTP repair and maintenance account and authorize the City Manager to sign the necessary documents for the City.

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

g. Authorization of Extension of the Professional Services Contract for Legal Services With BIRCH, HORTON, BITTNER, and CHEROT

The firm of BIRCH, HORTON, BITTNER, and CHEROT was selected to provide legal services to the City in July 2000. The original contract was for a three-year period, with an option for three additional one-year extensions. The contract and nine extensions have been approved and renewed by Council since that time. The current contract extension is set to expire on June 30, 2015. The firm, and Tom Klinkner, the City's primary municipal attorney, wish to continue to serve the City of Kodiak and requested a one-year contract extension.

Councilmember Whiddon MOVED to authorize the tenth amendment to the contract dated August 22, 2000, with BIRCH, HORTON, BITTNER, and CHEROT for professional legal services.

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

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski said the Monashka pumphouse project has been delayed. She said the compost project is underway. She said the FY2016 budget ordinance and an FY2015 supplemental budget ordinance will be introduced May 28. She said there is no encouraging news on

the FY2016 legislative budget, which has large implications statewide. She said Pier III is moving along, and the project team has met recently. She shared the Department of Health and Social Services conducted an active shooter exercise; she commented she was disappointed that she was not included by the State as the local Emergency Services Director. She indicated an exercise by Public Health regarding the point of dispensing plan would take place tomorrow, and a limited emergency management team will be stood up to participate in the exercise. She gave an update on meetings held in Washington DC with Mayor Branson and Councilmember Whiddon. She commented on the concerns expressed during the meeting regarding St. Paul Plaza and said further discussion is scheduled at the Council work session on June 9. She explained the City is not a social service agency, and there will need to be a community based solution and referenced the inclusion of the homeless coalition. She said she will be out on medical leave next week. Library Director Baxter will have signature authority, and Fire Chief Mullican will be Acting Emergency Service Director.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work session and regular meeting. She mentioned that Municipal Clerk's week occurred and she expressed her appreciation for her staff.

VII. MAYOR'S COMMENTS

Mayor Branson thanked Clerks and the Finance department for their work. She voiced appreciation for the community attending the meeting to express their concerns. She shared there is a downtown revitalization committee comprised of volunteers that has met during the last year to attempt to resolve some of the concerns presented by audience members. She stated we need to take back the community and expressed the issues addressed during the meeting are multi-layered issues. She suggested some ways to begin dealing with these problems and urged the Council to take action very soon. She said she wants businesses to feel safe. She spoke about Jackson trailer park closing, and a joint meeting with the Borough should be scheduled to discuss affordable housing. She said the ferries are running; however, the winter schedule is on hold until the budget is finalized. She said a naval aviations sample resolution from Tom Lance may be brought forward in the future. She said there was discussion on bike path grant funds and further updates will be scheduled. She said the Lighthouse Church is open to the homeless for meals. She spoke in support of a treatment facility and stated it will be discussed as part of the Health Summit in the fall. She congratulated the High School graduates. She said the priorities are dealing with the downtown area and affordable housing.

VIII. COUNCIL COMMENTS

Councilmember Walker concurs with Mayor Branson on a need to address the downtown problems. He thanked the Clerk's Office and the Finance department for their work. He said as a Councilmember he supports taking action on the downtown area in the short-term while long-term solutions are sought. He shared his concern with those in Jackson trailer court and hopes the City can work with the Borough. He congratulated the High School graduates. He thanked the Council for their continued work on the Kodiak community.

Councilmember Haines thanked the Finance department for their work. He expressed support for the police proclamation. He thanked the public for coming to the meeting to share their thoughts. He said he supports work being done in the downtown plaza. He said "housing first" should be looked at; he spoke about addressing illegal activities, and commented there is a lack of bathrooms for people to use in the downtown area. He said they have to move on the downtown inebriated issues now. He noted that affordable housing is important and said campgrounds with facilities are an option that can be explored.

Councilmember Whiddon congratulated Interim Director Karl Swanson and the Finance team for their award, and he thanked the Police department for their service. He said he has previously mentioned the need for a public relations staff person to dispel rumors and give facts, which he still thinks is necessary. He spoke about a recent fisheries forum and said there was consensus on key points regarding gulf trawl bycatch management. He said flatfish was shut down to the entire economic matrix. He said the downtown issues reflect society as a whole. He said he would like patrolling downtown; he does not think bulldozing St. Paul Plaza will solve the social issues downtown. He said the housing task force was meeting last year and he would be interested in updates from that group.

Councilmember Saravia thanked the police officers and paramedics for their service. He said downtown issues should be discussed, especially finding ways to help these individuals. He thanked the Clerk's Office and the Finance department. He shared his concern about Jackson trailer park. He hopes to discuss available lots in the future for the displaced trailers.

Councilmember Bishop thanked the department heads for the budget work session. He spoke about downtown, stating he has concerns about the appropriate and respectful way to approach difficult people. He is interested in researching the language of ordinances. He said residential centers are helpful for those that want help. He said Jackson trailer court should be scheduled on a joint work session soon. He thinks this is a community, as well as, a City problem.

IX. AUDIENCE COMMENTS

Judi Kidder thanked the Council for their comments regarding the homeless problem. She suggested a lot be granted to the population away from central downtown. She does not support the removal of the pocket park. She commented on Jackson trailer court and said the City has ordinances that prohibit the movement of trailers. She said they are looking for a multi-faceted approach to resolve the housing issues.

Steven Krauss, via telephone, said he knew someone that had to move from Trident housing and is now living at Jackson trailer park. He asked who will work in the cannery and live in the bunkhouses in the future.

Barbara Cobban gave an example of the City sales tax collected from the local population and noted the importance of that revenue for Kodiak. She supports the efforts downtown and patrolling. She thanked the Council for their consideration.

Leonard Roberson, via telephone, said he agreed with Mr. Haines about the residents of Jackson trailer court and the high cost of rent. He spoke in opposition to spending money for a pedestrian pathway.

David Masinter thanked the Mayor, Council, and City Manager. He said residents of Jackson trailer park spend their money in town and are looking for assistance.

X. ADJOURNMENT

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 9:53 p.m.

CITY OF KODIAK

MAYOR



ATTEST:

CITY CLERK

Minutes Approved:

UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Lon White, Harbormaster 
Date: May 28, 2015

Agenda Item: IV. a. Second Reading and Public Hearing, Ordinance No. 1332, Authorizing a Lease of Space in the Pier I Building to Kodiak Area Chamber of Commerce, Inc.

SUMMARY: Ordinance No. 1332 authorizes a ten year lease of space in the Pier I building to the Kodiak Chamber of Commerce. The Chamber of Commerce, a nonprofit organization, promotes the economic, commercial and industrial development of Kodiak, including tourism and tourism related activities. Their services are of great value to the community and the location is convenient meeting space for businesses, groups and organizations involved in promoting Kodiak. The current ten year lease expires June 30, 2015. Staff recommends Council authorize a renewal of the lease for a ten year term, beginning July 1, 2015, by adopting Ordinance No. 1332 following a public hearing.

PREVIOUS COUNCIL ACTION:

- May 2005, Council authorized the most current lease with the Kodiak Chamber of Commerce by Ordinance No. 1191
- May 14, 2015, Ordinance No. 1332, authorization to renew the lease with the Kodiak Chamber of Commerce, was introduced and advanced to second reading and public hearing
- May 26, 2015, Council reviewed the ordinance and lease at the work session

DISCUSSION: The City owns the Pier I building described as Lot 4-A, Block 18, New Kodiak Subdivision, as shown on Plat 76-31, Kodiak Recording District, State of Alaska. The portion of the building leased to the Chamber of Commerce consists of approximately 2,700 square feet and is designated in the lease as Exhibit "A." In lieu of rent the Chamber of Commerce is responsible for all maintenance, repair and management costs for the building.

The new lease agreement contains essentially the same terms and conditions as the previous, except the option for a ten year extension has been removed and the insurance requirements are updated to meet current City standards.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1332 in the second reading, which is staff's recommendation. This would allow uninterrupted Chamber of Commerce operations.

- 2) Postpone or choose not to adopt Ordinance No. 1332. These alternatives are not recommended due to the impact to the Chamber of Commerce and the services they provide.

FINANCIAL IMPLICATIONS: This lease will not generate revenue for the City because the property will be made available in exchange for maintenance, repairs and building management provided by the Chamber of Commerce. The City also provides in-kind water and sewer utilities. Including the utilities and the value of the property, the City provides a total of \$45,810. The term of the lease exceeds five years and the value of the property and in-kind utilities exceeds \$30,000 and is, therefore, subject to the requirements of City Charter, Article V, Section 17 and requires Council to approve the lease by ordinance.

LEGAL: The City Attorney reviewed and updated the lease language and drafted the attached ordinance.

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance No. 1332 in the second reading after the public hearing.

CITY MANAGER'S COMMENTS: The City Council has supported the Chamber of Commerce and its services for the last 20 years through the building lease and in-kind donations of water and sewer fees. This new lease allows the Chamber of Commerce to continue to promote business and economic development in Kodiak. I support staff's recommendation to renew the lease to the Chamber of Commerce and recommend Council adopt Ordinance No. 1332.

ATTACHMENTS:

Attachment A: Ordinance No. 1332

Attachment B: Lease between the City and Kodiak Chamber of Commerce, Inc

Attachment C: Exhibit "A"

PROPOSED MOTION:

Move to adopt Ordinance No. 1332.

**CITY OF KODIAK
ORDINANCE NUMBER 1332**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING A LEASE OF SPACE IN THE PIER 1 BUILDING TO KODIAK AREA
CHAMBER OF COMMERCE, INC.**

WHEREAS, the City owns the property known as the Pier 1 Building, described as Lot 4-A, Block 18, New Kodiak Subdivision, as shown on Plat 76-31, Kodiak Recording District, Third Judicial District, State of Alaska; and

WHEREAS, Kodiak Area Chamber of Commerce, Inc. desires to continue leasing space in the Pier 1 Building (the "Premises"), as more particularly described in the form of lease (the "Lease") that has been presented to the Council with this ordinance, to house its offices, and offices of other tourism related businesses or organizations; and

WHEREAS, in accordance with KCC 18.20.030(b), the Council finds it to be for a public purpose and in the best interest of the public to lease the Premises for consideration less than one-tenth of its approved appraised market value per year to Kodiak Area Chamber of Commerce, Inc., a nonprofit corporation.

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

Section 1: The Council of the City of Kodiak hereby authorizes a ten-year lease with Kodiak Area Chamber of Commerce, Inc. in the form that has been presented to this meeting, of the Premises described in the Lease, located on property described as Lot 4-A, Block 18, New Kodiak Subdivision, as shown on Plat 76-31, Kodiak Recording District, Third Judicial District, State of Alaska, more commonly known as the Pier 1 Building.

Section 2: The Council of the City of Kodiak hereby authorizes Kodiak Area Chamber of Commerce, Inc. to sublease space in the Premises to Kodiak Island Convention and Visitors Bureau. d/b/a Discover Kodiak.

Section 3: 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: May 14, 2015

Second Reading:

Effective Date:

AGREEMENT NUMBER 218842 FOR LEASE, MAINTENANCE, AND OPERATION OF SPACE IN THE CITY OF KODIAK PIER I BUILDING WITH THE CHAMBER OF COMMERCE

AGREEMENT dated as of July 1, 2015 between the City of Kodiak, a municipal corporation organized under the constitution and laws of the State of Alaska (the "City"), whose address is 710 Mill Bay Road, Room 220, Kodiak, Alaska 99615, and Kodiak Area Chamber of Commerce, Inc., an Alaska nonprofit corporation (the "Chamber"), whose address is 100 East Marine Way, Suite 300, Kodiak, Alaska 99615.

WHEREAS, the City owns real property and improvements (the "Property") described as follows:

Lot 4-A, Block 18, NEW KODIAK SUBDIVISION, as shown on Plat 76-31, Kodiak Recording District, Third Judicial District, State of Alaska;

and

WHEREAS, in accordance with KCC 18.20.030(b), the City Council has determined that the leasing of the space (described herein as the "Premises") in the building that is located on the Property (the "Building") for use by the Chamber and certain tourism related businesses or organizations is for a public purpose and in the best interest of the public; and

WHEREAS, the City wishes to be relieved of the cost and expense of maintaining, repairing, and managing the Building.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein, the parties hereto agree as follows:

1. Purpose. It is the purpose and intent of the parties in entering into this Agreement to promote the economic, commercial, and industrial development of Kodiak and to promote tourism and tourism-related activities by providing a conveniently located and properly maintained and managed building that will provide office and meeting space for businesses, groups, and organizations involved in or desiring to promote the activities described above.

2. Lease. The City hereby leases to the Chamber, and the Chamber hereby leases from the City, a portion of the Building consisting of approximately 2,700 square feet, and designated on the floor plan attached hereto and incorporated herein as Exhibit A (the "Premises").

3. Term. The term of this Agreement (the "Term") shall be for ten (10) years, commencing on July 1, 2015 and expiring on June 30, 2025.

4. Maintenance and Repair. (a) Except as this section provides otherwise, throughout the Term and any Extended Term the Chamber, at its sole cost and expense, shall perform all

maintenance, repairs and replacements to the Property, including the interior and exterior of the Building, that are necessary to preserve the Building in sanitary, presentable and habitable condition. The opinion of the City Engineer or such other individual as may be designated in writing by the City Manager shall be conclusive as to the necessity for any maintenance, repair or replacement. The obligations of the Chamber under this section shall include without limitation the following: (i) general janitorial and cleaning services for the Building, including upon the request of the City or the Alaska Marine Highway System (AMHS), those parts of the Building being leased by the AMHS, five days per week, excluding holidays; (ii) light bulb replacement in the Building; (iii) exterior window cleaning, snow, and ice removal for the parking areas and walkways serving the Building; and (iv) maintenance and servicing of lavatory facilities, toilets, sinks, and faucets located within the Building. All such services shall be provided in a manner that is consistent with those services provided in comparable office buildings of similar size and age that are located within the local community.

(b) The obligations of the Chamber under this section shall be for ordinary maintenance and repairs of a non-capital nature. If such maintenance, repair or replacement is necessitated by an incident or occurrence as a result of which the City has received any payments arising out of fire or other casualty insurance maintained on the Building, then said insurance proceeds shall be contributed toward the cost of maintenance, repair or reconstruction otherwise borne by the Chamber. Major reconstruction or replacement caused by acts of God shall be the responsibility of neither the Chamber nor the City, but shall be considered and determined by the parties in the light of circumstances prevailing at that time.

5. The City's Option to Terminate Agreement. If the Premises are (a) rendered wholly untenantable, or (b) damaged as a result of any cause which is not covered by the City's insurance, or (c) damaged or destroyed in whole or in part during the last year of the Term, or if the Building is damaged to the extent of fifty percent (50%) or more of its floor area, the City may elect to terminate this Agreement by giving the Chamber written notice of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties hereunder shall cease as of the date of such notice.

6. Alterations and Modifications. (a) The Chamber shall be solely responsible for the cost of partitioning and otherwise improving the downstairs space within the Building in order to make such space suitable for offices, meeting rooms, and similar uses. The plans for such improvements shall be subject to the advance approval of the City throughout the Term of this Agreement.

(b) The Chamber may not make any structural alterations to the Building without the prior written approval of the City, and such alterations shall be accomplished at the expense of the Chamber, unless the City agrees otherwise in writing.

(c) The Chamber shall perform all alteration work promptly, efficiently, competently and in a good and workmanlike manner by duly qualified or licensed persons or entities, using first grade materials, without interference with or disruption to the operations of the Building. All such work shall comply with all applicable governmental codes, rules, regulations and ordinances.

7. Utility Service. The City shall provide water and sewer service to the Premises free of charge. The Chamber shall provide all other utility services to the Premises at its own expense.

8. Reservation for Sublease. The Chamber shall provide up to 600 square feet of space on the upper level of the Premises for sublease to an organization designated by the Council whose purpose is the promotion of convention and tourism activities in Kodiak. This sublease shall include the nonexclusive use of the downstairs meeting room by members and staff of the sublessee organization, as well as other common and designated (storage) areas on both floors of the Building. The rent under this sublease shall not exceed the rate per square foot that is charged to other tenants of the Building.

9. Additional Subleases. In addition to the sublease authorized in Section 8, the Chamber, with the advance written approval by the City, which approval may be withheld at the City's sole discretion, may sublet other portions of the Premises that are not immediately needed for Chamber functions to persons or organizations involved in promoting tourism and the tourist trade. Notwithstanding anything in this Agreement to the contrary, the Chamber may not enter into a sublease with any profit-making person, business or entity except upon the express approval of the City after explicit notice to the City of the profit-making nature of the proposed subtenant. All subleases under this section shall be limited to an initial period of no more than one (1) year and the renewal or extension of any such sublease shall be made only upon the further renewed approval of the City

10. Application of Rent Payments. (a) The Chamber may retain any and all rent that it receives under the subleases authorized under Sections 8 and 9. The Chamber shall set aside out of any such sublease rent payments a reasonable amount for a reserve for maintenance and repair expenses. The City currently leases the part of the Building that is not included within the Premises to the Alaska Marine Highway System (AMHS). During any part of the Term or the Extended Term that the City leases space in the Building to AMHS, the City shall remit annually to the Chamber the amount that the City receives from AMHS as rent for space in the Chamber of Commerce Building. The Chamber shall reserve ten percent (10%) of the amounts that it receives under this section for future improvements to the Building.

(b) No less frequently than quarterly, the Chamber shall provide to the City an accounting of the reserves that it maintains under (a) of this section. Upon reasonable advance notice, the Chamber shall make available to the City its books and financial records which apply to the operation of the Building for inspection to assure reasonable compliance with (a) of this section.

11. Compliance with Laws, Etc. The Chamber shall use the Premises solely for office purposes. The Chamber shall act in accordance with and not violate any restrictions or covenants of record affecting the Premises or the Building. The Chamber shall not use or occupy the Premises in violation of law or the Certificate of Occupancy issued for the Building, and shall immediately discontinue any use of the Premises which is declared by either any governmental authority having jurisdiction or the City to be a violation of any law, code, regulation or a violation of said Certificate of Occupancy. The Chamber shall comply with any direction of any governmental authority having jurisdiction that shall, by reason of the nature of the Chamber's

use or occupancy of the Premises, impose any duty upon the Chamber or the City with respect to the Premises or with respect to the use or occupancy thereof.

12. Nuisances Prohibited. The Chamber shall not do nor permit anything to be done in, on or about the Premises which would in any way obstruct or interfere with the rights of other tenants or occupants of the Building, or use or allow the Premises to be used for any immoral or unlawful purpose, nor shall the Chamber maintain or permit any nuisance or commit or suffer to be committed any waste in, on or about the Premises.

13. Hazardous Substances. The Chamber shall not cause or permit the release or disposal of any hazardous substances, wastes, or materials on or about the Premises or the Building, and the Chamber shall be solely responsible for and shall promptly pay the cost of removing all such hazardous substances, wastes and materials from the Premises, which removal shall be in accordance with all applicable governmental requirements. Hazardous substances, wastes or materials shall include those which are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. §2601, *et seq.* The Chamber shall comply with all rules and policies set by the City, and with all federal, state and local laws, regulations and ordinances which govern the use, storage, handling and disposal of hazardous substances, wastes or materials.

14. No Discrimination. It is intended that all tenants and users of the Building, and all customers, employees, licensees and invitees of all the tenants shall have the opportunity to obtain all the goods, services, accommodations, advantages, facilities and privileges of the Building without discrimination because of race, creed, color, sex, age, national origin or ancestry. To that end, the Chamber shall not discriminate in the conduct and operation of its business in the Premises against any person or group of persons because of the race, creed, color, sex, age, national origin or ancestry of such person or group of persons.

15. Indemnification. The Chamber shall indemnify, hold harmless and defend the City from and against any and all claims, actions, damages, liability and expense, including without limitation attorney's and other professional fees, in connection with death or injury to persons and damage to property arising from or out of the occupancy or use by the Chamber of the Premises or any part thereof or any other part of the Building, occasioned wholly or in part by any act or omission of the Chamber, its officers, agents, contractors, employees or invitees; however, this provision shall not apply to any claim to the extent the claim arises from the negligence or intentional act of the City or the City's officers, agents, contractors, or employees.

16. Insurance. At all times during the Term the Chamber shall procure and maintain the following insurance:

- (a) Minimum Scope of Insurance.
 - (1) Commercial General Liability Insurance.
 - (2) Commercial Automobile Liability Insurance.

- (3) Worker's Compensation insurance as required by the State of Alaska and Employers Liability Insurance.
- (b) Minimum Limits of Insurance. The Chamber shall maintain limits no less than:
- (1) Commercial General Liability: \$1,000,000 combined single limit per occurrence for bodily injury and property damage claims arising from all operations related to this agreement. The general aggregate limit shall be \$2,000,000.
- (2) Auto Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Worker's Compensation and Employers Liability: Worker's Compensation shall be statutory as required by the State of Alaska. Employers Liability shall be endorsed to the following minimum limits and contain USL&H coverage endorsement, if applicable: (i) bodily injury by accident- \$1,000,000 each accident; (ii) bodily injury by disease - \$1,000,000 each employee; bodily injury by disease - \$1,000,000 policy limit.
- (c) Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:
- (1) Commercial General Liability and Automobile Liability:
- (A) The City of Kodiak, its Administrator, officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the Chamber; products and completed operations of the Chamber, premises owned, occupied or used by the Chamber, or automobiles owned, leased, hired or borrowed by the Chamber. The coverage shall contain no special limitation on the scope of protection afforded to the City of Kodiak, its Administrator, officers, officials, employees and volunteers.
- (B) The Chamber's insurance coverage shall be primary insurance as respects the City of Kodiak, its Administrator, officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City of Kodiak, its Administrator, officers, officials, employees and volunteers shall be excess of the Contractor's insurance and shall not contribute to it.
- (C) The Chamber's insurer shall agree to waive all rights of subrogation against the City, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Chamber or any subconsultant for the City.
- (2) Worker's Compensation and Employer's Liability: The Chamber's insurer shall agree to waive all rights of subrogation against the City of Kodiak, its Administrator, officers, officials, employees and volunteers for losses arising from work performed by the Chamber or any subcontractor for the city of Kodiak.
- (3) All Insurance: Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after 30 days prior written notice for nonpayment of premium or fraud on the part of the Chamber or 60 days prior written notice for any other reason by certified mail, return receipt requested, has been given to the City of Kodiak. Such notice shall be mailed by the Chamber's insurer(s) to the attention of the City of Kodiak City Manager.

(d) Acceptability of Insurers: Insurance is to be placed with insurers with a Best's rating of no less than A-: VII.

(e) Verification of Coverage: The Chamber shall furnish the City of Kodiak with approved certificates of insurance and with certified copies of all endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms provided by the City of Kodiak, or which meet industry standard. The City of Kodiak reserves the right to require complete, certified copies of all required insurance policies at any time.

17. Notices. Any notice, request, demand, approval or consent given or required to be given under this Agreement shall be in writing and shall be addressed as follows:

To the City: City of Kodiak
 Attn: City Manager
 710 Mill Bay Road, Room 220
 Kodiak, Alaska 99615

To the Chamber: Kodiak Area Chamber of Commerce, Inc.
 100 East Marine Way, Suite 300
 Kodiak, Alaska 99615

Either party may, at any time, change its notice address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

18. Inspections and Access by the City. The Chamber will permit the City, its agents, employees and contractors to enter all parts of the Premises during the Chamber's business hours, upon 24 hours' notice, to inspect the same and to enforce or carry out any provision of this Agreement; provided, however, that, in an emergency situation, such access shall be at any time upon the City's oral request.

19. Successors and Assigns. This Agreement and the covenants and conditions contained herein shall inure to the benefit of and be binding upon the City, its successors and assigns, and shall be binding upon the Chamber, its successors and assigns and shall inure to the benefit of the Chamber and only such assigns of the Chamber to whom the assignment of this Agreement by the Chamber has been consented to by the City.

20. Relationship of Parties. Nothing contained herein shall be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intent of the parties to create only the relationship of landlord and tenant herein.

21. Captions and Headings. The section captions and headings herein are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Agreement.

22. Severability. If any provision of this Agreement is deemed unenforceable in whole or part, such provision shall be limited to the extent necessary to render the same valid or shall be deemed excised from this Agreement and replaced by a valid provision as close in meaning and intent as the excised provision, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited or as so replaced, as the case may be.

23. No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to give to any person, other than the City and the Chamber, any right, remedy or claim under or by reason of this Agreement. The covenants, stipulations and agreements contained in this Agreement are and shall be for the sole and exclusive benefit of the City and the Chamber, and their permitted successors and assigns.

24. Entire Agreement. This Agreement, including all exhibits attached hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants with respect thereto not contained herein.

25. Amendment. This Agreement may be amended only by a written instrument executed by all of the parties hereto.

26. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective corporate names all as of the date first above written.

CITY OF KODIAK

KODIAK AREA CHAMBER OF
COMMERCE, INC.

Aimée Kniazowski, City Manager

Name: _____
Title: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2015, by Aimée Kniazowski, City Manager of the City of Kodiak, an Alaska municipal corporation, on behalf of the City.

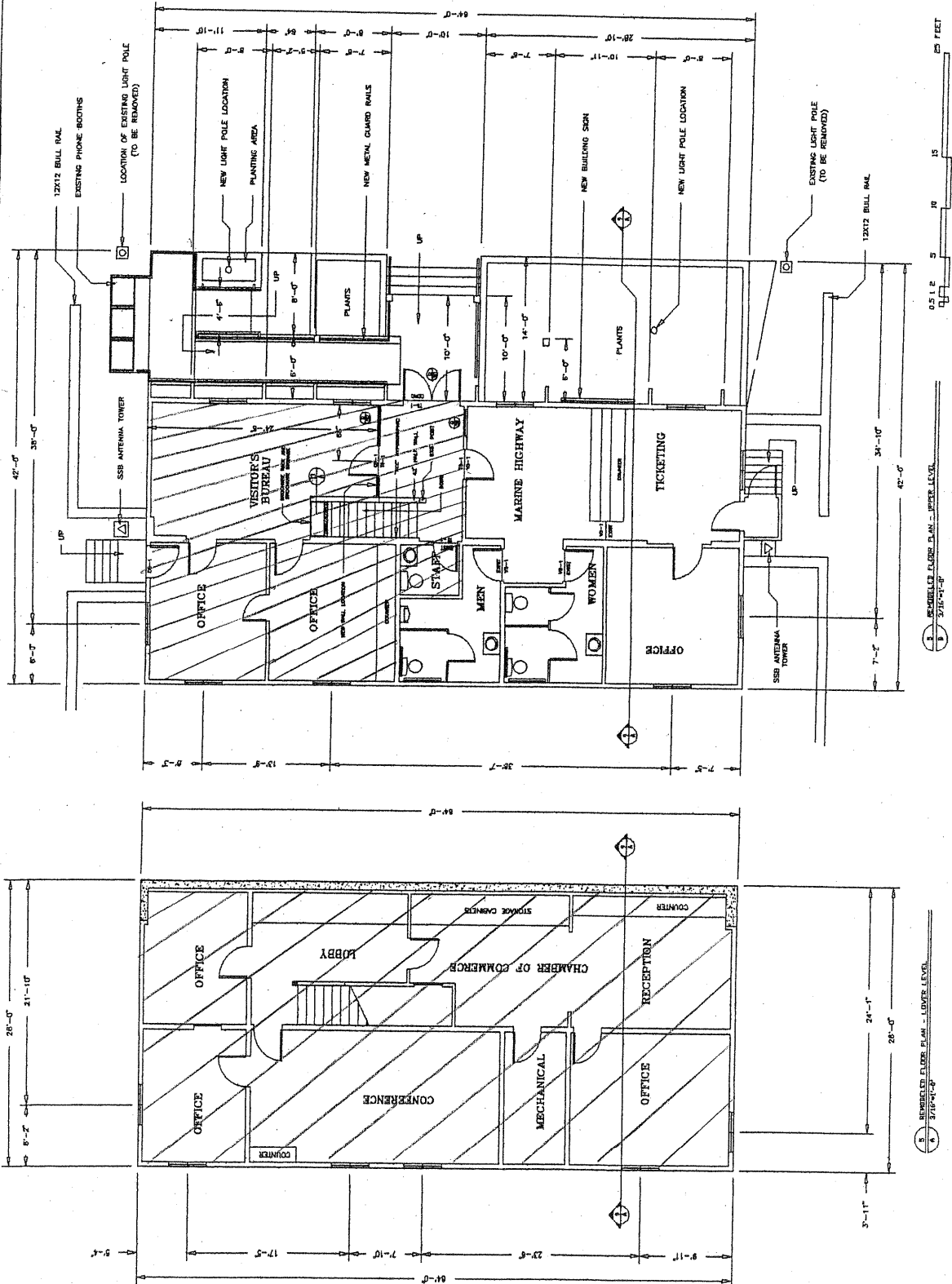
Notary Public in and for Alaska
My Commission Expires:_____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 2015, by _____, _____ of Kodiak Area Chamber of Commerce, Inc., an Alaska nonprofit corporation, on behalf of the corporation.


Notary Public in and for Alaska
My Commission Expires:_____

EXHIBIT A CITY/CHAMBER LEASE



(This page left intentionally blank.)

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Date: May 28, 2015

Agenda Item: IV. b. **Second Reading and Public Hearing, Ordinance No. 1333, Authorizing a Lease of the Head Start Building to Rural Alaska Community Action Program, Inc, D/B/A Kodiak Head Start**

SUMMARY: The City has provided a no-cost lease to the Rural Alaska Community Action Program, Inc. (RurAL CAP), for the local Head Start Program since 1994. The program leases the property at 419 Hillside Drive. The lease term is for five years at the rate of \$1.00 per year, and the City provides in-kind water and sewer services. RurAL CAP notified the City on April 22, 2015, that it would like to renew its lease. Due to the terms, the lease must be approved by ordinance. Staff recommends Council approve this lease by adopting Ordinance No. 1333 after the second reading following the public hearing.

PREVIOUS COUNCIL ACTION:

- June 1994, adopted Ordinance No. 992, authorizing a five-year lease with RurAL CAP for the Kodiak Head Start Program
- July 1995, adopted Ordinance No. 1015, authorizing amendments to the Head Start Program lease, including extension for six years through June 30, 2005
- June 2005, adopted Ordinance No. 1194, authorizing a five-year lease with RurAL CAP for the Head Start Program
- August 2010, adopted Ordinance No. 1277, authorizing a five-year lease with RurAL CAP for the Head Start Program
- May 12, 2015, Council reviewed Ordinance No. 1333 at the work session
- May 14, 2015, Council reviewed and advanced Ordinance No. 1333 to second reading and public hearing at the next regular meeting or special Council meeting

DISCUSSION: The Head Start Program is a nationally recognized program that promotes early childhood development and education. The City of Kodiak has long recognized the value of having a Head Start program in Kodiak and has supported it by providing a series of long-term, no-cost leases for the property at 419 Hillside Drive. RurAL CAP indicated it wishes to continue the program and renew its lease with the City in the attached letter, dated April 22, 2015 (Attachment C).

The combined value of the City property on Hillside Drive and the in-kind utility services provided under the terms of the lease exceed \$30,000. This requires Council to approve the lease through an ordinance, per the City Charter.

ALTERNATIVES: Council may adopt Ordinance No. 1333 in the second reading, which is staff's recommendation. Council may also amend the ordinance or not adopt the ordinance. Staff does not

recommend these alternatives, because it would affect the Head Start Program, possibly requiring them to relocate their program.

FINANCIAL IMPLICATIONS: This lease will not generate revenue for the City, because the property will be made available for the nominal amount of \$1.00 per year. The City also provides in-kind water and sewer utilities for an estimated value of \$2,810 per year. The value of the property, which is \$43,416, and in-kind utilities exceed \$30,000 and subject to the requirements of City Charter Section V-17. This requires Council to approve the lease by ordinance.

LEGAL: The City attorney drafted the lease and the attached ordinance.

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance No. 1333 in the second reading following the public hearing.

CITY MANAGER'S COMMENTS: This is a valuable program for Kodiak's children, and I am pleased that Council has supported it for so many years. I recommend Council agree to enter into another five-year lease with RurAL CAP and request Council adopt Ordinance No. 1333 in the second reading following the public hearing.

NOTES/ATTACHMENTS:

Attachment A: Ordinance No. 1333

Attachment B: Lease Between the City of Kodiak and the Rural Alaska Community Action Program

Attachment C: Letter of intent to renew lease from RurAL CAP, dated April 22, 2015

PROPOSED MOTION:

Move to adopt Ordinance No. 1333.

**CITY OF KODIAK
ORDINANCE NUMBER 1333**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING A LEASE OF THE HEAD START BUILDING TO RURAL ALASKA
COMMUNITY ACTION PROGRAM, INC, d/b/a KODIAK HEAD START**

WHEREAS, the City owns the building known as the Head Start Building on the property described below (the "Premises"), located at 419 Hillside Drive; and

WHEREAS, Rural Alaska Community Action Program, Inc. d/b/a Kodiak Head Start desires to continue leasing the Premises to house the Kodiak Head Start program; and

WHEREAS, in accordance with KCC 18.20.030(b), the Council finds it to be for a public purpose and in the best interest of the public to lease the Premises for consideration less than one-tenth of its approved appraised market value per year to Rural Alaska Community Action Program, Inc., d/b/a Kodiak Head Start, a nonprofit corporation.

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

Section 1: The Council of the City of Kodiak hereby authorizes a five-year lease with Rural Alaska Community Action Program, Inc. d/b/a Kodiak Head Start, in the form that has been presented to this meeting (the "Lease"), of the following Premises: that portion of U.S. Survey 2538A, Tract B, more particularly described as that parcel bound on the easterly side by Hillside Drive, on the northerly side by the southerly boundary of Hillside Park defined by a drainage ditch, on the westerly side by the bluff, and on the southerly side by a line approximately three hundred sixty (360) feet southerly of and parallel to the southerly boundary of Hillside Park, located in the Kodiak Recording District, Third Judicial District, State of Alaska.

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: May 14, 2015

Second Reading:

Effective Date:

**LEASE AGREEMENT NO. 218843
City of Kodiak/ Kodiak Head Start**

LEASE AGREEMENT dated as of July 1, 2015, between the City of Kodiak, a municipal corporation organized under the constitution and laws of the State of Alaska (the "City"), whose address is 710 Mill Bay Road, Kodiak, Alaska 99615, and Rural Alaska Community Action Program, Inc. d/b/a Kodiak Head Start, an Alaska nonprofit corporation (the "Lessee"), whose address is P. O. Box 200908, Anchorage, Alaska 99520.

WHEREAS, the City owns real property and improvements (the "Premises") described as follows:

That portion of U.S. Survey 2538A, Tract B, more particularly described as that parcel bound on the easterly side by Hillside Drive, on the northerly side by the southerly boundary of Hillside Park defined by a drainage ditch, on the westerly side by the bluff, and on the southerly side by a line approximately three hundred sixty (360) feet southerly of and parallel to the southerly boundary of Hillside Park, located in the Kodiak Recording District, Third Judicial District, State of Alaska;

and

WHEREAS, in accordance with KCC 18.20.030(b), the City Council has determined that the leasing of the Premises for use by Lessee is for a public purpose and in the best interest of the public.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein, the parties hereto agree as follows:

1. Lease. The City hereby leases to the Lessee, and the Lessee hereby leases from the City, the Premises.

2. Term; Extension. The term of this Lease (the "Term") shall be for five (5) years, and shall commence on July 1, 2015. The City may, in its discretion, offer to extend the Term for an additional five (5) year period ("Extended Term"). The City shall give the Lessee written notice of an offer to extend the Term at least ninety (90) days before the expiration of the Term. The Lessee may accept an offer to extend the Term by giving the City written notice of acceptance not later than thirty (30) days after the date of the City's notice of the offer to extend. If the Lessee accepts the City's offer to extend the Term, all of the terms and conditions of this Lease shall remain in full force and effect during the Extended Term.

3. Rent. On or before the commencement of the Term, Lessee shall to pay as rent to the City the sum of Five Dollars (\$5.00), constituting rent for the Term at the rate of One Dollar (\$1.00) per annum.

4. Use of Premises. Lessee may use the Premises only for the operation of a Head Start program and activities directly related thereto. Lessee shall not use or occupy the Premises in violation of law or of the certificate of occupancy issued for the Premises, and shall immediately discontinue any use of the Premises which is declared by either any governmental authority having jurisdiction or the City to be a violation of any law, code, regulation, or a violation of said certificate of occupancy. Lessee shall comply with any direction of any governmental authority having jurisdiction which shall, by reason of the nature of Lessee's use or occupancy of the Premises, impose any duty upon Lessee or City with respect to the Premises or with respect to the use or occupancy thereof.

5. Utility Service. City shall provide water and sewer service to the Premises free of charge. Lessee shall provide all other utility services to the Premises at its own expense.

6. Lessee's Acceptance of Premises. Lessee agrees that it has inspected the Premises, knows the condition thereof, and accepts the Premises in the condition in which they now are, and City shall be under no obligation to repair, maintain, or improve the Premises. At the expiration of the Term, Lessee shall surrender the Premises to City in as good a condition as when received, reasonable wear and tear excepted. In no event shall City be liable for any defect, present or future, on or in the Premises.

7. Liens and Encumbrances. During the Term, Lessee shall not allow any mechanic's or materialmen's liens or any other encumbrances to attach against the Premises. Lessee shall discharge, bond over, or otherwise satisfy any mechanic's or materialmen's lien which has been filed against the Premises arising out of work done for, or materials furnished to Lessee within ten (10) days after the lien has been filed. If Lessee fails to discharge, bond over, or otherwise satisfy any such lien, City may do so at Lessee's expense, and Lessee shall pay the amount expended by City, including reasonable attorneys' fees, within ten (10) days following Lessee's receipt of a bill from City.

8. Insurance. (a) At all times during the Term and any Extended Term, Lessee, at its expense, shall provide the following insurance coverages, and shall provide to City certificates of insurance and/or policies acceptable to City therefor at the time this Lease is executed:

(1) Commercial General Liability Insurance. Lessee shall maintain Commercial General Liability Insurance with a minimum of \$1,000,000 per occurrence and/or aggregate combined single limit, personal injury, bodily injury, and property damage.

(2) Workers' Compensation Insurance. Lessee shall provide and maintain, for all employees of Lessee engaged in work under this contract, Workers' Compensation Insurance as required by AS 23.30.045 or any other applicable statutes or regulations. Lessee shall be responsible for Workers' Compensation Insurance for any contractor who directly or indirectly provides services under this Lease.

(b) Additional Insurance Requirements. Each policy of insurance that Lessee provides under this section shall:

(1) List the as additional insureds City, including all elected and appointed City officials, all City employees and volunteers, all City boards, commissions and/or authorities and their board members, employees, and volunteers, and waive subrogation in favor of the foregoing;

(2) Provide coverage that is primary to City and not contributing with any other insurance or similar protection available to City, whether other available coverage be primary, contributing, or excess;

(3) Require sixty (60) days written notice of cancellation non-renewal, reduction and/or material change addressed to: City Clerk, 710 Mill Bay Road, Kodiak, Alaska 99615.

(c) Continuation of Coverage. If the above coverage expires during the term of this Lease, Lessee shall deliver renewal certificates and/or policies to City at least ten (10) days prior to the expiration date. Lessee shall not commence occupancy of the Premises under this Lease until it has obtained the coverage required under the terms of this Lease. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska and acceptable to City. If Lessee fails to comply with the insurance requirements of this Lease, City may terminate this Lease on ten (10) days written notice. Lessee covenants to maintain all insurance policies required in this Lease for the period of time in which a person may commence a civil action as prescribed by the applicable statute of limitations. The coverage required by this Lease shall cover all claims arising in connection with Lessee's performance under this contract, whether or not asserted during the term of this Lease and even though judicial proceedings may not be commenced until after this Lease expires.

9. Indemnification. Lessee shall indemnify, hold harmless and defend City from and against any and all claims, actions, damages, liability and expense, including without limitation attorney's and other professional fees, in connection with death or injury to persons and damage to property arising from or out of the occupancy or use by Lessee of the Premises or any part thereof; however, this provision shall not apply to any claim to the extent the claim arises from the negligence or intentional act of the City or the City's officers, agents, contractors, or employees.

10. Assignment and Subleasing. Lessee may not assign this Lease or sublet any part of the Premises without the advance written approval by City, which approval may be withheld at City's sole discretion.

11. Taxes and Charges. In addition to the rentals provided in this Lease, Lessee shall pay when due all taxes and other charges which are levied at any time during the term of this Lease upon the leasehold interest and any improvements on the Premises.

12. Inspections and Access by the City. Lessee will permit City, its agents, employees and contractors to enter all parts of the Premises during Lessee's business hours, upon 24 hours' notice, to inspect the same and to enforce or carry out any provision of this Lease; provided, however, that, in an emergency situation, such access shall be at any time upon City's oral request.

13. Care of Premises. Lessee shall not use or allow the Premises to be used for any immoral or unlawful purpose, nor shall Lessee maintain or permit any nuisance or commit or suffer to be committed any waste in, on or about the Premises. Lessee shall at all times and at Lessee's sole cost and expense, keep and maintain the Premises in a neat, orderly and sanitary condition, and shall not permit any junk, litter, debris, scrap, or garbage to accumulate thereon.

Lessee shall at all times preserve the Premises in as good a condition and repair as they are now or hereafter may be put into, reasonable use and wear and tear excepted. If Lessee shall fail to keep and preserve the Premises in said condition and state of repair, City may, at its option, put or cause the same to be put into the condition and state of repair agreed upon, and in such case Lessee, on demand, shall pay the cost thereof.

14. Hazardous Substances. Lessee shall not cause or permit the release or disposal of any hazardous substances, wastes or materials on or about the Premises, and Lessee shall be solely responsible for and shall promptly pay the cost of removing all such hazardous substances, wastes and materials from the Premises, which removal shall be in accordance with all applicable governmental requirements. Hazardous substances, wastes or materials shall include those which are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §6901, *et seq.*; the Toxic Substances Control Act, as amended, 15 U.S.C. §2601, *et seq.* Lessee shall comply with all rules and policies set by City, and with all federal, state and local laws, regulations and ordinances which govern the use, storage, handling and disposal of hazardous substances, wastes or materials.

15. Alterations and Modifications. (a) Lessee may not make any alterations to the Premises without the prior written approval of City, and such alterations shall be accomplished at the expense of Lessee, unless City agrees otherwise in writing. Upon the termination or expiration of this Lease, or any renewal thereof, any such alterations shall become the property of City.

(b) Lessee shall perform all alteration work promptly, efficiently, competently and in a good and workmanlike manner by duly qualified or licensed persons or entities, using first grade materials. All such work shall comply with all applicable governmental codes, rules, regulations and ordinances.

16. City's Option to Terminate Lease. If the Premises are (a) rendered wholly untenable, or (b) damaged as a result of any cause which is not covered by City's insurance, or (c) damaged or destroyed in whole or in part during the last year of the Term, City may elect to terminate this Lease by giving Lessee written notice of such election within ninety (90) days after the occurrence of such event. If such notice is given, the rights and obligations of the parties hereunder shall cease as of the date of such notice.

17. Default; Remedies. (a) The occurrence of any of the following shall constitute a material default and breach of this Lease:

- (i) The vacating or abandonment of the Premises by Lessee.
- (ii) A failure by Lessee to pay the rent or to make any other payment required to be made by Lessee hereunder, when due, or within ten (10) days thereafter.
- (iii) A failure by Lessee to observe and perform any other provision of this Lease to be observed or performed by Lessee; provided that Lessee has not either corrected such failure within thirty (30) days after City has given Lessee written notice thereof; or if more than thirty (30) days are required for its correction, Lessee shall have commenced such correction within such thirty (30) day period and thereafter diligently prosecuted the same to completion.

(iv) The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or the filing of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or the attachment, execution, or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.

(b) In the event Lessee commits an act of default as set forth in (a) of this section, City may exercise one or more of the following described remedies, in addition to all other rights and remedies available at law or in equity, whether or not stated in this Lease.

(i) City may continue this Lease in full force and effect and shall have the right to collect rent when due. During the period Lessee is in default, City may re-enter the Premises with or without legal process and relet them, or any part of them, to third parties for Lessee's account, and Lessee hereby expressly waives any and all claims for damages by reason of such re-entry, as well as any and all claims for damages by reason of any distress warrants or proceedings by way of sequestration which Lessor may employ to recover said rents. Lessee shall be liable immediately to City for all costs City incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the reletting, and like costs. Reletting can be for a period shorter or longer than the remaining Term of this Lease, and in no event shall City be under any obligation to relet the Premises. On the dates such rent is due, Lessee shall pay to City a sum equal to the rent due under this Lease, less the rent City receives from the reletting. No act by City allowed by this paragraph shall terminate this Lease unless City notifies Lessee in writing that City elects to terminate this Lease.

(ii) City may terminate this Lease at any time. Upon termination, City shall have the right to collect an amount equal to: all expenses incurred by City in recovering possession of the Premises, including reasonable attorneys' fees; all reasonable costs and charges for the care of the Premises while vacant; all renovation costs incurred in connection with the preparation of the Premises for a new lessee; and an amount by which the entire rent for the remainder of the Term exceeds the loss of rent that Lessee proves could have been reasonably avoided.

18. Notices. Any notice, request, demand, approval or consent given or required to be given under this Lease shall be in writing and shall be addressed as follows:

To City: City of Kodiak
 Attn: City Manager
 710 Mill Bay Road
 Kodiak, Alaska 99615

To Lessee: RurAL CAP
 P. O. Box 200908
 Anchorage, Alaska 99520

Either party may, at any time, change its notice address for the above purposes by sending a notice to the other party stating the change and setting forth the new address.

19. Successors and Assigns. This Lease and the covenants and conditions contained herein shall inure to the benefit of and be binding upon City, its successors and assigns, and shall be binding upon Lessee, its successors and assigns and shall inure to the benefit of the Lessee and only such assigns of Lessee to whom the assignment of this Lease by the Lessee has been consented to by City.

20. Relationship of Parties. Nothing contained herein shall be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the other, it being the intent of the parties to create only the relationship of landlord and tenant herein.

21. Captions and Headings. The section captions and headings herein are for convenience of reference only and in no way shall be used to construe or modify the provisions set forth in this Lease.

22. Severability. If any provision of this Lease is deemed unenforceable in whole or part, such provision shall be limited to the extent necessary to render the same valid or shall be deemed excised from this Lease and replaced by a valid provision as close in meaning and intent as the excised provision, as circumstances require, and this Lease shall be construed as if said provision had been incorporated herein as so limited or as so replaced, as the case may be.

23. No Third Party Beneficiaries. Nothing in this Lease, express or implied, is intended or shall be construed to give to any person, other than the City and the Lessee, any right, remedy or claim under or by reason of this Lease. The covenants, stipulations and agreements contained in this Lease are and shall be for the sole and exclusive benefit of the City and the Lessee, and their permitted successors and assigns.

24. Entire Agreement. This Lease, including all exhibits attached hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants with respect thereto not contained herein.

25. Amendment. This Lease may be amended only by a written instrument executed by all of the parties hereto.

26. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State of Alaska.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed in their respective corporate names all as of the date first written above.

CITY OF KODIAK

RURAL ALASKA COMMUNITY
ACTION PROGRAM, INC.

Aimee Kniazowski, City Manager

Name

Title: _____

Attest:

Attest:

Debra Marlar, City Clerk

Name



Rural Alaska Community Action Program, Inc.

731 East 8th Avenue, Anchorage, AK 99501
(907) 279-2511 ♦ Fax: (907) 278-2309
www.ruralcap.com



April 22, 2015

Debra Marlar
City Clerk
Office of the City Clerk
710 Mill Bay Road, Room 216
Kodiak, AK 99615

Dear Ms. Marlar:

Rural Alaska Community Action Program Inc. would like to extend the lease of the Kodiak Head Start Facility which expires June 30, 2015. We would like to start the process of updating the lease agreement for the Kodiak Head Start facility.

Please contact me at (907) 875-7331 as confirmation you received the request to extend the lease. I can also be contacted at dhansen@ruralcap.com. If further information is needed please let me know.

Sincerely,


Drew Hansen
Head Start Regional Manager

(This page left intentionally blank.)

NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniaziowski, City Manager 

Date: May 28, 2015

Agenda Item: V. a. **First Reading, Ordinance No. 1334, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016**

SUMMARY: Ordinance No. 1334 provides for the adoption of the City of Kodiak's FY2016 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2015, and June 30, 2016. The budget document also establishes an operating and capital expenditure plan for FY2016 that is based on staff's assessment of operational and community needs and the Council's FY2016 budget goals. Staff made the FY2016 budget presentation to Council a special budget work session on May 9, 2015. Staff recommends Council pass Ordinance No. 1334 in the first reading and advance the ordinance to second reading and public hearing at the next regular or special meeting.

PREVIOUS COUNCIL ACTION:

- Prior to the start of each fiscal year, the City Council adopts the City's operating and capital budget by ordinance.
- Council reviewed projected FY2016 revenues and the FY2016 budget calendar on February 10, 2015.
- Council adopted Resolution No. 2015-03, establishing budget goals for fiscal year 2016, on February 12, 2015.
- Staff presented the proposed FY2016 budget to the Mayor and Council at a budget work session on May 9, 2015.
- Council reviewed Ordinance 1334 at May 26 work session in preparation for first reading at this meeting.

DISCUSSION: The FY2016 budget funds the services provided by the City of Kodiak to residents and visitors: law enforcement (including animal control and contract jail services), fire and emergency medical services (including ambulance services), public works (public water system, wastewater system, street and property maintenance), engineering, port and harbor facilities, parks and recreation facilities and programs, public library, and general administrative functions (municipal recordkeeping and financial management).

The proposed FY2016 budget was developed as a maintenance level budget and will attempt to provide the same level of services as the current year's budget with a reduction in expenses. This is a prudent approach since revenues are expected to remain static as expenses continue to increase. The City Council adopted FY2016 budget goals by Resolution No. 2015-03 in February (Attachment B), and staff used the goals to develop and evaluate the proposed operating budget. The proposed budget is consistent with the Council's FY2016 budget goals.

Combined Revenues and Expenses for All Funds

The FY2016 budget projects combined revenues from all funds excluding capital projects to be \$38,034,750 which is a decrease of eight (8) percent from FY2015's combined budgeted revenues of \$41,471,414. Revenues are forecasted based on the current fiscal year even though some sources may fluctuate slightly. Expenses for all City funds, excluding capital projects, is expected to also be \$38,034,750, an overall decrease of eight (8) percent from FY2015. Fewer transfers and capital equipment account for the largest decreases in expenses.

Operating Budget

The FY2016 operating budget is primarily a maintenance budget as it has been for at least the past seven years. As directed, City staff developed a conservative budget. The City, like everyone in the community, continues to face rising costs, but the departments are careful to absorb cost increases whenever and wherever possible. As outlined in the City Council FY2016 goals, a review of all categories of General Fund expenditures was conducted to identify ways to decrease expenses. Even with all the budget cuts, unavoidable cost increases resulted in a two (2) percent increase in General Fund expenses before transfers from FY2015.

General Fund

The General Fund provides funding for those City services that aren't required to be accounted for differently, like the enterprise funds. The General Fund uses revenues from sources such as sales and property taxes to fund the City's administrative functions such as tax collection and audits, billing, emergency preparedness, information technology, and management of all City functions. It also funds services such as, municipal recordkeeping functions, law enforcement, fire and ambulance, library and recreational services and facilities, and public works and engineering services.

General Fund revenues for FY2016 are projected at \$22,551,710 up by approximately 13 percent from FY2015 projections with the largest changes due to increase in the appropriation of the fund balance to fund increased personnel costs and necessary capital projects. These budget figures are consistent with Council's FY2016 goal that the General Fund would be budgeted without a deficit with appropriations from the fund balance when/if necessary, and that General Fund operating expenses (non-personnel) will be consistent with those of FY2015.

Fund Balance

The City's General Fund balance has been accumulated from various revenue sources, large and small. Even with conservative budgeting, this fund no longer takes in more revenues than it must spend for expenses to operate the General Fund departments and to provide the necessary services. The FY2015 budget is projected to have \$7.4 million remaining in the fund balance. The FY2016 budget is projected to have an estimated \$4 million remaining in the fund balance after using the \$3.4 million for expenses and transfers in the operating budget. The estimated FY2016 fund balance, if projections are correct, will be needed to offset expenses and provide the City with approximately 2.6 months of operating reserves. Of course there are many budget variables so this is only a projection and cannot be guaranteed so early in the budgeting process. The proposed FY2016 budget anticipates a larger use of fund balance than the FY2015 budget because more transfers are being made to fund capital projects.

Personnel

Salaries, wages and benefits are the single largest expense in the City's annual budget, totaling 41 percent. Salaries and wages for FY2016 are estimated to total \$9.2 million or 24 percent of the City's overall expenses. This is less than two (2) percent change from FY2015 citywide salaries and wages and reflects scheduled salary increases. Employee benefit costs are projected at \$7.8 million, 20 percent of the City's overall expense budget, which is a four (4) percent increase from FY2015.

The FY2015 budget reflects no increase in the number of City employees of 126.15 in both FY2016 and FY2015. The City's work force for FY2016 remains at 121 regular full-time employees and 5.15 regular part-time positions working from 20-30 hours per week for a total of 126.15 FTEs.

These changes to the FY2016 budget meet Council's personnel goals. The tracking of part-time personnel is a necessary step in meeting Council's goal to complete an analysis of the need, costs, and hiring process for the City's use of temporary or seasonal employees.

Enterprise Funds

The City has eight separate enterprise funds; the Harbor Department's Cargo Terminal, Boat Harbor, Harbor Electric Utility, and the Boat Yard/Vessel Lift funds; the Water, Sewer, and Trident Basin funds managed by Public Works; and the E911 Fund. The FY2016 budgets for these funds reflect a balance of revenues to expenses.

The E911 Fund was established in FY2010 in preparation for the transfer of E911 extraterritorial authority from the Borough to the City. This transfer has not yet taken place, but the Borough staff has agreed to work toward the transfer of authority or find another way to fairly share in the expenses and responsibilities of providing the service to Kodiak.

Enhancement Fund

The FY2016 budget proposes no use of Enhancement Fund monies. Enhancement Fund monies have not been used since FY2013 so the fund balance can build up, per Council's budget goals. The projected fund balance for the Enhancement Fund in FY2015 is estimated to be \$3.2 million, which is an increase of \$1.2 million from the FY2013 balance.

Capital Projects

The FY2016 budget recommends \$4.4 million in capital project expenditures. This includes nine new capital projects in FY2016 ranging in size from \$20,000 to \$1,200,000. It also includes additional funding for established or ongoing capital projects such as, annual curb and sidewalk repairs, pavement repairs, snow dump, rate studies, Monashka Transmission Line, and the Saint Herman Harbor Parking Improvement. Costs for the projects will be covered through transfers, and use of fund balances. Staff presented the capital projects in detail at the budget work session on May 9th.

ALTERNATIVES:

1. Pass Ordinance No. 1334 in the first reading and move to second reading and public hearing at the next regular or special Council meeting. This is staff's recommendation.
2. Council may also amend Ordinance No. 1334.

FINANCIAL IMPLICATIONS: The City Council must make appropriations and adopt an annual budget. As presented, this budget retains ongoing service levels while meeting maintenance level budgetary criteria established by Council. The budget meets operational needs and estimates an adequate retention of fund balance in the General Fund.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required. Article V, Section 2 of the City Charter states the City Manager will prepare and present a proposed budget to the City Council in advance of the fiscal year which begins on July 1st and ends on June 30th. Article V, Section 4 of the City Charter gives the City Council the authority to make appropriations for the next fiscal year and may approve or amend the budget. Appropriations must be made and the budget approved by a majority vote of the City Council no later than the third day before the beginning of the new fiscal year, and if the Council fails to approve the budget by that date, the budget as submitted shall go into effect and be considered adopted by the Council.

STAFF RECOMMENDATION: Staff recommends Council pass Ordinance No. 1334 in the first reading with advancement to second reading and public hearing at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: We have managed to provide Council with another lean budget and minimal staffing without affecting service provision, per Council's FY2016 budget goals. The task

continues to be challenging as costs continue to increase and other sources of governmental funding become more limited. We do expect to have a modest amount of projected revenues for FY2016 for use on capital project needs, many of which are critical.

There may be an amendment to change (likely increase) funding to the three agencies that provide services to the City before the second reading of the ordinance because we rolled over the FY2015 budget amounts for the agencies into this budget much as we did for each City department. Council can express a consensus at the May 26 work session or before adoption of the ordinance on June 11.

The preparation of this document and the presentations at the May 9, 2015 budget work session reflect a great deal of work by the City staff, including an assessment of operational and community needs necessary to create this annual financial plan. I want to thank our management team for their serious commitment to meeting Council's goals and for their fiscal responsibility, not just in preparation of this draft budget, but on an ongoing basis.

ATTACHMENTS:

Attachment A: Ordinance No. 1334

Attachment B: Addenda to the FY2016 Budget Presentation

PROPOSED MOTION:

Move to pass Ordinance No. 1334 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1334**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK LEVYING TAXES AND APPROPRIATING FUNDS FOR THE EXPENSES AND LIABILITIES OF THE CITY OF KODIAK FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2015 AND ENDING ON THE THIRTIETH DAY OF JUNE 2016

BE IT ORDAINED by the Council of the City of Kodiak as follows:

- Section 1:** A tax in the amount of 2.0 mills is hereby levied against all taxable real property within the City of Kodiak for the fiscal year commencing on the first day of July 2015 and ending on the thirtieth day of June 2016.
- Section 2:** The following sums of money are hereby appropriated for corporate purposes and objects of the City of Kodiak for the fiscal year commencing on the first day of July 2015 and ending on the thirtieth day of June 2016 to defray expenses and liabilities of the City during the fiscal year.

FY2016 BUDGET SUMMARY

GENERAL FUND

	Anticipated Revenues	
Taxes	\$ 13,031,000	
Licenses & Permits	89,800	
Intergovernmental Revenues	2,948,420	
Charges for Services	1,574,765	
Fines & Forfeitures	15,000	
Interest	10,000	
Rents & Royalties	230,000	
Miscellaneous	22,000	
Interfund Charges	1,198,832	
Appropriation from Fund Balance	3,431,893	
Operating Transfers In	-	
Total Anticipated Revenues	22,551,710	
		Planned Expenditures
Legislative	\$	296,454
Legal		50,000
Executive-Administration		663,067
Executive-Emergency Preparedness		56,500

GENERAL FUND EXPENDITURES CONTINUED

City Clerk-Administration	324,210
City Clerk-Records Management	168,760
Finance	1,529,160
Police	6,868,059
Fire	2,208,736
Public Works	2,748,851
Engineering	294,070
Parks & Recreation	1,479,354
Library	1,044,680
Non-Departmental	4,819,809
Total Planned Expenditures	22,551,710

SPECIAL REVENUE FUND

	Anticipated Revenues	Planned Expenditures
Tourism Fund	\$ 180,500	\$ 180,500
City Enhancement Fund	-	-
Total Anticipated Revenues	180,500	180,500

CAPITAL PROJECTS FUND

	Anticipated Revenues
General Capital	\$ 20,000
Street Improvements	2,190,000
Building Improvement Fund	1,000,000
Water Capital Fund	315,000
Sewer Capital Fund	235,000
Cargo Development Fund	-
Harbor Development Fund	475,000
Parks & Recreation Fund	30,000
Vehicle Replacement Fund	171,019
Total Anticipated Revenues	4,436,019

CAPITAL PROJECTS FUND CONTINUED

	Planned Expenditures
General Capital	\$ 20,000
Street Improvements	2,190,000
Building Improvement Fund	1,000,000
Water Capital Fund	315,000
Sewer Capital Fund	235,000
Cargo Development Fund	-
Harbor Development Fund	475,000
Parks & Recreation Fund	30,000
Vehicle Replacement Fund	171,019
Total Planned Expenditures	4,436,019

ENTERPRISE FUNDS

	Anticipated Revenues
Cargo Fund	\$ 1,051,529
Harbor Fund	3,605,033
Boat Yard Lift	1,276,715
Harbor Electric Fund	616,590
Water Utility Fund	3,314,746
Sewer Utility Fund	4,570,353
Trident Basin Fund	305,454
E-911 Services	13,180
Total Anticipated Revenues	14,753,600

	Planned Expenditures
Cargo Fund	\$ 1,051,529
Harbor Fund	3,605,033
Boat Yard Lift	1,276,715
Harbor Electric Fund	616,590
Water Utility Fund	3,314,746
Sewer Utility Fund	4,570,353
Trident Basin Fund	305,454
E-911 Services	13,180
Total Planned Expenditures	14,753,600

INTERNAL SERVICE FUNDS

	Anticipated Revenues	
Self Insurance Fund	\$	548,940
Total Anticipated Revenues		548,940

		Planned Expenditures
Self Insurance Fund	\$	548,940
Total Planned Expenditures		548,940

Grand Total Anticipated Revenues	\$	42,470,769	
Grand Total Planned Expenditures		\$	42,470,769
	Non- Projects		38,034,750
	Non- Projects		38,034,750
	Projects		4,436,019
	Projects		4,436,019
	Total		42,470,769
	Total		42,470,769

Section 3: All unexpended appropriation balances, with the exception of capital project fund appropriations, shall lapse to the appropriate fund as of June 30, 2016.

Section 4: This ordinance shall go into effect July 1, 2015.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

City of Kodak

Addenda to the FY 2016 Budget Presentation

<u>Fund</u>	<u>Account No.</u>	<u>Account</u>	<u>Amount in Budget</u>	<u>Correction</u>	<u>Corrected Budget</u>
General	100.001.380.100	Serv Chgs from Cargo	88,766	(1,770)	86,996
General	100.001.380.110	Serv Chgs from Harbor	225,628	(14,162)	211,466
General	100.001.380.120	Serv Chgs from Water	257,046	(3,540)	253,506
General	100.001.380.121	Serv Chgs from Sewer	271,590	(3,542)	268,048
General	100.001.380.125	Serv Chgs from Trident	10,372	(1,771)	8,601
				<u>(24,785)</u>	
Cargo	500.510.195.480.220	Financial Services	32,507	(1,770)	30,737
Harbor	510.520.195.480.220	Financial Services	116,040	(14,162)	101,878
Water	550.560.360.480.220	Financial Services	29,161	(1,770)	27,391
Water	550.560.365.480.220	Financial Services	29,161	(1,770)	27,391
Sewer	570.580.380.480.220	Financial Services	36,433	(1,771)	34,662
Sewer	570.580.385.480.220	Financial Services	36,433	(1,771)	34,662
Trident	580.590.100.480.220	Financial Services	8,183	(1,771)	6,412

The Administrative Cost allocation of Information Services was originally miscalculated and not discovered until the budget was prepared. This change will lower the Interfund revenue to the General Fund, and lower Interfund expenses in the affected enterprise funds.


Water	550.560.198.490.306	Trans-Sewer Cap Project	20,000	(20,000)	-
Sewer	570.580.198.490.306	Trans-Sewer Cap Project	40,000	(40,000)	-

The Wastewater Treatment Plant HVAC System was originally slated to be in the FY 2016 Sewer Capital Budget. We are moving the requested amount to the FY 2015 budget year. The Project has been removed from the Capital budget worksheets, but the transfers from the Water and Sewer funds need to be taken out of the FY 2016 operating budget.

General	100.001.380.400	Vehicle Replace Gen Fund	85,357	85,662	171,019
---------	-----------------	--------------------------	--------	--------	---------

This revenue amount is needed to recognize the Vehicle Replacement expense in the General Fund departments.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Council Members
From: Aimée Kniaziowski, City Manager 
Thru: Karl Swanson, Interim Finance Director
Date: May 28, 2015

Agenda Item: V. b. First Reading, Ordinance No. 1335, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015

SUMMARY: The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth day of June 2015 is in the amount of \$151,778. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. This is the second budget amendment of FY2015. Staff recommends Council pass Ordinance No. 1335 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

PREVIOUS COUNCIL ACTION:

- June 13, 2014, Council adopted Ordinance No. 1319 for the FY2015 budget in the amount of \$46,466,781 commencing on the first day of July 2014 and ending on the thirtieth day of June 2015.
- February 12, 2015, Council adopted Ordinance No. 1331 for the first supplemental to the FY2015 budget in the amount of \$897,753.
- May 26, 2015, Council reviewed Ordinance 1335 at the work session in preparation for introduction at this meeting.

DISCUSSION: The adoption of the budget by the City Council puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year through a supplemental budget ordinance, which is introduced at one Council meeting and typically adopted at the next Council meeting.

All new appropriations are authorized by an ordinance that amends the annual budget ordinance. An ordinance is required to move amounts between funds, departments and projects. An ordinance is

required to move funds, to add permanent personnel, or to grant unscheduled salary increases. The Supplemental No. 2 Appropriation is requesting the addition of \$151,778 to the adopted budget bringing the total amended budget to \$58,007,312 for FY2015.

The Supplemental No. 2 Appropriation is requesting an increase in non-capital funds in the amount of \$110,344 and an increase in capital funds in the amount of \$41,434. Of the \$110,344 increase for non-capital funds, \$21,693 is a transfer to the Enhancement Fund from the General Fund based on KCC 3.28.040. KCC 3.28.040 states that: each fiscal year, the funds shall be inflation proofed from the earnings of the city enhancement fund as calculated by multiplying the city enhancement fund balance at the beginning of each fiscal year by an inflation factor. The inflation factor will be determined by calculating the average percentage increase in the U.S. Department of Commerce Consumer Price Index for U.S. city average, all items' indices, January index, for the five-year period ending with the current fiscal year. The remaining \$88,651 in non-capital funds is for transfers to the vehicle replacement fund, estimated additional legal fees and a transfer from the Sewer fund for spill prevention that was inadvertently left off budget Supplemental No. 1. Additions to capital projects include the City Land Development Project (4002) for the Near Island Development Plan funded through savings in the Executive department, an increase in the SPCC Spill Prevention project funded through savings in the Shipyard Fund, correction of allocations in the Building Fund and additions to the General Fund Vehicle Replacement Fund.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 2 are funded by reductions in operating funds, use of fund balances, and transfers. The ordinance makes a number of minor changes in the FY2015 budget reflecting increased revenues and expenditures, new project and grant funding, and movement of funds to more accurately reflect current City operations. Details of funding sources and expenses have been submitted in the attachments.

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

STAFF RECOMMENDATION: Staff recommends that the City Council pass Ordinance No. 1335, Supplemental Appropriation No. 2 to the FY 2015 budget, in the first reading and advance to second reading and public at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: The City generally 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. This year, we need to adopt a smaller second budget amendment to make changes that were not reflected in the FY 15 Supplemental #1. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes. I recommend Council pass Ordinance No. 1335 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

ATTACHMENTS:

Attachment A: Ordinance No. 1335

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

Attachment C: Backup line item detail to budget.

PROPOSED MOTION:

Move to pass Ordinance No. 1335, in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

CITY OF KODIAK ORDINANCE NUMBER 1335

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING SUPPLEMENTAL APPROPRIATION NO. 2 TO THE BUDGET FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2014 AND ENDING ON THE THIRTIETH DAY OF JUNE 2015

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 2015.

FY 2015 Supplemental Budget						
GENERAL FUND						
	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget	
Anticipated Revenues:						
Property Tax	\$ 853,500	\$ -	\$ -	\$ -	\$ 853,500	
Sales Tax	11,630,000	-	-	-	11,630,000	
Licenses and Permits	90,100	12,000	-	-	102,100	
Intergovernmental	3,128,847	15,000	-	-	3,143,847	
Charges for Services	1,774,115	55,000	-	-	1,829,115	
Fines and Forfeitures	15,500	10,334	-	-	25,834	
Interest Income	45,000	-	-	-	45,000	
Rental Income	195,000	-	-	-	195,000	
Other Revenues	22,000	-	-	-	22,000	
Interfund Charges	858,692	-	-	13,217	871,909	
Use of Fund Balance	1,132,088	36,213	-	77,127	1,245,428	
Transfers In	-	-	-	-	-	
Total Amended Revenues	\$19,744,842	\$ 128,547	\$ -	\$ 90,344	\$19,963,733	
Planned Expenditures:						
Legislative	\$ 320,259	\$ 5,000	\$ -	\$ -	\$ 325,259	
Legal	50,000	-	-	50,000	100,000	
Executive	586,262	6,000	-	(100,000)	492,262	
Emergency Preparedness	56,500	-	-	-	56,500	
City Clerk	473,165	5,000	-	-	478,165	
Finance	1,401,481	1,500	-	-	1,402,981	
Police	6,922,782	40,175	-	2,790	6,965,747	
Fire	2,148,335	22,000	-	-	2,170,335	
Public Works	2,485,224	27,232	-	2,644	2,515,100	
Engineering	315,090	-	-	-	315,090	
Parks & Recreation	1,411,860	-	-	-	1,411,860	
Library	1,010,833	-	-	-	1,010,833	
Non-Departmental	763,694	-	-	-	763,694	
Transfers	1,799,357	21,640	-	134,910	1,955,907	
Total Amended Expenditures	\$19,744,842	\$ 128,547	\$ -	\$ 90,344	\$19,963,733	

SPECIAL REVENUE FUNDS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Tourism Development	\$ 205,500	\$ -	\$ 5,000	\$ -	\$ 210,500
KFDA	60,050				60,050
City Enhancement	-	-	-	-	-
Total Amended Revenues	\$ 265,550	\$ -	\$ 5,000	\$ -	\$ 270,550
Planned Expenditures:					
Tourism Development	\$ 205,500	\$ -	\$ 5,000	\$ -	\$ 210,500
KFDA	60,050				60,050
City Enhancement	-	-	-	-	-
Total Amended Expenditures	\$ 265,550	\$ -	\$ 5,000	\$ -	\$ 270,550

CAPITAL PROJECTS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
300 General Capital Projects	\$ 276,684	\$ 381,472	\$ -	\$ 30,000	\$ 688,156
315 Vehicle Replacement Capital	85,357	7,783	-	5,434	98,574
301 Street Improvements	1,030,000	52,000	-	6,000	1,088,000
302 Building Improvements	40,000	70,000	-	-	110,000
305 Water Capital Fund	5,964,774	60,000	-	-	6,024,774
306 Sewer Capital Fund	-	-	3,000,000	-	3,000,000
307 Cargo Development Fund	-	-	2,240,000	-	2,240,000
308 Harbor Development	3,000,000	-	-	-	3,000,000
309 Parks & Recreation Fund	110,000	-	-	-	110,000
Total Amended Revenues	\$10,506,815	\$ 571,255	\$ 5,240,000	\$ 41,434	\$16,359,504
Planned Expenditures:					
300 General Capital Projects	\$ 276,684	\$ 381,472	\$ -	\$ 30,000	\$ 688,156
315 Vehicle Replacement Capital	85,357	7,783	-	5,434	98,574
301 Street Improvements	1,030,000	52,000	-	6,000	1,088,000
302 Building Improvements	40,000	70,000	-	-	110,000
305 Water Capital Fund	5,964,774	60,000	-	-	6,024,774
306 Sewer Capital Fund	-	-	3,000,000	-	3,000,000
307 Cargo Development Fund	-	-	2,240,000	-	2,240,000
308 Harbor Development	3,000,000	-	-	-	3,000,000
309 Parks & Recreation Fund	110,000	-	-	-	110,000
Total Amended Expenditures	\$10,506,815	\$ 571,255	\$ 5,240,000	\$ 41,434	\$16,359,504

ENTERPRISE FUNDS

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$ 2,240,000	\$ -	\$ 3,364,301
Harbor Fund 510	4,592,832	-	-	-	4,592,832
Boat Yard/Lift 512	1,252,103	5,000	-	-	1,257,103
Electric Fund 515	606,664	-	-	-	606,664

ENTERPRISE FUNDS CONTINUED

Water Fund 550	2,982,668	75,926	-	-	3,058,594
Sewer Fund 570	4,361,972	137,025	3,000,000	20,000	7,518,997
Trident Basin Fund 580	334,272	-	-	-	334,272
E-911 Services	78,462	(40,000)	-	-	38,462
Total Amended Revenues	\$15,313,274	\$ 197,951	\$ 5,240,000	\$ 20,000	\$20,771,225

Planned Expenditures:

Cargo Fund 500	\$ 1,104,301	\$ 20,000	\$ 2,240,000	\$ -	\$ 3,364,301
Harbor Fund 510	4,592,832	-	-	-	4,592,832
Boat Yard/Lift 512	1,252,103	5,000	-	-	1,257,103
Electric Fund 515	606,664	-	-	-	606,664
Water Fund 550	2,982,668	75,926	-	-	3,058,594
Sewer Fund 570	4,361,972	137,025	3,000,000	20,000	7,518,997
Trident Basin Fund 580	334,272	-	-	-	334,272
E-911 Services	78,462	(40,000)	-	-	38,462
Total Amended Expenditures	\$15,313,274	\$ 197,951	\$ 5,240,000	\$ 20,000	\$20,771,225

INTERNAL SERVICE FUND

	Budget	Supplemental #1	Resolutions	Supplemental #2	Revised Budget
Anticipated Revenues:					
Self Insurance Fund	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Amended Revenues	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Planned Expenditures:					
Self Insurance Fund	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Amended Expenditures	\$ 636,300	\$ -	\$ -	\$ -	\$ 636,300
Total Revenues	\$46,466,781	\$ 897,753	\$ 10,485,000	\$ 151,778	\$58,001,312
Total Expenditures	\$46,466,781	\$ 897,753	\$ 10,491,000	\$ 151,778	\$58,007,312

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

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

CITY OF KODIAK
FY 2015 Supplemental

Fund 100 General Fund

REVENUES:

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
310.100 Property Taxes	850,000					850,000	903,726	(53,726)	106%
310.111 PILOT from KIHA	3,500					3,500	2,363	1,137	68%
310.200 Sales Taxes	11,600,000					11,600,000	7,764,882	3,835,118	67%
310.900 Penalty & Interest	30,000					30,000	11,447	18,553	38%
320.000 License & Permits	90,100					90,100	125,151	(23,051)	123%
330.100 PERS Relief	1,279,273		12,000			1,279,273	-	1,279,273	0%
330.105 State Revenue Sharing	394,074					394,074	397,792	(3,718)	101%
330.130 Fish Tax - Dept of Rev	1,283,000					1,283,000	1,164,404	118,597	91%
330.131 Fish Tax - DCED (Shared Fish Tax)	75,000					75,000	90,093	(15,093)	120%
330.140 Fuel Tax Sharing	7,500					7,500	5,404	2,096	72%
330.150 Alcohol Beverage Sharing	20,000					20,000	28,300	(8,300)	142%
330.160 Utility Revenue Sharing	45,000					45,000	44,685	315	99%
330.300 State Grant Capital	10,000					10,000	-	10,000	0%
330.305 State Grant - Operations	15,000					15,000	6,650	8,350	44%
330.325 Federal Grt - Operating	-		15,000			15,000	9,449	5,551	63%
340.100 Boarding of Prisoners	1,134,000					1,134,000	930,158	203,842	82%
340.110 State Trooper Comm Contract	120,000					120,000	59,063	60,937	49%
340.120 Other Police Services	15,000					15,000	1,905	13,095	13%
340.130 Police Protective Custody	2,000					2,000	150	1,850	8%
340.210 Borough Animal Control Services	109,415					109,415	109,415	-	100%
340.240 Borough Building Inspections	100,000					100,000	70,581	29,419	71%
340.300 Ambulance Services	145,000		55,000			200,000	180,324	19,676	90%
340.310 Fire Miscellaneous	5,000					5,000	1,230	3,770	25%
340.405 School Lifeguard Services	16,000					16,000	11,622	4,378	73%
340.405 Parks & Recreation Revenues	100,500					100,500	85,115	15,385	85%
340.520 Library Revenue	17,000					17,000	17,514	(514)	103%
340.545 Miscellaneous Service Charges	10,200					10,200	10,081	119	99%
350.100 Fines & Forfeits	15,500		10,334			25,834	14,639	11,195	57%
360.100 Interest on Investments	45,000					45,000	9,311	35,689	21%
363.100 Rents & Royalties	195,000					195,000	193,618	1,382	99%
375.600 Miscellaneous other	22,000					22,000	9,020	12,980	41%
380.100 Cargo Terminal Services	58,039					58,039	58,039	-	100%
380.110 Boat Harbor Services	183,554					183,554	183,554	-	100%
380.115 Boat Yard Service	49,585					49,585	49,585	-	100%
380.118 Electric	29,347					29,347	29,347	-	100%
380.120 Water Services	163,520					163,520	163,520	-	100%
380.121 Sewer Services	182,378					182,378	182,378	-	100%
380.125 Trident Basin	7,818					7,818	7,818	-	100%
380.130 Tourism Services	45,150					45,150	45,150	-	100%
380.150 Public Works	53,944					53,944	53,944	-	100%
380.400 Vehicle Replacement	85,357			13,217		98,574	98,573	1	100%
385.100 Approp. From Fund Balance	1,132,088		36,213		77,127	1,245,428	1,245,428		0%
390.780 Transfer In	-	-	128,547	-	90,344	19,963,733	13,129,999	6,833,734	66%
TOTAL REVENUES	19,744,842	-	128,547	-	90,344	19,963,733	13,129,999	6,833,734	66%

Correction to Vehicle Replacement
Police & PW, \$5,434
Legal Increase \$50,000
Transfer to Enhancement Fund for
Annual Inflation Proofing \$21,693

CITY OF KODIAK
FY 2015 Supplemental

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of		Difference	%
							4/30/15			
EXPENDITURES:										
Legislative	320,259		5,000			325,259	177,575	147,684	55%	
Legal	50,000				50,000	100,000	39,033	60,967	39%	For two HRC complaints.
Executive	586,262		6,000		(100,000)	492,262	250,523	241,739	51%	Transfer to Near Island Plan
Emergency Preparedness	56,500					56,500	26,956	29,544	48%	
City Clerk - Clerk	312,244		5,000			317,244	208,075	109,169	66%	
City Clerk - Records	160,921					160,921	105,713	55,208	66%	
Finance	1,401,481		1,500			1,402,981	937,995	464,986	67%	
Police	6,922,782		40,175		2,790	6,965,747	4,563,174	2,402,573	66%	Vehicle Replacement
Fire	2,148,335		22,000			2,170,335	1,429,899	740,436	66%	
Public Works	2,485,224		27,232		2,644	2,515,100	1,313,907	1,201,193	52%	Vehicle Replacement
Engineering	315,090					315,090	148,490	166,600	47%	
Parks & Recreation	1,411,860					1,411,860	972,983	438,877	69%	
Library	1,010,833					1,010,833	651,051	359,782	64%	
Non-Departmental	763,694					763,694	639,294	124,400	84%	
Transfers	1,799,357		21,640		134,910	1,955,907	1,855,907	100,000	95%	Correction to Vehicle Replacement Fund Transfer, \$13,217
TOTAL EXPENDITURES	19,744,842	-	128,547	-	90,344	19,963,733	13,320,575	6,643,158	67%	Transfer to Enhancement Fund for Annual Inflation Proofing \$21,693 Transfer to Project 4002 \$100,000

Fund 251 Tourism Development

Revenues:									
Hotel/Motel Tax	170,500					170,500	144,618	25,882	85%
Interest on Investments	-					-	400	(400)	0%
Approp. From Fund Balance	35,000			5,000		40,000	-	40,000	0%
Revenues:	205,500	-	-	5,000	-	210,500	145,018	65,482	69%
Expenditures:									
	205,500			5,000		210,500	181,150	29,350	86%

Fund 254 KFDA

Revenues:									
Rents	60,000					60,000	78,888.74	(18,889)	131%
Interest on Investments	50					50	63.44	(13)	127%
Approp. From Fund Balance	-					-	-	-	0%
Revenues:	60,050	-	-	-	-	60,050	78,952	(18,902)	131%
Expenditures:									
	60,050					60,050	12,228	47,822	20%

CITY OF KODIAK
FY 2015 Supplemental

Fund 299 City Enhancement

Revenues:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments	50,000					50,000	32,382	17,618	65%
Rentals from others	50,000					50,000	58,768	(8,768)	118%
Other Revenue - Land Sales	-					-	-	-	0%
Approp. From Fund Balance	(100,000)		(14,640)		(21,693)	(136,333)	(136,333)		0%
Transfer from General Fund	-		14,640		21,693	36,333	36,333	-	0%
Revenues:	-	-	-	-	-	-	127,483	(127,483)	0%
Expenditures:	-	-	-	-	-	-	-	-	0%

Inflation Proofing of Enhancement Fund

Fund 300 General Capital Projects

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments							288	(288)	0%
State Grants	77,684	760,860	381,472			1,142,332	1,142,332		0%
Federal Grants		360,973				438,657	438,657		0%
Approp. From Fund Balance		51,500				51,500	51,500		0%
Transfer from General Fund	174,000	2,977,500			30,000	3,181,500	174,000	3,007,500	5%
Transfer from Tourism Fund	25,000					25,000	25,000	-	100%
Transfer from Enhancement Fund		100,000				100,000	100,000		0%
Transfer from Harbor Fund		20,000				20,000	20,000		0%
Transfer from Land Development		70,000				70,000	70,000		0%
Revenues:	276,684	4,340,833	381,472	-	30,000	5,028,989	199,288	4,829,701	4%

Near Island Development Plan \$100,000
KPD Demo Correction (\$70,000)

Expenditures:

4002 City Land Development		70,000			100,000	170,000	7,017	162,983	4%
4009 Compr Records Management Prog		275,000				275,000		275,000	0%
4013 Museum Building - Phase I		250,000				250,000		250,000	0%
4014 Municipal Airport Improvements		700,000				700,000		700,000	0%
4015 Fire Station Upgrades		550,000				550,000		550,000	0%
4027 Alaska Shield Hazmat Exercise/Anchorage		14,500				14,500		14,500	0%
4028 Financial Software Upgrade		530,000				530,000		530,000	0%
4029 E-911 Upgrade System		275,000				275,000		275,000	0%
4030 Classification & Compensation Study		100,000	381,472			656,472	1,103	656,472	0%
4032 Fire Department Engine Replacement		450,000				450,000	5,340	444,660	1%
4033 Fire Department Ambulance Replacement		201,000				201,000		201,000	0%
4034 Paving Police Station Parking Lot		248,500				248,500		248,500	0%
4035 Demolition of Old KPD & 1118 Mission Management		615,500			(70,000)	545,500		545,500	0%
4037 Home Land Security & Emergency Management		11,360				11,360		11,360	0%
4038 Home Land Security & Emergency Management FY 2014		49,973				49,973		49,973	0%
4039 Downtown Revitalization Project	175,000					175,000		175,000	0%
4040 Assistance to Firefighters Grant	81,684					81,684	70,525	11,159	86%
4041 City Website Development Project	20,000					20,000		20,000	0%
Expenditures:	276,684	4,340,833	381,472	-	30,000	5,028,989	83,985	4,945,004	93%

CITY OF KODIAK
FY 2015 Supplemental

Fund 315 Vehicle Replacement Capital Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments							48	(48)	0%
Transfer from General Fund	85,357	160,999	7,783		5,434	259,573	48,012	211,561	0%
Revenues:	85,357	160,999	7,783	-	5,434	259,573	48,012	211,561	18%

Expenditures:	85,357	160,999	7,783		5,434	259,573	-	259,573	0%
4900 Vehicle Replacement Capital	85,357	160,999	7,783	-	5,434	259,573	-	259,573	0%

Fund 301 Street Improvement

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments									0%
State Grants							(11)	11	0%
Federal Grants									0%
Interest on Investments									0%
Approp. From Fund Balance	12,000					120,000		120,000	0%
Transfer from General Fund	950,000	1,074,000	7,000			2,031,000	950,000	1,081,000	47%
Transfer from Street Assessment							474	(474)	0%
Transfer from Cargo Fund			5,000			5,000		5,000	0%
Transfer from Shipyard Fund					6,000	11,000		11,000	0%
Transfer from Water Fund 550	34,000	635,032	15,000			684,032	34,000	650,032	5%
Transfer from Sewer Fund 570	34,000	45,000	20,000			99,000	34,000	65,000	34%
Revenues:	1,030,000	2,515,032	52,000	-	6,000	3,603,032	1,018,463	2,584,569	28%

59

Expenditures:	20,000	700,032				720,032	10,492	709,540	1%
5003 Annual Sidewalk/Curb	450,000	1,150,000				1,600,000	453,246	1,146,754	0%
5030 Preliminary Design of Snow Dump Storage Yard	500,000	70,000				570,000	2,818	567,182	0%
5031 Storm Drainage Repair on Shellkof		70,000				70,000		70,000	0%
5032 Storm Drainage Repair on Simeonof		465,000				465,000		465,000	0%
5033 Pillar-Mountain Waste Material Dump Site		60,000				60,000		60,000	0%
5034 Public Works Rock for Maintenance	60,000					60,000		60,000	0%
5035 SPCC Spill Prevention			52,000		6,000	58,000		58,000	0%
Expenditures:	1,030,000	2,515,032	52,000	-	6,000	3,603,032	466,556	3,136,476	13%

Fund 302 Building Improvement Fund

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments									28%
State Grants		1,185				1,185	336	849	0%
Local Funding - Pledges		6,900,000				6,900,000		6,900,000	0%
Local Funding Grant		750,000				750,000		750,000	0%
Other Local Funding		500,000				500,000		500,000	0%
In-Kind City Owned Land		46,763				46,763		46,763	0%
In-Kind Pre Development		650,000				650,000		650,000	0%
Transfer from General Fund		85,000				85,000		85,000	0%
Transfer from New Library Fund 255	40,000	1,000,000	70,000			1,110,000	40,000	1,070,000	4%
Transfer from Enhancement Fund		5,424				5,424		5,424	0%
Approp. From Fund Balance		2,510,000				2,510,000		2,510,000	0%
Revenues:	40,000	12,448,372	70,000	-	-	12,558,372	40,336	12,518,036	0%

Expenditures:	40,000	12,448,372	70,000			12,448,372	43,072	12,405,300	0%
6012 New Library								110,000	0%
6015 New Fire Station									0%
Expenditures:	40,000	12,448,372	70,000	-	-	12,558,372	43,072	12,515,300	0%

CITY OF KODIAK
FY 2015 Supplemental

Fund 305 Water Capital

Revenues:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments						-	1,978	(1,978)	12%
State Grants	5,451,244	8,774,163				14,225,407	1,691,330	12,534,077	0%
Federal Grants		768,000				768,000		768,000	0%
Approp. From Fund Balance	101,106	649,140				750,246		750,246	0%
ADEC Drinking Loans		7,284,890				7,284,890		7,284,890	0%
Water Sales Fee		-				-	219,694	(219,694)	5%
Transfer from Water Fund 550	206,212	4,161,500	60,000			4,427,712	206,212	4,221,500	0%
ADEC Clean Water Loans		341,930				341,930		341,930	0%
Transfer from Sewer Fund 570	206,212	2,241,500				2,447,712	206,212	2,241,500	8%
Transfer from Street Improvement Fund		78,000				78,000		78,000	0%
Revenues:	5,964,774	24,299,123	60,000	-	-	30,323,897	2,325,426	27,998,471	8%

Expenditures:
7021 Phase II Downtown Comprehensive Water, Sewer, & Storm Drain

		850,000				850,000	41,461	808,539	0%
7023 UV Water Treatment Facility Construction		6,799,589	60,000			6,859,589	10,246	6,849,343	0%
7024 Utility Rate Study	48,000	48,000				96,000	332	95,668	0%
7026 Aleutian Homes Water & Sewer Replacement Proj Phase V	2,955,792	7,046,000				10,001,792	1,981,440	8,020,352	0%
7029 Monashka Pump House Feasibility Study	2,495,452	9,035,534				11,530,986	1,501,446	10,029,540	0%
7030 Replace Chlorine Solution Storage Tank WWTP		120,000				120,000	3,521	116,479	0%
7031 Monashka Watershed Survey		250,000				250,000	350	249,650	0%
7033 Pillar Creek Dam Spillway Repair Work		100,000				100,000		100,000	0%
7036 Annual Electric Maintenance		50,000				50,000		50,000	0%
7037 Aleutian Homes Water & Sewer Replacement Project: Phase VI	465,530					465,530	69,073	396,457	0%
Expenditures:	5,964,774	24,299,123	60,000	-	-	30,323,897	3,607,869	26,716,028	12%

Fund 306 Sewer Capital Fund

Revenues:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments						-	26,000	24,253	7%
Charges for Sewer Sales (10%)		26,000				26,000	1,747	1,610,000	0%
Approp. From Fund Balance		1,610,000				1,610,000		1,610,000	0%
Alaska Clean Water Loan		-				-		-	0%
Sewer Sales Fee		-				-	186,210	(186,210)	0%
Transfer from Water fund 550		1,200,000				1,200,000		1,200,000	0%
Transfer from Sewer fund 570		3,000,000		3,000,000		3,000,000		3,000,000	0%
Transfer from Street Improvement Fund 301		15,000				15,000		15,000	0%
Revenues:	-	5,851,000	-	3,000,000	-	5,851,000	187,957	5,663,043	3%

Expenditures:

7508 Lift Station Electric (5)		26,000				26,000		26,000	0%
7509 Upgrade Lift Station #1	900,000	150,000				1,050,000		1,050,000	0%
7512 Aeration Basin Air Control System		150,000				150,000		150,000	0%
7513 Inflow & Infiltration Repair materials		25,000				25,000		25,000	0%
7514 Rehabilitate Press pump Station		400,000				400,000		400,000	0%
7516 Replace Lift Station #1 & #2	(900,000)	900,000				-		-	0%
7517 Bio Solid Management Project		4,200,000		3,000,000		4,200,000		4,200,000	0%
Expenditures:	-	5,851,000	-	3,000,000	-	5,851,000	-	5,851,000	0%

CITY OF KODIAK
FY 2015 Supplemental

Fund 307 Cargo Development Fund

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
State Grants		20,784,000				20,784,000	11,200,920	9,583,080	54%
State Bond Issue		15,000,000				15,000,000		15,000,000	0%
Transfer from General Fund		100,000				100,000		100,000	0%
Transfer from Cargo Fund		-		2,240,000		-		-	#DIV/0!
Approp. From Fund Balance		1,159,700				1,159,700		1,159,700	0%
Revenues:	-	37,043,700	-	2,240,000	-	37,043,700	11,200,920	25,842,780	30%
Expenditures:									
8016 Pedestrian Access from Pier II	2,400,000					2,400,000		2,400,000	0%
8017 Inspection Pier II and Inner Harbor Docks	85,700					85,700		85,700	0%
8018 Security Improvements	50,000					50,000		50,000	0%
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		50,000	0%
8022 Data Weather Station	12,000					12,000		12,000	0%
8023 Pedestrian Pathway	384,000					384,000		384,000	0%
8024 Pier III Replacement	33,812,000			2,240,000		33,812,000		33,812,000	0%
Expenditures:	-	37,043,700	-	2,240,000	-	37,043,700	-	37,043,700	0%

Fund 308 Harbor Development

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Interest on Investments							227	(227)	
State Grant	1,500,000					1,500,000		1,500,000	0%
Approp. From Fund Balance	500,000	905,000				905,000		905,000	0%
Transfer from General Fund	1,000,000	280,000				780,000	500,000	280,000	64%
Transfer from Boat Harbor						1,000,000	1,000,000	-	100%
Revenues:	3,000,000	1,185,000	-	-	-	4,185,000	1,500,000	2,685,000	36%
Expenditures:									
8516 Float, Boat Launch, SPH		150,000				150,000		150,000	0%
8517 Restrooms, Fisherman's Hall		200,000				200,000		200,000	0%
8519 SPH Ladders		20,000				20,000		20,000	0%
8520 SHH Repairs		745,000				745,000		745,000	0%
8521 Channel Transient Float/ Bull Rails		25,000				25,000		25,000	0%
8523 Oscar's Dock Fender Piling Replacement		45,000				45,000		45,000	0%
8525 Channel Transient Float Replacement	3,000,000					3,000,000		3,000,000	0%
Expenditures:	3,000,000	1,185,000	-	-	-	4,185,000	-	4,185,000	0%

CITY OF KODIAK
FY 2015 Supplemental

Fund 309 Parks & Rec Capital

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Interest on Investments						-	155	(155)	0%
State Grants		5,850,000				5,850,000		5,850,000	0%
Local Grants		500,000				500,000		500,000	0%
Approp. From Fund Balance	60,000	320,629				380,629		380,629	0%
Transfer from Enhancement Fund		500,000				500,000		500,000	0%
Transfer from General Fund	50,000	251,465				301,465	50,000	251,465	17%
Revenues:	110,000	7,422,094	-	-	-	7,532,094	50,155	7,481,939	1%

Expenditures:

9001 Baranof Park Improvements (E&D)	7,015,000					7,015,000	131	7,014,869	0%
9004 Playground Equipment & Improve	73,000					73,000		73,000	0%
9007 Storage Building - Baranof Park	115,000					115,000	5,130	109,870	4%
9012 Baranof Baseball Field Improvements	48,094					48,094		48,094	0%
9013 Major Park Maintenance	121,000					121,000		121,000	0%
9014 Building Improvement (Weatherization)	50,000					50,000		50,000	0%
9015 Skate Park Improvements	110,000					110,000	1,661	108,339	2%

Expenditures:

110,000	7,422,094	-	-	-	-	7,532,094	6,922	7,525,172	0%
----------------	------------------	----------	----------	----------	----------	------------------	--------------	------------------	-----------

Fund 500 Cargo Terminal

Revenue:	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
PERS Relief	30,684					30,684		30,684	0%
Dockage Pier III	130,000					130,000	89,716	40,284	69%
Cruise Ship Revenues	70,000					70,000	61,432	8,568	88%
Pier III Lease	300,000					300,000	251,186	48,814	84%
Wharf	475,000					475,000	406,258	68,742	86%
Interest on Investments	7,000					7,000	7,372	(372)	105%
Warehouse Rental	205,000			(2,580)		202,420	168,650	33,770	83%
Van Storage Rental	12,000					12,000	12,892	(892)	107%
Approp. From Retained Earnings	(125,383)			2,240,000		2,137,197		2,137,197	0%
Revenues:	1,104,301	-	20,000	2,240,000	-	3,364,301	997,506	2,366,795	30%

Expenditures:

Cargo Terminal Administration	379,113		15,000			394,113	281,188	112,925	71%
Cargo Terminal Interfund Charges	93,298					93,298	93,298	-	100%
Cargo Terminal Warehouse	127,000					127,000	7,264	119,736	6%
Cargo Terminal Pier II	485,890					485,890	346,772	139,118	71%
Cargo Terminal Pier III	19,000					19,000	2,186	16,814	12%
Transfer	-		5,000	2,240,000		2,245,000	2,245,000	-	100%
Expenditures:	1,104,301	-	20,000	2,240,000	-	3,364,301	2,975,708	388,593	88%

CITY OF KODIAK
FY 2015 Supplemental

Fund 510 Boat Harbor Fund

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenue:									
PERS Relief	145,647					145,647	145,647		0%
Dockage AMHS	65,000					65,000	6,412		90%
Exclusive Moorage	1,240,000					1,240,000	30,588		98%
Transient Moorage	525,000					525,000	454,105		86%
Harbormaster Service	10,000					10,000	5,055		51%
Gridiron Fees	15,000					15,000	11,044		74%
Pier/Dock Fees	175,000					175,000	174,234		100%
Used Oil Fees	10,000					10,000	13,793	(3,793)	138%
Waiting List Fees	3,000					3,000	2,425		81%
Trailer Parking Fees	35,000					35,000	25,552		73%
Bulk Oil Sales/Charges	20,000					20,000	50,260	(30,260)	251%
Gear Storage	45,000					45,000	69,192	(24,192)	154%
Parking Meters	10,000					10,000	4,071		41%
Launch Ramp Fees	19,000					19,000	11,167		59%
Interest on Investments	14,000					14,000	11,328		81%
Office Rent AMHS	16,500					16,500	11,824		72%
Other Revenues	7,300					7,300	21,243	(13,943)	291%
Harbor Services Interfund	71,290					71,290	71,290		100%
Approp from Retained Earnings Transfer	2,166,095					2,166,095	2,166,095		0%
Revenues:	4,592,832	-	-	-	-	4,592,832	2,204,583	2,388,249	48%

Expenditures:

Boat Harbor Administration	3,402,535					3,402,535	2,379,412	1,023,123	70%
Boat Harbor Interfund	190,297					190,297	190,297		100%
Transfer to Harbor Capital	1,000,000					1,000,000			
Expenditures:	4,592,832	-	-	-	-	4,592,832	3,569,709	1,023,123	78%

Fund 512 Shipyard

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenue:									
PERS Relief	21,625					21,625	21,625		0%
Customer Fees	693,000					693,000	383,526	309,474	55%
Interest on Investments	1,000					1,000	56		6%
Other Revenue	2,000					2,000	1,664		83%
Approp from Retained Earnings Transfer	534,478		5,000			539,478	539,478		0%
Revenues:	1,252,103	-	5,000	-	-	1,257,103	385,246	871,857	31%

Expenditures:

Yard Administration	1,167,259				(6,000)	1,161,259	824,253	337,006	71%
Boat Yard Interfund	84,844					84,844	84,844		100%
Transfer	-		5,000		6,000	11,000	5,000	6,000	45%
Expenditures:	1,252,103	-	5,000	-	-	1,257,103	914,097	343,006	73%

Additional Shipyard Funds for SPOC
Additional Shipyard Funds for SPOC

CITY OF KODIAK
FY 2015 Supplemental

Fund 515 Harbor Electrical

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Non-Meter Charge	15,000					15,000	12,135	2,865	81%
Customer Charge recurring	115,000					115,000	91,428	23,572	80%
Connect/Disconnect fee	7,000					7,000	6,430	570	92%
Energy Charge	530,000					530,000	390,494	139,506	74%
Record Fee	1,000					1,000	270	730	27%
HM Service	5,000					5,000	4,037	963	81%
Interest on Investments	1,000					1,000	848	152	85%
Approp from Retained Earnings Transfer	(67,336)					(67,336)		(67,336)	0%
Revenues:	606,664	-	-	-	-	606,664	505,642	101,022	83%

Fund 550 Water Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Electric Utility Administration	563,059					563,059	381,259	181,800	68%
Electric Utility Interfund	43,605					43,605	43,605	-	100%
Expenditures:	606,664	-	-	-	-	606,664	424,864	181,800	70%
Revenues:									
PERS Relief	77,729					77,729		77,729	0%
Water Sales Metered	1,681,344					1,681,344	1,713,574	(32,230)	102%
Water Sales City	1,378,823					1,378,823	1,220,839	157,984	89%
Water Sales Borough	896,518					896,518	828,158	68,360	92%
Water Service Connections	12,796					12,796	14,319	(1,523)	112%
Interest on Investments	10,000					10,000	6,043	3,957	60%
Other Revenues	24,500					24,500	27,786	(3,286)	113%
Approp From Retained Earnings	(1,099,042)		75,926			(1,023,116)		(1,023,116)	0%
Revenues:	2,982,668	-	75,926	-	-	3,058,594	3,810,719	(752,125)	125%

Fund 570 Sewer Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Water Utility Transfers	240,212		75,000			315,212	315,212	-	100%
Water Utility	2,460,764		926			2,461,690	1,848,295	613,395	75%
Water Treatment Plant	281,692					281,692	211,145	70,547	75%
Expenditures:	2,982,668	-	75,926	-	-	3,058,594	2,374,652	683,942	78%
Revenues:									
PERS Relief	127,163					127,163		127,163	0%
Sewer Service Charges - City	2,229,260		111,463			2,340,723	2,008,597	332,126	86%
Sewer Service Charges - Outside	1,157,630		57,882			1,215,512	1,113,544	101,968	92%
Sewer Connections	6,300					6,300	7,579	(1,279)	120%
Septic Truck Discharge	42,800					42,800	50,738	(7,938)	119%
Lab Testing Fee	25,000					25,000	17,970	7,030	72%
Interest on Investments	10,000					10,000		10,000	0%
Other Revenues							1,833	(1,833)	
Approp From Retained Earnings Transfer	763,819		(32,320)	3,000,000	20,000	3,751,499		3,751,499	0%
Revenues:	4,361,972	-	137,025	3,000,000	20,000	7,518,997	3,200,261	4,318,736	43%

Fund 570 Sewer Utility

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Expenditures:									
Sewer Utility Transfers	240,212			3,000,000	20,000	3,260,212	260,212	3,000,000	8%
Sewer Utility	704,348					704,348	553,291	151,057	79%
Wastewater Treatment Plant	3,417,412		137,025			3,554,437	2,585,536	968,901	73%
Expenditures:	4,361,972	-	137,025	3,000,000	20,000	7,518,997	3,399,039	4,119,958	45%

SPCC Transfer left out of Supp#1

SPCC Transfer left out of Supp#1

CITY OF KODIAK
FY 2015 Supplemental

Fund 580 Trident Basin

	Adopted Budget 2015	Capital Project Rollover 2014	Supplemental #1 2015	Project Resolutions 2014	Supplemental #2 2015	Total Budget 2015	Revenues & Expenses As of 4/30/15	Difference	%
Revenues:									
Trident Basin - Charges	11,600					11,600	13,309	(1,709)	115%
Interest on Investments	1,000					1,000	1,000	0	0%
Rentals from Others	33,300					33,300	30,013	3,287	90%
Approp From Retained Earnings	288,372					288,372	288,372	0	0%
Transfer from Trident Basin Capital Fund									
Revenues:	334,272	-	-	-	-	334,272	43,322	290,950	13%

Expenditures:

	334,272	-	-	-	-	334,272	249,903	84,369	75%
--	----------------	---	---	---	---	----------------	----------------	---------------	------------

Fund 585 E-911 Services

Revenues:									
PERS Relief	1,864					1,864	-	1,864	0%
Customer Charges	76,598		(40,000)			36,598	76,598	(40,000)	209%
Interest on Investments							33	(33)	
Approp From Retained Earnings									
Revenues:	78,462	-	(40,000)	-	-	38,462	76,631	(38,169)	199%

Expenditures:

	78,462	-	(40,000)	-	-	38,462	5,881	32,581	15%
--	---------------	---	----------	---	---	---------------	--------------	---------------	------------

Fund 780 Self-Insurance

Revenue:									
Interest on Investments	1,000					1,000	688	312	69%
Insurance Refund/Reserve	40,000					40,000	14,677	25,323	37%
Charges to General Fund	320,494					320,494	320,494	-	100%
Charges to Trident Basin	11,731					11,731	11,731	-	100%
Charges to Cargo Terminal	27,832					27,832	27,832	-	100%
Charges to Boat Harbor	101,657					101,657	101,657	-	100%
Charges to Boat Yard	22,084					22,084	22,084	-	100%
Charges to Boat Electric	149					149	149	-	100%
Charges to Water Utility	53,962					53,962	53,962	-	100%
Charges to Sewer Utility	57,281					57,281	57,281	-	100%
Charges to E-911	110					110	110	-	100%
Transfer In									0%
Approp Fund									
Revenues:	636,300	-	-	-	-	636,300	610,665	25,635	96%

Expenditures:

	636,300					636,300	484,016	152,284	76%
Insurance Expenses	636,300	-	-	-	-	636,300	484,016	152,284	76%

Totals

Non Capital Projects Revenue	35,959,966		326,498	5,245,000	110,344	41,641,808	25,237,075	16,344,683	61%
Non Capital Projects Expenses	35,959,966		326,498	5,245,000	110,344	41,641,808	27,899,594	13,682,164	67%
							(2,662,519)	2,662,519	
Capital Projects Revenue	10,506,815	95,266,153	571,255	5,240,000	41,434	111,625,657	16,570,557	89,815,100	15%
Capital Projects Expenses	10,506,815	95,266,153	571,255	5,240,000	41,434	111,625,657	4,208,404	102,177,253	4%
							12,362,153	(12,362,153)	
Total Revenues	46,466,781	95,266,153	897,753	10,485,000	151,778	153,267,465	41,807,632	106,159,783	27%
Total Expenses	46,466,781	95,266,153	897,753	10,485,000	151,778	153,267,465	32,107,998	115,859,417	21%
							9,699,634	(9,699,634)	
Total Non-Capital Projects for FY	35,959,966		326,498	5,245,000	110,344	41,641,808			
Total Capital Projects for FY	10,506,815		571,255	5,240,000	41,434	16,359,504			
	\$ 46,466,781	\$ -	\$ 897,753	\$ 10,485,000	\$ 151,778	\$ 58,001,312			

(This page left intentionally blank.)

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: May 28, 2015

Agenda Item: V. c. **Resolution No. 2015–16, Rescinding Resolution No. 2014–19 and Re-Establishing Funding Criteria for Nonprofit Grants**

SUMMARY: Staff prepared Resolution No. 2015–16, which amends the funding criteria for nonprofit grant awards based on Council discussion and consensus reached during the May 12, 2015 work session.

PREVIOUS COUNCIL ACTION:

- May 26, 2005, Council adopted Resolution No. 05–20, Establishing Funding Criteria for Nonprofit Grants.
- February 26, April 12, and April 26, 2011, Council reviewed existing funding policy and discussed changes to the policy, application, and evaluation process.
- April 28, 2011, Council adopted Resolution No. 2011–10, Rescinding Resolution No. 05–20 and Establishing Funding Criteria for Nonprofit Grants
- March 25, 2014, Council discussed changes to the nonprofit grant program policy resolution and application process, indicating support for the ability of a nonprofit organization to apply for and receive funding for a special project if justified and approved by Council.
- April 8, 2014, Council reviewed the proposed changes to the application and policy resolution.
- April 10, 2014, Council adopted Resolution No. 2014–19, Rescinding Resolution No. 2011–10 and Establishing Funding Criteria for Nonprofit Grants.
- May 12, 2015, Council discussed changes to the nonprofit grant resolution and application and voiced a consensus to amend Section 3 by eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year.

DISCUSSION: Council reviewed the City’s nonprofit funding policy and application process at their May 12, 2015 work session. Staff drafted a revision to the policy resolution based on Council consensus to amend Section 3 by eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year. This provision has allowed new nonprofits to request funding up to the full cap, while restricting the funding to existing nonprofit applicants. The elimination of this requirement will provide fairness among all applicants.

New language is added to Section 3 of Resolution No. 2015–16 to eliminate this funding restriction.

ALTERNATIVES: Council may adopt, amend, or fail to pass Resolution No. 2015–16.

FINANCIAL IMPLICATIONS: There are no financial impacts to adopting the revised policy resolution. The formula for funding nonprofit grants each year remains the same unless Council decides to change it.

ATTACHMENTS:

- Attachment A: Resolution No. 2015–16
- Attachment B: Revised nonprofit grant application form for FY2016
- Attachment C: FY2016 award calendar
- Attachment D: Resolution No. 2014–19

MOTION:

Move to adopt Resolution No. 2015–16.

**CITY OF KODIAK
RESOLUTION NUMBER 2015–16**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2014–19 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has historically made funding available to these organizations on an annual basis; and

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriation; and

WHEREAS, City funds have been provided to nonprofit organizations that supplement and compliment the services provided to residents by the City; and

WHEREAS, it is the intent of the City Council to update this policy statement.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska hereby establishes the following additional funding criteria for nonprofit grants provided by the City:

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type:

Youth Recreation Programs	\$2,500
Adult Recreation Programs	\$5,000
Public Safety Support Programs (Shelter/Food)	\$10,000
Emergency Response Support Programs	\$10,000
3. Subject to available funding, the Council may authorize a special one-time funding increase for a special project.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

CITY OF KODIAK
FY16 NONPROFIT FUNDING APPLICATION
Return to City Manager's Office by June 26, 2015.

ORGANIZATIONAL OVERVIEW

Organization Name _____

Mailing Address _____

Telephone No. _____ Fax No. _____

Email _____

Federal Employer Tax ID Number _____

Contact Person _____

Printed Name

Title

Contact Person _____

Signature

Date

List of Board Members and Officers:

_____	_____
_____	_____
_____	_____
_____	_____

Does agency have 501(c)3 status from the IRS? _____ Yes _____ No

If yes, please include a letter from the IRS signifying agency's official non-profit tax exemption status.

If no, has your agency applied for 501(c)3 status? _____ Yes _____ No

SERVICES:

Provide a brief description of organization service(s) in order of priority:

The City of Kodiak does not fund religious programs. Are your agency's services faith-based?

_____ Yes _____ No

If yes, how do you plan to use the City's funding? _____

How many City residents will be served by this grant? _____

Please attach a copy of the organization's Mission Statement.

How does your agency collaborate with other local nonprofit organizations?

FINANCIAL INFORMATION

Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization, per program type:

- Youth Recreation Programs \$ 2,500
- Adult Recreation Programs \$ 5,000
- Public Safety Support Programs (Shelter/Food) \$10,000
- Emergency Response Support Programs \$10,000

A special one-time funding increase for a special project can be applied for (see page 3 of application) if approved by the Council.

List category(s) of funding requested from the above list and explain how your organization’s programs fall within the powers of the City of Kodiak for each category of funding requested:

Category _____ Amount _____
Explanation: _____

Category _____ Amount _____
Explanation: _____

Category _____ Amount _____
Explanation: _____

OTHER FUNDING SOURCES

List the amount of funding your agency received from other sources during the past fiscal year:

Federal_____	State_____
City of Kodiak_____	Kodiak Is. Borough_____
Parent Organization_____	Corporate Grants_____
Foundations_____	Client Fees_____
Donations_____	Memberships_____
Interest_____	Gaming Permit Activities (pull tabs, raffles etc.)_____

If you receive state or federal grants, what is the percentage and amount of local match required for each grant your agency receives? _____

What effects will there be and what alternative plans does your agency have if City funding is not received? _____

Did your organization receive funding from the City of Kodiak during the last fiscal year (July 1, 2014 – June 30, 2015). Yes_____ No_____

If yes, please complete the OTHER FUNDING SOURCES (top of page 4) and attach FY15 financial reports or latest audits with this application.

Scoring Criteria

Services meet City nonprofit funding criteria (adult and youth recreation programs, public safety services, and emergency response support programs	25 points
Grant reports submitted to City as required	25 points
Number of City residents served	25 points
Other sources of applicant funding identified	25 points

CITY OF KODIAK GRANT REPORT

Please complete this report based on funds received from the City of Kodiak during the period July 1, 2014 through June 30, 2015.

Organization:	
Program:	
2014-2015 Grant Amount:	
Amount Expended Year-to-Date:	
Balance:	

Describe accomplishments with grant funds. _____

If you have not expended all funds, please describe how and when you intend to spend the balance.

Signature

Submit to:

City Manager
City of Kodiak
710 Mill Bay Road
Kodiak, AK 99615

CITY OF KODIAK
Nonprofit Grant Applications
Fiscal Year 2016
Calendar

- March 17 Council review of City’s nonprofit application and award process
- Week of June 1 Mail applications, FY15 financial reports (*if no change to criteria*)
- June 26 Applications and FY15 financial reports due to the City Manager’s Office
- July 21 City Council evaluates applications
- July 23 Nonprofit funding resolution on agenda for Council approval
- July 24 Check requests prepared and forwarded to finance
- July 27 FY16 award notification letters and agreements mailed
- July 31 Checks returned to City Manager’s Office
- August 3 Grant checks available upon execution of grant agreements and verification of FY15 reports filed

**CITY OF KODIAK
RESOLUTION NUMBER 2014-19**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2011-10 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has historically made funding available to these organizations on an annual basis; and

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriation; and

WHEREAS, City funds have been provided to nonprofit organizations that supplement and compliment the services provided to residents by the City; and

WHEREAS, it is the intent of the City Council to update this policy statement.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska hereby establishes the following additional funding criteria for nonprofit grants provided by the City:

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type:

Youth Recreation Programs	\$2,500
Adult Recreation Programs	\$5,000
Public Safety Support Programs (Shelter/Food)	\$10,000
Emergency Response Support Programs	\$10,000
3. Subject to the total amount of funding available, in order to minimize the impact of potential funding cuts and/or gains to organizations as a result of the implementation of these caps, no organization will receive ten percent (10%) less and/or more than in the previous funding year, unless a special one-time funding increase for a special project is applied for and authorized by the City Council.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Adopted: April 10, 2014



(This page left intentionally blank.)

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Thru: Lon White, Harbormaster 

Date: May 28, 2015

Agenda Item: V. d. **Resolution No. 2015-17, Authorizing the Extension of the Lease and Dock License Agreement Between the City and Alaska Marine Highway System on a Month to Month Basis.**

SUMMARY: The City of Kodiak and the Alaska Marine Highway System (AMHS) entered into a five year lease and dock license agreement July 1, 2008. After an optional two year extension the agreement expired July 1 2014. Both parties have not yet agreed on the terms for renewing the agreement due to delays in the Pier I replacement project. Staff recommends Council approve Resolution No. 2015-17 authorizing a month to month extension of the agreement to allow for uninterrupted ferry service to Kodiak until such time Pier I is replaced and a new agreement can be prepared.

PREVIOUS COUNCIL ACTION:

- On July 1, 2008 Council approved City Contract No. 131341, via Ordinance No. 1235, authorizing a five year lease and dock agreement with AMHS. After the five year term expired, the agreement was extended for two additional years as allowed per the agreement terms.
- On December 12, 2013 Council approved City Record No. 211200, a Memorandum of Agreement between the City of Kodiak and the State of Alaska authorizing Kodiak Ferry Terminal (Pier I) Improvements, State Project No. 68938.

DISCUSSION: The lease and dock license agreement with AMHS defines the use of City owned facilities by AMHS, specifically for the use of Pier I by the AMHS vessel Tustumena for dockage, upland use and the lease of office space in the Pier I building. Additionally the agreement defines the use of Pier II by the AMHS vessel Kennicott. Upon completion of the new Pier I, the current agreement will be amended to address specific changes agreed to in the Memorandum of Agreement (Attachment C) between the City of Kodiak and the State of Alaska.

ALTERNATIVES:

- 1) Adopt Resolution No. 2015-17, which is staff's recommendations, because it will allow for uninterrupted ferry service to Kodiak until the new Pier I is complete and a new agreement with AMHS can be prepared.

- 2) Council could choose not to approve Resolution No. 2015–17, or to renegotiate the terms of the extended agreement, potentially interrupting ferry service, which is not recommended. AMHS indicated they must have a lease and dock agreement in place to continue service.

FINANCIAL IMPLICATIONS: The current financial terms of the agreement remain the same, where AMHS pays 50% of the posted port tariff rates for dockage, pays for security services provided by Harbor Department staff, and leases office space in the Pier 1 building. Office rental is currently \$16,500 per year.

LEGAL: The City attorney has reviewed the agreement and prepared Resolution No. 2015–17 for Council approval.

STAFF RECOMMENDATION: It is in the best interest of the City to extend the AMHS Lease and Dock License Agreement on a month to month basis to ensure uninterrupted ferry service to Kodiak. Staff recommends Council approve Resolution No. 2015–17.

CITY MANAGER’S COMMENTS: I support this interim agreement and recommend Council authorize the agreement by adopting Resolution 2015-17.

ATTACHMENTS:

- Attachment A: Resolution No. 2015–17
- Attachment B: Lease and Dock Licenses Agreement- Amendment No. 3
- Attachment C: Memorandum of Agreement, City Record No. 211200
- Attachment D: Lease and Dock License Agreement, July 2008 to June 30, 2012

PROPOSED MOTION:

Move to adopt Resolution No. 2015–17.

**CITY OF KODIAK
RESOLUTION NUMBER 2015-17**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING THE EXTENSION OF THE LEASE AND DOCK LICENSE
AGREEMENT BETWEEN THE CITY AND THE ALASKA MARINE
HIGHWAY SYSTEM ON A MONTH-TO-MONTH BASIS**

WHEREAS, pursuant to Ordinance No. 1235, the City and the Alaska Marine Highway System (“AMHS”) entered into a Lease and Dock License Agreement (“Agreement”) dated as of July 1, 2008; and

WHEREAS, after an optional two-year renewal, the Agreement expired on July 1, 2014; and

WHEREAS, the parties have not yet agreed on the terms of a renewal of the Agreement, but have continued to operate under the terms of the Agreement; and

WHEREAS, terminating AMHS operations under the terms in the Agreement would result in an unacceptable disruption of City Harbor operations; and

WHEREAS, it is in the best interest of the City to continue the Agreement without interruption until a renewal has been negotiated; and

WHEREAS, there has been presented to this meeting the form of an amendment (“Amendment”) to the Agreement that would continue all terms of the Agreement on a month-to-month basis, and it appears that the Amendment, which now is before this meeting, is in appropriate form and is an appropriate instrument for the purpose intended.

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

Section 1. The Council of the City of Kodiak hereby authorizes the Amendment, and the City Manager hereby is authorized, empowered and directed to execute and deliver the Amendment 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 City Manager and her designee, and any other officer of the City, each hereby is authorized to execute and deliver for and on behalf of the City any and all additional certificates, documents, opinions or other papers and perform all other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

Section 3. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Agreement No. 258S060

Between

STATE OF ALASKA
DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
ALASKA MARINE HIGHWAY SYSTEM

And

CITY OF Kodiak

Regarding

LEASE AND DOCK LICENSE

AMENDMENT NO. THREE (3)

WHEREAS, the Department of Transportation & Public Facilities, Alaska Marine Highway System (AMHS) and the City of Kodiak (City) entered into Agreement No. 258S060, for use of the City Pier(s) by AMHS' ferry vessels and, and

WHEREAS, the parties agree all terms and conditions of Agreement No. 258S060 will remain in effect, and

WHEREAS, the parties agree AMHS will compensate the City as prescribed in Agreement No. 258S060, and

NOW, THEREFORE, Amendment Three (3) is hereby executed between the parties to extend the term of this Agreement (month to month extension), beginning July 1, 2014. This month to month extension may be terminated by either party upon thirty (30) days written notice.

ALL OTHER TERMS AND CONDITIONS of said agreement shall remain the same.

City of Kodiak

DOT&PF/Alaska Marine Highway System

(Signature)

(Signature)

(Printed or Typed Name)

Captain John Falvey
AMHS General Manager

(Title)

MEMORANDUM OF AGREEMENT
Between
STATE OF ALASKA
Department of Transportation and Public Facilities
And
CITY OF KODIAK
Regarding
KODIAK FERRY TERMINAL & DOCK IMPROVEMENTS
State Project #68938

(Revised December 12, 2013)

The State of Alaska, Department of Transportation and Public Facilities (DOT&PF) and the City of Kodiak, Alaska (City) enter this Memorandum of Agreement (MOA or Agreement).

RECITALS

WHEREAS, DOT&PF is responsible for the planning, design, and construction of state transportation facilities, AS 44.42.020;

WHEREAS, this Agreement concerns improvements to the Pier 1 ferry terminal in Kodiak, which forms part of the state highway system;

WHEREAS, state law authorizes DOT&PF to cooperate, coordinate, and enter agreements relating to highways with local government entities, AS 19.05.040(10), AS 44.42.020(a)(6);

WHEREAS, the City is a home rule city and empowered to enter agreements with the State, AS 29.35.010(13);

WHEREAS, Congress has authorized a high priority earmark as a source of federal funding for the planning, design, and new construction of an AMHS terminal and approach in Kodiak;

WHEREAS, the terminal will serve as a component of the National Highway System;

WHEREAS, DOT&PF has conducted a reconnaissance of possible sites for a new ferry facility and has consulted the City regarding this subject;

WHEREAS, DOT&PF and the City (the Parties) agree that demolition of the existing Kodiak ferry dock, or Pier 1 Dock, and replacement with a newly constructed dock is the preferred option for utilization of the federal funding;

WHEREAS, DOT&PF and the Federal Highway Administration (FHWA) share responsibilities concerning proper management and administration of the federal funding appropriated to the state for highway construction;

WHEREAS, DOT&PF acknowledges that the City need not provide a “local match,” or financial contribution, for construction of this project;

WHEREAS, the Parties are committed to collaborate in working toward the timely, successful completion of this project;

WHEREAS, the Kodiak City Council has adopted, Ordinance No. 1312, which authorizes the City to enter this Agreement;

WHEREAS, the Parties wish to memorialize the key elements of this project and their respective rights and responsibilities in relation thereto;

NOW, THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, and intending to be legally bound, the Parties agree as follows:

TERMS OF AGREEMENT

I. Incorporation

The Parties agree the foregoing Recitals are true and correct and incorporate them into this Agreement by reference.

II. Term

(A) This Agreement is effective once signed by both Parties and expires either: (1) in a manner consistent with a finding of the DOT&PF Commissioner that public need and the best interests of State no longer support use of the facility that is the subject of this Agreement as a public ferry facility or (2) the day following the 30-year anniversary of the date on which DOT&PF transfers ownership of the Project to the City per Part V of this Agreement, whichever occurs first.

(B) If this Agreement does not otherwise expire per Part II(A)(1), then, before the 30-year expiration under Part II(A)(2), the Parties agree to negotiate in good faith for an extension of this Agreement if the facility remains in serviceable condition and if it is cost effective for the State to continue use of this existing facility rather than construct a new ferry facility in Kodiak.

III. Project Purpose and Scope

(A) The purpose of this project is to provide a new terminal facility in Kodiak, which consists of a new dock and associated improvements that are dedicated to serving Alaska Marine Highway System (AMHS) vessels and operations, as well as those of any other entity providing public ferry service. The Parties acknowledge that, following project completion, DOT&PF will

transfer ownership of the constructed facility to the City and the City will own, operate, and maintain the facility in accordance with this Agreement.

(B) This project consists of planning, designing and constructing improvements to Kodiak's Pier 1 dock to provide a facility compatible with AMHS vessels and operations, while maintaining dock functionality for non-AMHS vessels. These improvements are expected to include demolition of the existing Pier 1 timber dock, construction of a new dock in the same location as the demolished dock using a steel substructure and concrete decking, sheet pile retaining wall abutment, vessel fendering and mooring system, purser's shelter, covered walkway, security fencing, and upgrades to the fuel and water systems. As shorthand, the Parties will refer to this collective planning, design, and construction effort as "the Project."

(C) The current scope, schedule, cost estimates and site plan for the Project are attached as Appendix A.

IV. Design, Construction, & Ownership of Project

(A) DOT&PF's principal Project obligations are to:

- (1) Submit necessary Project requests in the State capital budgeting process and obtain legislative authority to spend the appropriated funding;
- (2) Provide the federal match share consistent with departmental policy, *see* P&P #09.01.040 – Local Match for CIP;
- (3) Perform each of the following Project phases, which it will initiate only after receiving appropriate federal authorization:
 - Phase 2: Design;
 - Phase 3: Right-of-way acquisition/certification; and
 - Phase 4: Construction;
- (4) Prepare Plans, Specifications, and Estimate (PS&E) package;
- (5) Administer all aspects of Project procurement and resulting contracts;
- (6) Develop the Project with DOT&PF staff and/or contracted professional services;
- (7) Seek City review, comment, and, if applicable, approval on appropriate subjects, which may include:
 - Project design at 35% and 95% stages of completion;
 - PS&E package final review prior to advertisement;
 - Construction change orders prior to approval;
- (8) Acquire all necessary rights of way in the name of the City of Kodiak;
- (9) Pay all appropriate costs, fees, and expenses from appropriated Project monies;
- (10) Comply with applicable statute, regulations, codes, and standards regarding administration, design, and construction of the Project.

(B) The City's principal Project obligations are to:

- (1) Provide a sufficient number of qualified personnel at no cost to the Project as needed to work with DOT&PF regarding Project development and administration, including any legal claims that might arise;
- (2) Promptly review, comment on, and, if applicable, approve or reject any matter that DOT&PF submits for the City's consideration;

- (3) Authorize DOT&PF and its contractors to conduct Project-related work on City property and provide DOT&PF with construction easements and such other interests as required to satisfy the needs of Project construction, operations, maintenance, and right-of-way certification.
- (4) Inspect the Project prior to Project closeout.

V. Final Inspection & Transfer of Ownership

(A) The City may participate in DOT&PF's final inspection of the Project. However, DOT&PF shall solely determine when the Project reaches substantial completion, as well as the suitability of contractor's work. As used in this Agreement, "Substantial completion" means the point at which:

- (1) The newly constructed dock and appurtenant structures, approaches, utilities, fencing, signage, markings, cameras, and safety/security features (Facility) are installed and completed, with the exception of minor punch list items;
- (2) AMHS and the public can safely and effectively use the Facility without further delays, impediments, or disruptions; and
- (3) DOT&PF's Project team issues a letter to the contractor acknowledging that the Project has reached substantial completion.

(B) Following substantial completion and DOT&PF's determination upon final inspection that contractor's work is complete and satisfactory, DOT&PF will transfer title and right-of-way, operations, and maintenance responsibilities for the Facility to the City, which the City will promptly accept. On or before the transfer, DOT&PF will provide the City with "as built" drawings of the Facility.

VI. City's Right-of-Way, Operations, and Maintenance Obligations

(A) Upon DOT&PF's transfer of the Facility to the City, the City will acquire and perform responsibilities imposed by federal and state statute, regulation, procedures, policies, guidelines, and agreements, to the extent that they apply to the operation and maintenance of the Facility, including the following:

- (1) The obligations identified in:
 - (a) 23 U.S.C. Chapters 1-5 (*Highways*) and its implementing regulations;
 - (b) 23 C.F.R. §1.23 (*Right-of-Way*);
 - (c) 23 C.F.R. §1.27 (*Maintenance*),
 - (d) 23 CFR Part 710 (*Right-of-Way and Real Estate*), and
 - (e) 23 C.F.R. Part 645 (*Utilities*);
 - (f) The governing version of Stewardship and Oversight Agreement between FHWA and DOT&PF (current copy attached as Appendix B);
 - (g) This Memorandum of Agreement; and
 - (h) This "Flow-Down" Clause: That is, to the extent federal statute, regulation, procedure, policy, guideline, or agreement imposes a continuing obligation on DOT&PF regarding the Facility irrespective of DOT&PF's transfer to the City, the City assumes toward DOT&PF all obligations and responsibilities that DOT&PF owes to FHWA in connection with the Facility.

- (2) State highway requirements *see, e.g.*, AS 19.25.010 *et seq.* (*Utilities, Advertising, Encroachments, & Memorials*), 17 AAC 15.011 *et seq.* (*Utility Permits*), DOT&PF Utility Manual, and DOT&PF Right-of-Way Manual. (The City may access these manuals on DOT&PF's website: <http://www.dot.alaska.gov/>);
- (3) Maritime Transportation Security Act of 2002, as codified in 46 U.S.C. Chapter 701, and its implementing regulations; and
- (4) The obligation to operate and maintain the Facility throughout the term of this Agreement .

(B) In particular, the City's Facility responsibilities include the activities identified immediately below. Except as provided in Part VI(C), the City will fulfill these responsibilities at its own expense and without reimbursement from DOT&PF:

- (1) Planning, scheduling, administration, and logistics of Facility maintenance activities;
- (2) Parties agree to a coordinated security plan;
- (3) Riprap slope protection, including erosion control, to as-built conditions;
- (4) Snow and ice control and associated tasks as may be required for the safe and timely passage of public users of the ferry terminal and dock;
- (5) Maintaining signs and their replacement, including posts and foundations, when damaged, unreadable, or worn out;
- (6) Maintaining dock and fender structures in a proper, serviceable condition, including panels, piles, cathodic protection components, bull rails, hand rails, cleats, bollards, ladders, gates, fencing, and overhead and navigational lights; and
- (7) Removal of debris, rubbish, and dead animals.

(C) To help offset the City's cost of performing certain Maintenance Items, the Parties further agree that AMHS will provide the City with an annual contribution. The amount of AMHS' annual contribution will be derived in the following manner:

- (1) On or before January 2 of the calendar year in which the Facility is expected to commence operation, and on or before every January 2 thereafter while AMHS' contribution commitment remains in effect, the City will provide AMHS with a projected budget that identifies anticipated Maintenance Items for the ensuing fiscal year, *i.e.*, July 1-June 30, associated costs for each anticipated Item, and anticipated revenue the City expects to generate during that fiscal year through public use of the Facility as permitted by Part VIII of this Agreement.
- (2) During the first three fiscal years in which the facility is in operation, AMHS will provide the city with the "AMHS Contribution" which for the first three years will be \$55,000 annually. Beginning in the fourth fiscal year AMHS and the City will negotiate the "AMHS Contribution" for that year prior to the beginning of said year. At the conclusion of each fiscal year, but no later than the ensuing August 31, the City will provide AMHS with an itemized list of actual Maintenance Items performed during that fiscal year, the associated costs for each Item actually performed, and supporting documentation that demonstrates such performance and costs. Additionally, the City will provide AMHS with an accounting of the revenue it generated during that fiscal year from public use of the Facility.
- (3) If the City's actual cost of performing Maintenance Items during a fiscal year exceeds the actual revenues generated from public use of the Facility for that year plus the State's

contribution, then the City is responsible for those excess costs without further contribution from AMHS.

Conversely, if the City's actual cost of facility maintenance during a fiscal year is less than the actual revenues generated from public use of the facility for that year plus the appropriate "AMHS Contribution" then the City will promptly reimburse AMHS the calculated excess amount.

As used in this paragraph "Maintenance Items" means the tasks identified in Part VI (B) (3)-(6).

(D) Notwithstanding paragraphs (A) - (C) of this Part VI, if an AMHS vessel damages a dock component at the Facility as a result of vessel operation, DOT&PF will be responsible for the cost of restoring the damaged component to the same condition that existed prior to the damage; DOT&PF will not be liable for any other harm, loss, or injury stemming from the dock damage.

VII. Use by AMHS Vessels, Passenger, & Vehicles

(A) AMHS vessels and operations, and those of any other entity providing public ferry service, are entitled to priority use of the Facility throughout the term of this Agreement. At the following times, the City will remove or cause to be removed any vessel and terminate any use at the Facility if its presence interferes with the safety or schedule of an AMHS vessel or the well-being of its passengers or customers:

- prior to arrival of an AMHS vessel at the Facility;
- during an AMHS vessel's presence at the Facility; or
- prior to departure of an AMHS vessel's from the Facility.

If opinions differ as to whether a competing vessel or use interferes with an AMHS vessel, passengers, or customers, the AMHS vessel master's opinion shall be conclusive.

(B) The City shall not assess any fee on AMHS or any other entity providing public ferry service, their passengers, or customers for use of the Facility. This prohibition is effective throughout the life of the Facility.

(C) Notwithstanding paragraph (B) of this Part VII, the Parties acknowledge they are free to negotiate for provision of services by the City to AMHS, *e.g.*, office lease, provision of potable water, removal of shipboard trash, disposal of vessel sewage, etc., for which the City may receive an agreed fee. The Parties will document such service agreement, if any, by written contract.

VIII. Revenue

(A) Excluding AMHS, as well as any other entity providing public ferry service, their respective passengers and customers, the City may assess a reasonable fee on those who use the Facility. If the City assesses any such fee, it shall segregate this revenue and use it for no other purpose than the maintenance or future replacement of the Facility.

(B) The City shall maintain this segregated revenue fund throughout the term of the MOA. The fund is subject to periodic audit by DOT&PF.

IX. Indemnification

(A) The City shall hold DOT&PF, the State, its officers, employees, and agents (collectively, “the State”) harmless from and defend and indemnify the State for liability, claims, demands, fines, penalties, and causes of action arising in connection with this MOA, the Project, and/or the Facility. The City’s duty to defend and indemnify shall apply regardless of whether it is also alleged that the State’s acts or omissions contributed to the injury (including injury to personal property, real property or persons, including fatal injury).

(1) Notwithstanding the foregoing, the City shall have no obligation to hold harmless and indemnify the State to the extent the State is determined to be liable for its own acts or omissions, except that to the maximum extent allowed by law, the City shall hold the State harmless from and indemnify the State for liability, claims, or causes of action arising from an alleged defect in the design or construction of any facility transferred to the City pursuant to this MOA, regardless of negligence or other fault, if such liability, claim, or cause of action arises out of an incident that occurs more than two years after the DOT&PF transfers ownership and maintenance responsibilities for the facility.

(2) Neither liability, claims, or causes of action arising from injuries that occurred prior to the date of substantial completion, nor liabilities imposed by or claims or causes of action arising from or asserted under AS 46.03.822, shall be governed by this paragraph.

(3) The City’s obligation to indemnify does not apply to damage to the Facility for which DOT&PF is responsible under Part VI(D).

(B) DOT&PF shall add a special provision to its bid documents for the design and construction of the Facility requiring the City to be listed as an additional insured in all instances where the successful bidder would be required to add the DOT&PF as an additional insured. The City shall have the right to enforce these provisions against the successful bidder.

X. Cancellation Remedies

(A) If the City requests cancellation of any professional services, consultant or construction contracts entered into by DOT&PF, the City shall be responsible for those costs not accepted for reimbursement by FHWA, amounts for which FHWA expects reimbursement, and any other costs or expenses incurred by the City or DOT&PF in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

(B) If DOT&PF is the primary cause of the cancellation, DOT&PF shall bear those costs not accepted for reimbursement by FHWA, amounts for which FHWA expects reimbursement, and any other costs or expenses incurred by DOT&PF in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

(C) If it is determined that the cancellation was caused by third parties or circumstances beyond the control of DOT&PF or the City, the Parties shall meet in good faith to negotiate a fair and equitable allocation of responsibility for those costs not accepted for reimbursement by FHWA, amounts for which FHWA expects reimbursement, and any other costs or expenses

incurred in the Project to the date of cancellation or related to finalizing cancellation and Project termination.

(D) The foregoing remedies are in addition to any other remedies referenced in this MOA, and do not bar or limit the Parties from resorting to any other remedy available at law or equity.

XI. Breach of Contract Provisions

(A) If DOT&PF provides written notice to the City stating that it is in violation of any of the terms, conditions, or provisions of this Agreement, the City shall have thirty days from the date of such notice to remedy the violation; or, if the remedy requires more than thirty days to complete, the City shall promptly take responsive action necessary to achieve a satisfactory remedy as close as possible to the 30th day from DOT&PF's initial notice.

(B) The City's failure to cure a violation that is remediable within thirty days or its failure to take responsive action necessary to promptly resolve a violation that is not remediable within thirty days constitutes a breach of this MOA. If the City is in breach, DOT&PF may elect to terminate the MOA. In addition, the City's breach may adversely affect the viability of current and future municipal capital projects. *See* 17 AAC 05.175(l).

(C) If the City breaches its right-of-way, operations, or maintenance obligations concerning the Facility, appropriate remedies include:

- (1) City reimbursement of all federal and state funds expended on the Project in connection with this MOA;
- (2) City reimbursement of DOT&PF for any direct and indirect costs it has incurred in fulfilling any of City obligations addressed in this MOA; and,
- (3) DOT&PF withholding of its approval of City federal-aid projects until the City cures its breach and fulfills any related obligations.

XII. Notification

When any written notice, request, direction, or other communication is necessary, the Parties will deliver it in person, by certified mail, or by email addressed to the party for whom it is intended, as follows:

DOT&PF: Regional Director
 DOT&PF, SE Region,
 6860 Glacier Hwy, MS-2506
 Juneau, Alaska 99811-2506
 Ph: 907/465-1762
 Current addressee: al.clough@alaska.gov

DOT&PF: General Manager
 DOT&PF, Alaska Marine Highway System,
 7559 N Tongass Highway
 Ketchikan, Alaska 99901

Ph: 907/228-7255
Current addressee: john.falvey@alaska.gov

City: City Manager
City of Kodiak
710 Mill Bay Road, Room 216
Kodiak, AK 99615
Ph: 907/785-3804
Current addressee: manager@city.kodiak.ak.us

XIII. Miscellaneous Provisions

(A) Each Party represents and warrants to the other that (i) it is duly organized, validly existing and in good standing under the laws under which it is organized; (ii) it has the power and authority to enter into this Agreement and to perform fully its obligations hereunder; (iii) the individual executing this Agreement on its behalf has the authority to do so; (iv) the obligations created by this Agreement, insofar as they purport to be binding on it, constitute legal, valid and binding obligations enforceable in accordance with their terms; and (v) it is under no contractual or other legal obligation that shall in any way interfere with its full, prompt and complete performance hereunder.

(B) The City agrees to provide reasonable access to the Project and to relevant Project documents to any authorized representatives of DOT&PF or the U.S. Government. The City further agrees to cooperate in good faith with inquiries and requests for information relating to the Project and its obligations under this MOA.

(C) This Agreement inures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns, if any.

(D) This Agreement shall not be construed as creating the relationship of principal-agent, master-servant, partnership, or joint venture between the Parties. Neither Party shall have authority to make any statements, representations, or commitments of any kind or to take any action that is binding on the other, except as explicitly provided herein or authorized by the other Party in writing.

(E) Neither Party may assign any portion of this Agreement or any benefits or rights arising under the Agreement without the written consent of the other.

(F) No supplement, modification, or amendment of this Agreement is binding unless executed in a writing signed by the authorized representative of the Party to be bound thereby. No provisions of this Agreement may be waived unless done in writing and signed by the authorized representative of the Party to be charged therewith. Waiver of any one provision shall not be deemed to be a waiver of any other provision.

(G) Waiver by a Party of any default by the other will not be deemed a waiver of rights concerning any subsequent default.

(H) If either Party is, due to an event of Force Majeure, rendered unable, in whole or in part, to perform its obligations under this Agreement, such party shall be freed from such obligations, so long as and to the extent that Party is necessarily and directly affected by the Force Majeure. The date of delivery or performance of the affected obligation shall be extended by a period of time reasonably necessary to overcome the effects of such delay and, if necessary, the scheduled services shall be revised in respect of such delay. The Parties shall cooperate in good faith to overcome and to mitigate the effects of an event of Force Majeure. As used in this Agreement, an event of "Force Majeure" means any unforeseeable event which is beyond the control, and without the fault or negligence, of the Party affected, including war, revolution, invasion, insurrection, riot, civil commotion, sabotage, military or usurped power, lightning, explosion, fire, storm, drought, flood, earthquake, epidemic, quarantine, strikes, acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required, inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities. A lack of funds does not constitute an event of Force Majeure.

(I) The headings used in this Agreement are for convenience only and shall not be deemed to limit or affect any of the provisions of the Agreement.

(J) This Agreement shall not be construed as conferring any legal rights, privileges, or immunities or as imposing any legal duties or obligations on any person or persons other than the parties named in this Agreement.

(K) The City is not an intended beneficiary of any contracts between the DOT&PF and any contractors, subcontractors or consultants or any other third parties, and has no contractual rights with respect to such contracts or any provisions thereof, unless expressly stated otherwise.

(L) This Agreement has been jointly negotiated and drafted by the parties, and both parties have had the ability and opportunity to consult with legal counsel prior to signature. The Agreement shall not be construed for or against either party.

(M) If a court of competent jurisdiction holds any portion of this Agreement invalid, the invalid portion will be severed and will not affect the validity of the remainder.

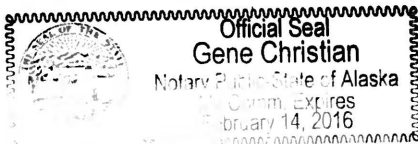
(N) The provisions of this MOA constitute the whole of the agreement between the Parties with respect its subject matter; no separate understandings or side agreements exist.

Dated: 1-6-14

DEPARTMENT OF TRANSPORTATION
& PUBLIC FACILITIES – Alaska Marine
Highway System

By: [Signature]
Captain John F. Falvey, General
Manager

SUBSCRIBED AND SWORN TO before me this 6th day of January 2014



[Signature]
Notary Public in and for Alaska,
My commission expires: 2/14/16

Dated: 1/9/14

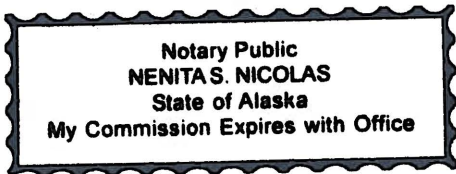
CITY OF KODIAK

By: [Signature]
Aimee Kniazowski, City Manager

SUBSCRIBED AND SWORN TO before me this 9th day of January, 2014

State of Alaska
Third Judicial District

[Signature]
Notary Public in and for Alaska
My commission expires: with office



Acknowledgment of the Kodiak City Council

BE IT REMEMBERED that on the 12 day of December, 2013 at a regular meeting, of the City of Kodiak Assembly of the City of Kodiak, a home rule city established under Alaska law, granted its approval of the foregoing instrument.

Dated: 1/23/14
[Signature]
Clerk, City of Kodiak

Kodiak Ferry Terminal and Dock Improvements Project

State Project No.: 68938

Appendix A

Scope, Schedule, Estimate

Scope

This project will consist of planning, designing and constructing improvements to Kodiak's Pier 1 dock to provide a facility compatible with AMHS vessels and operations. These improvements are expected to include demolition of the existing Pier 1 timber dock, construction of a new dock in the same location as the demolished dock using a steel substructure and concrete decking, sheet pile retaining wall abutment, vessel fendering and mooring system, purser's shelter, covered walkway, security fencing, and upgrades to the fuel and water systems.



STIP page attached thru Amendment #6 (2013)

City of Kodiak/Alaska Marine Highway System Lease and Dock License Agreement

THIS AGREEMENT made this 1st day of July 2008, by and between the CITY OF KODIAK, a municipal corporation, organized under and operating pursuant to the laws of the State of Alaska, hereinafter referred to as the City, and the STATE OF ALASKA, ALASKA MARINE HIGHWAY SYSTEM, hereinafter referred to as the State.

WHEREAS, the parties intend that the State of Alaska, Alaska Marine Highway System be given certain preferential rights to City Pier I and operational control of City Pier I and/or II when its vessels are docked at the respective facilities in exchange for moorage fees paid by the State; and

WHEREAS, in connection with these ferry operations, the State requires dockage and office space. The building in which the office space is located (100 East Marine Way) is managed by the Kodiak Chamber of Commerce under the terms of a contract between the City and the Chamber of Commerce.

NOW, THEREFORE, the parties hereby agree as follows:

1. Property Description. The City leases to the State that portion of the building (approximately 800 square feet) located on Lot 4-A, Block 18, New Kodiak Subdivision, as shown on Plat 76-31, Kodiak Recording District, 100 Marine Way (hereinafter referred to as Premises), which includes the manager's office, ticket office, and passenger waiting room, subject to all prior easements, conveyances, and restrictions of record. As tenant, the State and its patrons are also entitled to the right of use to the City-owned and handicapped-equipped public restrooms located in the building.

2. Preferential Privileges
 - (A) The State shall have first priority to berth its ferry vessels at the City of Kodiak Pier I. Other vessels using the dock or any portion thereof which will interfere in any way with the arrival or departure of the State ferries will be removed prior to the arrival of the ferry. Any other activities on the dock which would interfere with these preferential berthing privileges shall immediately cease upon arrival of the ferry. If the City fails to make the dock available for an on-time scheduled arrival, it waives AMHS' dockage fee for that port of call.

 - (B) Pier II is a multi-use dock available on a first-call, first-served basis. The City shall permit the M/V Kennicott to berth at Pier II any date that the Pier is available.

3. Term. The term of this Lease and Dock License Agreement, and the right of the State to use and occupy these Premises, shall be for a four-year period beginning July 1, 2008, renewable yearly for two years. This Agreement may sooner be terminated by either the City or State upon ninety (90) days written notice.

4. Fees

(A) Office Rental. Annual rent for building space shall be \$15,000.00 payable monthly at \$1,250.00. Rent shall increase 1% per year thereafter. Rent does not include garbage generated by the AMHS vessels or building utilities.

(B) Dockage. The State shall pay 50% of the City's published port tariff rates. The current tariff rate is \$2.00/foot per 12-hour period. In the event severe weather or unexpected emergencies make it unsafe to depart, AMHS may remain at the dock up to a total of 48 hours without additional charge. Dockage longer than 48 hours will be charged at 100% of the tariff. In the event that Pier II was previously reserved for another vessel, the ferry shall leave the Pier.

Rate calculations (at current rates/example):

M/V Tustumena: 296 feet x \$2.00/ft x 50% = \$296.00

M/V Kennicott: 382 feet x \$2.00/ft x 50% = \$382.00

Fees will be paid by the State upon receipt of billing in triplicate payable monthly in arrears.

(C) Security

MARSEC Level 1: \$50.00 per port call

MARSEC Level 2: \$50/man hour, \$75/man hour overtime

MARSEC Level 3: \$50/man hour, \$75/man hour overtime

5. Pier I and Pier II Use, Parking, Maintenance, and Security

(A) The City grants to the State the exclusive right to utilize Pier I as may be required for all vessel-related operations. The City agrees to provide parking along Marine Way or immediately adjacent to the Pier to accommodate AMHS passenger vehicles for staging purposes, such as loading or unloading. In addition, the City shall designate an area on or immediately adjacent to Pier II to accommodate parking for a minimum of fifty (50) vehicles awaiting loading upon the State ferries at no additional cost to the State. Owners of vehicles or equipment left in the staging area longer than four hours before or after a port call will be charged storage at the City's published rates.

(B) The City shall provide all necessary maintenance and snow removal services to keep safe and free from hazard all exterior areas utilized by the State and its employees and passengers at Pier I and Pier II.

(C) Security

(1) Per 33 CFR, Part 105 Maritime Facilities Security and USCG-approved AMHS and Port of Kodiak security plans, the City and State will execute their respective

security duties per approved vessel and facility security plans.

- (2) When docking is complete, the vessel security officer (VSO) shall be responsible for all security unless otherwise agreed upon in a written Declaration of Security (DoS). The VSO will ensure security measures are implemented per the USCG-approved AMHS Security Plan. Screening of passengers, baggage, vehicles, carry-ons, etc., will be the responsibility of the State.
6. Pier I and Pier II Physical Damage. The State of Alaska, Department of Transportation and Public Facilities will repair any physical damage to Pier I and Pier II directly attributable to AMHS operations but will not be held responsible for damages caused by others. The City must promptly notify the State of any such damages as soon as practicable. Repairs must be approved in advance by the City.
7. Freight Charges. The State will not be required to pay to the City any fee for vehicles, cargo, or passengers moving across Pier I and Pier II to and from the State ferries, irrespective of any contrary language contained in the Kodiak terminal tariff.
8. Equipment. All equipment of whatsoever nature as shall be installed by the State shall continue to be the property of the State and may be removed by the State at the expiration of this Agreement.
9. Utilities and Janitorial. The State shall pay under separate meter electricity costs for the leased premises. The State shall pay 25% of the building's heating oil costs and janitorial services for the space it occupies. However, the State shall have the option to do its own janitorial work in lieu of paying the building janitorial service. Sewer and water for the premises will be provided by the City and is included in the cost of the agreement.
10. Line Handling. Line handling services for AMHS vessels shall be provided by the State or by use of a competitive solicitation as allowed by Alaska law for Pier I and Pier II.
11. Other Duties of the State. The State shall:
 - (A) Use and occupy the building and dock in a careful and proper manner and for lawful purposes only.
 - (B) Not assign this Agreement, not sublease the Premises, nor any part thereof, without the written consent of the City, provided, however, such consent shall not be unreasonably withheld.
 - (C) Leave the Premises at termination of this Agreement in reasonable condition, less normal wear and tear.
 - (D) Following receipt of reasonable notice, permit the City to enter upon the Premises at all reasonable times to examine their condition.

- (E) Not alter the exterior appearance of the Premises without written consent of the City, but may post signs identifying the building as the ferry ticket office or terminal.
- (F) Not alter components of the piers (bull rails, fender, etc.) unless plans are approved by the City. Plans shall be submitted to the City harbormaster and City engineer for approval prior to the start of any modification.
- (G) Coordinate with the Kodiak Chamber of Commerce to ensure that the public restrooms are available for use by the general public whenever the building is open to the public. The State is not responsible for maintenance, repair, or liability in connection with the same. Also, the City will defend, indemnify, and hold the State harmless regarding any injury, damage, claim, or the like arising from use of the public restroom facilities by a person who is not in the building in furtherance of a passenger-carrier relationship or other business relations with AMHS.
- (H) The State shall have full control of Pier I and its staging area once a State-owned vessel is secured to the dock and security is formally passed to AMHS personnel. The State shall have control of only that portion of Pier II that its vessel occupies, plus a staging area adjacent to the same location as designated by the harbormaster. The City will provide sufficient space at Pier II to enable the State to properly implement its vessel security plan.

12. Other Duties of the City. The City shall:

- (A) Not unreasonably withhold any approval the State may require in connection with this Agreement.
- (B) Maintain Pier I and II in good repair and usable condition during the term of this Agreement and any renewal or extension thereof.
- (C) Maintain the leased Premises in compliance with all applicable laws, regulations, and codes.
 - (1) If any part of the Premises becomes untenantable, a proportionate part of the rent shall be abated and suspended to the extent of untenability until the City restores the Premises to a tenantable condition. The State's decision shall be controlling as to whether the premises are tenantable. In addition, if the City fails to correct any violation or remedy any untenable condition within a reasonable time, the State shall have the option of hiring competent workmen, with the City bearing the cost of all materials and labor.
 - (2) If a substantial portion of the Premises are untenantable for more than 30 days, the State may elect to terminate the lease. This 30-day period shall not be so restrictively construed that the State is bound to remain in the leased facility if the State's business cannot be safely executed. If warranted due to unsafe condition, the State is free to move elsewhere. If the Premises are made tenantable again

within this 30-day period, the State will return to the facility for occupancy. The State may also choose to recover any excess costs, over the abated lease payments, occasioned by relocation due to unsafe condition.

13. **Indemnity and Insurance.** The City shall indemnify, hold harmless, and defend the State from and against any claim of, or liability for, negligent acts, errors or omissions of the City under this Agreement. The City shall not be required to indemnify the State for a claim of, or liability for, the independent negligence of the State. If there is a claim of, or liability for, the joint negligent error or omission of the City and the independent negligence of the State, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "City" and "State," as used within this article include the employees, agents, and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the State's monitoring, approving, or accepting the City's services.

Without limiting the City's indemnification, the City shall purchase and maintain in force at all times during the performance of services under this lease the following policies of insurance. Where specific limits are show, it is understood that they shall be the minimum acceptable limits. If the City's policy contains higher limits, the State will be entitled to coverage to the extent of such higher limits.

The City shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045 and any other statutory obligations including but not limited to U.S.L. & H. Act requirements. The policy must waive subrogation against the State.

The City shall provide commercial general liability insurance or its equivalent with limits not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence and annual aggregates where generally applicable. The State of Alaska shall be named as additional insured.

All insurance shall be considered to be primary and non-contributory to any other insurance carried by the State through self-insurance.

The State shall provide and maintain insurance on its own improvements and contents in the leased Premises, as well as broad form casualty and marine liability coverage provided through the State's comprehensive self-insurance program administered by the Division of Risk Management.

14. **Non-appropriation of Funds.** The fiscal year for the State of Alaska is a twelve-month period beginning July 1 and ending June 30 of the following calendar year. Lease payments from the State are subject to annual appropriation of funds by the Alaska State Legislature. After the initial fiscal year of the lease, the State has the right to terminate this lease in whole, or in part, if:

(A) The Alaska State Legislature fails to appropriate funds budgeted for continuation of

this lease, and/or

- (B) The Alaska State Legislature fails to appropriate funds to the occupying agency(s) that results in a material alteration or discontinuance, in whole or in part, of the occupying agency(s)' programs. The termination of the lease for fiscal necessity and non-appropriation of funds under this section shall not cause any penalty or liability to be charged to the State, and shall not constitute a breach or an event of default by the State.

15. Notice. Any notice given by the City with respect to this Agreement must be mailed to: Alaska Marine Highway System, Terminal Operations, ATTN: Cheri Murphy, 7559 N. Tongass Hwy., Ketchikan, AK 99901-9101.

Any notice given by the State with respect to this agreement must be mailed to:

Name, Title	City of Kodiak, ATTN: City Manager	cc: Harbormaster
Address	710 Mill Bay Road, Kodiak, AK 99615	
Phone	(907) 486-8640 or 8080	

16. General Provisions



- (A) Amendment of Agreement. By mutual consent, the parties may modify or amend this agreement from time to time. However, no modification or amendment is effective unless it is in writing and signed by duly authorized representatives of both parties.
- (B) Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no other understandings or agreements between the parties, oral or written, regarding the matters addressed in this Agreement.
- (C) Third Parties and Responsibilities for Claims. Nothing in this Agreement shall be construed as conferring any legal rights, privileges, or immunities, or as imposing any legal duties or obligations on any person or persons other than the parties named in this Agreement.
- (D) Necessary Approvals. In the event any election, referendum, ordinance, approval, permit, notice, or other proceeding, or authorization is required under applicable law to enable the City to enter into this Agreement or carry out any of the provisions of the Agreement, the City will duly initiate and consummate all actions necessary with respect to any such matters so required.
- (E) Waiver. The waiver by either party by default in the performance of any term or provision of this Agreement will not be construed as a waiver of any subsequent default in the performance of any term or provision of this Agreement.
- (F) Transfer of Property Interest. If the City transfers interest in the licensed or leased property, the transfer shall be subject to the terms of this Agreement.

(G) Joint Agreement. The parties have jointly negotiated and drafted this Agreement and have had the opportunity to obtain legal advice before signing it. The Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party.


IN WITNESS WHEREOF, the parties have executed this document by their duly authorized officials.

STATE OF ALASKA, DEPARTMENT OF
TRANSPORTATION & PUBLIC FACILITIES
ALASKA MARINE HIGHWAY SYSTEM

CITY OF KODIAK, ALASKA

	<u>5/22/08</u>		<u>5/22/08</u>
Cheri A. Murphy	Date	Linda L. Freed	Date
Terminal Operations Manager		City Manager	
Alaska Marine Highway System			

ATTEST:


Debra L. Marlar

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager
Debra Marlar, City Clerk

Date: May 28, 2015

Agenda Item: V. e. Appointments to the Joint Building Code Review Committee

SUMMARY: The Borough Clerk notified the City Clerk that the Borough wants to re-activate the Joint Building Code Review Committee to re-assess changes that were made to building codes via Ordinance No. 1305; specifically, Section 1(b). The Building Official will also bring forward new State approved codes that were adopted after Ordinance No. 1305, because the City is required to follow State building codes, as well as international building codes.

There has been no consistent appointment method in the history of the Committee. Some appointments have been made by the Building Official or the Clerk at the Council's direction. Typically, City appointees have been members of the City's Building Code Board of Appeals who are builders willing to serve on the committee when codes require review. The City Clerk notified all City Building Code Board of Appeals members that two members are needed to serve on the Joint Building Code Review Committee. Presently, there is no City representation on this Committee. The membership of the Committee has fluctuated over the years between two or three members from each of the City and Borough Boards plus an elected official from each body. The Borough proposes two members from each City and Borough Board, plus an elected official from each be appointed to address the current issues.

PREVIOUS COUNCIL ACTION:

- February 2012: Mayoral appointments were confirmed to this Committee with terms that ended in December 2012.
- March 6, 2013: Council adopted Ordinance No. 1305, Amending Kodiak City Code 14.04.010, 14.24.010 and 14.24.020; Enacting Kodiak City Code 14.04.080 and 14.24.030; and Repealing and Reenacting Kodiak City Code 14.24.040; Regarding the Adoption of Building and Other Codes and Related Matters
- April 21, 2015: Council discussed the re-activation of the Joint Building Code Review Committee at the work session and voiced a consensus to confirm Mayoral appointments from the City's Building Code Board of Appeals membership and a Councilmember at an upcoming regular meeting.

DISCUSSION: Advisory board members are appointed at the end of each year when terms expire and throughout the year as necessary. The Joint Building Code Review Committee members are appointed

as needed to review building, plumbing, fire, electrical and other code revisions and make recommendations for City and Borough code amendments. The City's appointees to the Joint Building Code Review Committee have typically been selected from the City's Building Code Board of Appeals, and the Borough's representatives selected from the Borough Architectural Review Board. The Borough Mayor and Assembly have requested the committee meet to re-assess changes that were made to building codes via Ordinance No. 1305. The Building Official will also use this opportunity to bring forward new State building codes that were adopted after Ordinance No. 1305.

{Mayor Branson will make her appointments to the following boards.}

Joint Building Code Review Committee

2 City seats, plus 1 seat for a City Councilmember representative

Applicants:

John Butler
Ed Mahoney

City Council Representative
Councilmember _____

ATTACHMENTS:

- Attachment A: Emails from John Butler and Ed Mahoney
- Attachment B: Building Code Board of Appeals Current Member List
- Attachment C: Joint Building Code Review Committee Current and Expired Member List
- Attachment D: Ordinance No. 1305
- Attachment E: City Code Chapter 14.40

PROPOSED MOTION:

Move to confirm the Mayoral appointments to the Joint Building Code Review Committee as stated.

Marlar, Debra

From: Ed Mahoney [builders@ptialaska.net]
Sent: Thursday, April 23, 2015 8:33 AM
To: Marlar, Debra
Subject: RE: Two Needed forJoint Building Code Review Committee

Expires: Thursday, May 07, 2015 12:00 AM

Debra,

I am interested on being on the Building Code Review Committee. I may already be on the Code Review Board unless my term has expired. As to my experience, I have been building in Kodiak for the past 37 years and have sat on many different boards and committees over the years.

Thank you,
Ed Mahoney
539.1234

From: Marlar, Debra [mailto:dmarlar@city.kodiak.ak.us]
Sent: Wednesday, April 22, 2015 3:36 PM
To: Bonney, R Scott; Butler, John; Hacker, Gregg; Mahoney, Ed; Mathers, Doug
Cc: Hansen, Ted; Kozak, Mark
Subject: Two Needed forJoint Building Code Review Committee

The Borough wants to reactivate the Joint Building Code Review Committee. The plan is for the Borough to appoint two Borough representatives and an elected official and the City to appoint two City representatives and an elected official.

If any of you are interested in being appointed to this committee, please send me a written response no later than May 4 with a brief description of your experience reviewing building codes.

Doug can provide you with more information about the anticipated duties of this committee and a timeframe for review.

The Mayor is scheduled to make appointments at our May 14 meeting.

We sincerely appreciate your service on the Building Code Board of Appeals and hope at least two of you will express interest in being appointed to the Building Code Review Committee.

Deb
Debra Marlar, MMC
Clerk, City of Kodiak

Phone 907 486-8636
Fax: 907 486-8633
Email: dmarlar@city.kodiak.ak.us

Messages to and from this e-mail address may be available to the public under Kodiak City Code provisions and Alaska State Statutes.

Marlar, Debra

From: John Butler [jbjhs@ptialaska.net]
Sent: Monday, April 27, 2015 8:37 AM
To: Marlar, Debra
Subject: Code Review Board

Morning Debra;

I would like to continue on the Code review board. I have sat on the board for several years and would like to continue. I have been running John's Heating in Kodiak for over thirty years. Thanks for your consideration.

John Butler



1311 Mill Bay Road | Phone: (907) 486-3706
Kodiak, AK 99615 | Fax: (907) 486-2497

*Heating repair
& services -*

*Full line of
Toyotomi
products -*

*Repair &
replacement of:*

Oil-fired

** Boilers*

** Furnaces*

** Water Heaters
Over-the-counter
parts sales*



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 JBJHS@PTIALASKA.NET	486-4604	486-3706	486-2497	P.O. Box 2610
2015	Ed Mahoney builders@ptialaska.net	486-1968	539-1234		3944 Spruce Cape Road
2015	Vacant				
2016	R. Scott Bonney STRALASKA@HOTMAIL.COM	907 301-8490			PO Box 5524, Chiniak AK 99615
2016	Gregg Hacker ghacker01@kibsd.org	539-5230	481-2288	481-2280	1310 Baranof St.

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
2/13/14		

This Committee will be composed of 2 reps from the City plus a Council member and 2 reps from Borough and an Assembly member.



KODIAK ISLAND BOROUGH / CITY OF KODIAK



JOINT BUILDING CODE REVIEW COMMITTEE

NAME	TERM	HOME PHONE	WORK PHONE	CELL PHONE	EMAIL
CITY BUILDING CODE BOARD OF APPEALS REPRESENTATIVES					
Scott Arndt PO Box 76 Kodiak, AK 99615	2012	481-3745		414 491-3745	sla3745@yahoo.com
John Butler PO Box 2610 Kodiak, AK 99615	2012	486-4604	486-3706		jbjhs@ptialaska.net
Ed Mahoney 3944 Spruce Cape Rd. Kodiak, AK 99615	2012	486-5759	486-5759		builders@ptialaska.net
BOROUGH ARCHITECTURAL REVIEW BOARD REPRESENTATIVES					
Scott Bonney PO Box 5524 Chiniak, AK 99615	2014	486-4005	654-7938		stralaska@gmail.com
Gregg Hacker 1310 Baranof St Kodiak, AK 99615-0967	Resigned from ARB 2016	486-4392	481-2288	539-5230	ghacker01@kibsd.org
NON-VOTING EX-OFFICIOS Assembly Representative		486-0977	486-4949	539-5836	
Dan Rohrer PO Box 786 Kodiak, AK 99615	2015				dan.rohrer@kibassemblies.org
City Council Representative Randall Bishop 402 West Marine Way, Suite 300 Kodiak, AK 99615	2012		486-3364	909-238-0494	randyb_24@hotmail.com

This ad hoc committee's mission is to review building, plumbing, fire, and electrical code revisions, etc. and make recommendations to the Borough Assembly and City Council. For building code appeals see KIBC 15.45.010.

STAFF:

BUILDING OFFICIAL, DOUG MATHERS 486-8072 dmathers@city.kodiak.ak.us

CITY OF KODIAK / KODIAK ISLAND BOROUGH
720 MILL BAY ROAD
ROOM 208
KODIAK, AK 99615

CITY OF KODIAK
ORDINANCE NUMBER 1305

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING KODIAK CITY CODE 14.04.010, 14.24.010 AND 14.24.020; ENACTING KODIAK CITY CODE 14.04.080 AND 14.24.030; AND REPEALING AND REENACTING KODIAK CITY CODE 14.24.040; REGARDING THE ADOPTION OF BUILDING AND OTHER CODES AND RELATED MATTERS

BE IT ORDAINED by the Council of the City of Kodiak, Alaska, that:

Section 1: Kodiak City Code 14.04.010 is hereby amended to read as follows:

14.04.010 Adoption of building and other codes. The following codes are hereby adopted by reference as the building codes for the city of Kodiak:

(a) ~~2009~~ ~~2006~~-International Building Code, as adopted with revisions in 13 AAC 50.020 in effect as of ~~September 17, 2007~~, and including Appendix H, Signs, for all buildings except one- and two-family dwellings and residential accessory buildings; provided, that the following revisions to the ~~2009~~ ~~2006~~-International Building Code in 13 AAC 50.020 are not adopted: (i) the deletion in 13 AAC 50.020(1) of Sections 103, 104.4, 104.6, 104.8, 105.4, ~~106.5~~, ~~107.5~~, ~~108.2~~, ~~108.4~~, ~~108.5~~, ~~109.2~~, ~~109.5~~, and ~~110~~ ~~109~~ through 115; and (ii) the revisions in 13 AAC 50.020(7) through (11), (16), (17), (66), (73), (74), and ~~(77)~~ ~~(78)~~.

(b) **2012 International Residential** ~~1997 Uniform Building~~ Code for one and two family dwellings and residential accessory buildings with the following revisions: including excerpts from Appendix Chapter 23, which are included in the uniform Building Code Vol.1; options to Appendix Chapter 23, for exposure C and D High Wind Wall Framing and Wood Piles, by Barry Still.

(1) R105.2, Work exempt from permit #10, is modified by striking out “are not attached to a dwelling and do not serve the exit door required by Section R311.4”

(2) R301.2.1.1 is modified by adding to the end of the section, “The following may be built to Seismic design category D2 with 110 MPH wind speed in B and C wind exposure areas provided that the house was permitted before the adoption of the 2012 Residential Building Code.

One permit only. An addition that is not more than 15% of the total gross square foot area of the existing building that the addition will be attached to. Roof pitch is a maximum of 5/12 or less. One story additions may be built on a piling foundation provided existing building has a piling foundation.

Other exempt structures in section R105.2 titled Work exempt from permit.”

[**Underlined added.** Deleted language stricken through.]

- (3) R311.7.5.1, Riser height, is modified as follows: The maximum riser height shall be 8 inches (203mm). The riser shall be measured vertically between leading edges of the adjacent treads. The greatest riser height within any flight of stairs shall not exceed the smallest by more than $\frac{3}{8}$ inch (9.5 mm). Risers shall be vertical or sloped from the underside of the nosing of the tread above at an angle not more than 30 degrees (0.51 rad) from the vertical. Open risers are permitted provided that the opening between treads does not permit the passage of a 4-inch-diameter (102 mm) sphere.
- (4) R311.7.5.2, Tread depth, is modified as follows: The minimum tread depth shall be 9 inches (228mm). The tread depth shall be measured horizontally between the vertical planes of the foremost projection of adjacent treads and at a right angle to the tread's leading edge. The greatest tread depth within any flight of stairs shall not exceed the smallest by more than $\frac{3}{8}$ inch (9.5 mm).
- (5) R313.1, Townhouse automatic fire sprinkler systems, and R313.2 One and two family dwellings automatic fire sprinkler systems, are modified by changing the word shall to may.
- (6) Chapter 11, Energy Efficiency. Exclude this chapter
- (7) Chapters 24, 25, 26, 27, 28, 29, 30, 31, 32 & 33. Delete these chapters related to plumbing and replace with the 2009 Uniform Plumbing Code.
- (8) Chapters 34, 35, 36, 37, 38, 39, 40, 41, 42 & 43. Delete these electrical chapters and replace with the 2011 National Electrical Code.
- (9) M2002.5, Boiler low-water cutoff, is modified by striking out the words "and hot water".
- (c) 2009 2006-International Building Code Appendix J, Grading.
- (d) 2009 Uniform Plumbing Code, as adopted with revisions in 8 AAC 63.010 in effect as of February 23, 2011 ~~September 27, 2008~~, Appendix Chapter B, Explanatory Notes on Combination Waste and Vent Systems; and Appendix Chapter H, Recommended Procedures for Sizing Commercial Kitchen Grease Interceptors.
- (e) 2009 2006-International Mechanical Code, as adopted with revisions in 13 AAC 50.023 in effect as of November 16, 2012 ~~September 17, 2007~~, except for the deletions in 13 AAC 50.023(1) of Sections 103, 104, and 106 through 110 109 of the 2009 2006-International Mechanical Code.
- (f) 2011 2008-National Electric Code:
1. New Section 300.4(~~IG~~) is added amended to read as follows: Thermoplastic type insulated conductors may not be installed when the working environment is below 20 degrees ~~20°~~ Fahrenheit.
 2. Section 410.168 is amended to read as follows: Luminaries (~~Fixtures~~) and Transformers in closets.
- (g) 1997 Uniform Code for the Abatement of Dangerous Buildings.
- (h) 1997 Uniform Housing Code.
- (i) 2009 2006-International Fuel Gas Code, Chapters 6 and 7.
They are adopted to regulate erection, construction, enlargement, alteration, repair, moving, removal, conversion, demolition, occupancy, equipment, use,
[Bold and underlined added. Deleted language stricken through.]

height, area, and maintenance of buildings or structures in the city of Kodiak; to provide for the issuance of permits and collection of fees therefor; and to provide penalties for violations of those regulations. The building codes so adopted shall be interpreted, administered, and enforced with the local amendments hereinafter specifically set forth by the city building official who is authorized to take such action as may be reasonably necessary to enforce the purposes of this section. The city manager may appoint or authorize an assistant or agent to the building official if necessary to carry out the provisions of this section.

Section 2: Kodiak City Code 14.04.080 is hereby enacted to read as follows:

14.04.080 Hoop houses. A “hoop house” or “high tunnel,” used exclusively for the production or storage of live plants, shall be exempt from the permit requirements of the City of Kodiak building codes if it meets the following criteria:

- (a) There is no permanent anchoring system or foundation;
- (b) There is no storage, temporary or otherwise, of solvents, gases, or other chemicals or flammable materials;
- (c) The structure is no wider than 24 feet and no greater length than 32 feet;
- (d) The covering of the structure is of a flexible polyethylene material no greater than 10 mils in thickness;
- (e) The support structure of the hoop house is made of non-combustible materials, e.g., metal, and hoop house must be purchased as a kit per the USDA high tunnel program. Installation is per manufacturer’s recommendations;
- (f) The structure is not utilized for retail sales;
- (g) The structure is located no closer than 5 feet from all property lines and cannot redirect the existing drainage.

Section 3: Kodiak City Code 14.24.010 is hereby amended to read as follows:

14.24.010 Adoption The ~~2009~~ 2006–International Fire Code, including Appendices A through G, as adopted with revisions in 13 AAC 50.025 in effect as of ~~November 16, 2012~~ ~~September 17, 2007~~, except for the deletions in 13 AAC 50.025(1) of Sections ~~103,~~ 104.2, 104.3, ~~104.4,~~ 104.5, ~~104.6, 104.10,~~ 104.11, 104.11.1, 104.11.2, 106, 108, ~~and 109~~ ~~and 111~~ of the ~~2009~~ 2006–International Fire Code, is hereby adopted by reference as the fire code for the city of Kodiak. This code establishes regulations affecting or relating to structures, processes, premises and safeguards regarding:

- (a) The hazard of fire and explosion arising from the storage, handling or use of structures, materials or devices;**
 - (b) Conditions hazardous to life, property or public welfare in the occupancy of structures or premises;**
 - (c) Fire hazards in the structure or on the premises from occupancy or operation;**
 - (d) Matters related to the construction, extension, repair, alteration or removal of fire suppression or alarm systems; and**
- [Bold and underlined added. Deleted language stricken through.]**

(e) Conditions affecting the safety of fire fighters and emergency responders during emergency operations.

The Fire Code so adopted shall be interpreted, administered, and enforced with the local amendments hereinafter specifically set forth by the fire code official who is authorized to take such action as may be reasonably necessary to enforce this section. The city manager may appoint or authorize an assistant or agent to the fire code official if necessary to carry out the provisions of this section.

Section 4: Kodiak City Code 14.24.020 is hereby amended to read as follows:

14.24.020 Copies on file/sale. After adoption, the fire code building official shall provide for sale, ~~to those interested,~~ copies of the Fire Code or referenced standards ~~code adopted pursuant to section 14.24.010.~~ At least three copies shall be kept at the Building Department office.

Section 5: Kodiak City Code 14.24.030 is hereby enacted to read as follows:

14.24.030 Fire Safety Inspection program. The fire code official will conduct a fire code inspection program which meets or exceeds the program conducted by the State Division of Fire and Life Safety.

Section 6: Kodiak City Code 14.24.040 is hereby repealed and reenacted to read as follows:

14.24.040 Plan review. The fire code official will assist in the review of fire suppression, fire alarm, and site plan reviews for the purposes of emergency response and suppression with the Building Code Official.

Section 7: This ordinance shall be effective on the date that is one month after its final passage and publication in accordance with Kodiak Charter Section 2-13.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK



First Reading: January 24, 2013
Second Reading: February 28, 2013
Effective Date: ~~March 6, 2013~~
April 6

[Bold and underlined added. Deleted language stricken through.]

Chapter 14.40 BUILDING CODE BOARD OF APPEALS

Sections

- [14.40.010](#) Composition
- [14.40.020](#) Administrative jurisdiction

14.40.010 Composition

- (a) 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.
- (b) The building official shall be an ex officio member of the board.
- (c) All appointees shall serve at the pleasure of the appointing authority.
- (d) The members of the board shall be appointed for staggered three-year terms.
- (e) Three members of the board of appeals shall constitute a quorum for the transaction of any business. For any affirmative action on quasi-judicial matters by the board of appeals, there must be a concurring vote of three members. [Ord. 650, 1982]

14.40.020 Administrative jurisdiction

- (a) The duties of the board shall be as stated in the adopted building codes including the building, fire, mechanical, electrical, and plumbing codes.
- (b) The building code board of appeals by resolution may adopt rules consistent with this title to implement, interpret, or make specific its provisions. Copies of all rules adopted under this subsection shall be available to the public in the offices of the building official and the city clerk.
- (c) The board shall hear and decide appeals from the actions of administrative officials relating to building regulations under this title. The board may determine the suitability of alternate materials and methods of construction and provide for reasonable interpretation of the provisions of this title.
- (d) The board shall also recommend such amendments to this title as may be deemed necessary.
- (e) The board of appeals is the final appellate board of the city for matters heard by it. [Ord. 1195a §14, 2005; Ord. 740, 1984; Ord. 650, 1982]

[Home](#)

<

>

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: May 28, 2015

Agenda Item: V. f. Authorization to Cancel the July 9, and August 27, 2015, Regular Meetings and Authorize the City Manager to Schedule a Special Meeting if Needed

SUMMARY: The regularly scheduled Council meetings for July and August may be cancelled to reflect the summer meeting schedule. Elected officials and staff will attend the summer Alaska Municipal League conference August 19 through August 21. Staff discussed the meeting schedule with the Council at the May 12 work session, and Council recommended cancelling the July 9 and August 27, 2015, regular meetings and scheduling a special meeting if needed.

PREVIOUS COUNCIL ACTION: The City Council cancels regular meetings and schedules special meetings from time to time due to travel and other scheduling conflicts.

LEGAL: Kodiak City Code identifies regular meetings are held on the second and fourth Thursdays of each month. If a regular meeting must be cancelled, a special meeting may be scheduled. The attendance requirements do not apply to special meetings.

PROPOSED MOTION:

Move to cancel the July 9, and August 27, 2015, regular meetings and authorize the City Manager to schedule a special meeting if needed.

MAY 28, 2015
Agenda Item V. f. Memo Page 1 of 1