

**City of Kodiak Regular Council Meeting Agenda for August 13, 2015**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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- I. Call to Order/Roll Call**  
Pledge of Allegiance/Invocation
  
- II. Previous Minutes**  
Approval of Minutes of the July 23, 2015, Regular Council Meeting .....1
  
- III. Persons to Be Heard**
  - a. Proclamation: Recognizing the 225th Birthday of the United States Coast Guard .....10
  - b. Public Comments (limited to 3 minutes) (486-3231)
  
- IV. Unfinished Business**
  - a. Second Reading and Public Hearing, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide for Leash-Free Dog Parks and Related Matters.....14
  - b. Resolution No. 2015–21, Authorizing FY2016 Nonprofit Grant Awards.....22
  
- V. New Business**
  - a. Resolution No. 2015–25, Authorizing the City of Kodiak to Issue General Obligation Refunding Bonds in the Principal Amount of Not to Exceed \$7,500,000 to Refund Certain Outstanding General Obligation Bonds of the City, Fixing Certain Details of Such Bonds and Authorizing Their Sale.....36
  - b. Authorization of Water Utility Rate Cost of Service Study Project No. 05-04/7024.....58
  - c. Authorization to Purchase Trash Cans.....66
  - d. Direction for Pedestrian Pathway Grant Funds .....74
  
- 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**

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<p><b>DRAFT</b></p>
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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JULY 23, 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, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Terry J. Haines was absent. City Manager Aimée Kniaziowski, 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 June 25, 2015, regular meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Public Comments**

None

**IV. UNFINISHED BUSINESS**

None

**V. NEW BUSINESS**

**a. First Reading, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide For Leash-Free Dog Parks and Related Matters**

Mayor Branson read Ordinance No. 1337 by title. The Parks and Recreation Department has received requests from community members to add a leash free dog park to the Kodiak park system. The Parks and Recreation Advisory Board made a motion to support a dog park at the north end of East Addition Park at their April 1, 2015, meeting. Establishing a leash-free dog park within City limits will benefit the community and is in the best interest of the City.

Councilmember Davidson MOVED to pass Ordinance No. 1337 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, Davidson, Saravia, Walker, and Whiddon in favor. Councilmember Haines was absent. The motion passed.

**b. First Reading, Ordinance No. 1338, Authorizing a Lease of an Approximately 7,662 Square Foot Lot at the Kodiak Municipal Airport to Alutiiq Aviation Services, Inc.**

Mayor Branson read Ordinance No. 1338 by title. A master plan study funded by the FAA in 2004 evaluated the entire Municipal Airport, Lilly Lake, and Trident Basin. Part of the work that was completed identified several options that would improve safety as well as areas that could be expanded at the airport for tie down rental or leases for hangars. Alutiiq Aviation Services, Inc. has been using two rented spots since July 2011 in the area identified as the south apron in the master plan and has requested a lease in order to build a hangar.

Councilmember Whiddon MOVED to pass Ordinance No. 1338 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

Councilmember Whiddon MOVED to postpone the vote on Ordinance No. 1338 in the first reading until an airport appraisal is completed.

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

**c. Resolution No. 2015–21, Authorizing Payment of FY2016 Nonprofit Organization Grants**

Mayor Branson read Resolution No. 2015–21 by title. Each year the City Council authorizes grant payments to local nonprofit organizations. The types and levels of funding are based on the City Council's nonprofit funding policy guidelines adopted by Resolution No. 2015–16. The policy resolution stipulates the total amount available for nonprofit grants in a given fiscal year, is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. The amount budgeted for FY2016 for nonprofit grant payments is \$149,900. This policy eliminated the requirement that restricts funding to not more than ten percent less and/or more than the previous year funding. 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. The policy also grants agencies the ability to apply for one-time only non-operational funds for special projects. The City received twenty-three applications for FY2016 from nonprofit organizations that serve Kodiak, up from twenty-one applications last fiscal year, for a total amount requested of \$200,634.60.

Councilmember Bishop MOVED to adopt Resolution No. 2015–21.

Councilmember Bishop MOVED to postpone the vote on Resolution No. 2015–21 until the August 13, 2015, regular meeting.

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

**d. Resolution No. 2015–22, Formally Submitting a Harbor Facility Grant Application to the State of Alaska Department of Transportation and Public Facilities in the Amount Not to Exceed 1.5 Million Dollars for the Entitled Channel Transient Float Replacement Project No. 8525**

Mayor Branson read Resolution No. 2015–22 by title. City of Kodiak Resolution No. 2015–22 formally submits a Harbor Facility Grant application to the State of Alaska Department of Transportation and Public Facilities in an amount not to exceed 1.5 million dollars for the entitled Channel Transient Float Replacement Project No. 8525. The Harbor Facilities Grant program is a matching grant program through which the state and municipality share equally in the cost of replacing aging harbor infrastructure formerly owned by the State of Alaska. Council adopted Resolution No. 2015–06 in February 2015 supporting continued funding of the Harbor Facility Grant Program in the FY2016 State Capital Budget in order to ensure enhanced safety and economic prosperity among Alaskan coastal communities.

Councilmember Walker MOVED to adopt Resolution No. 2015–22.

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

**e. Resolution No. 2015–23, Authorizing the Issuance of a Permit to the Filipino American Association of Kodiak for the Use of Public Property to Host Its Philippine Consulate Outreach Program**

Mayor Branson read Resolution No. 2015–23 by title. The Filipino-American Association of Kodiak requests the use of the Teen Center on July 31 and August 1, 2015, to host the consular outreach program during the visit of the Philippine Consulate General from San Francisco. The purpose of the visit is to provide consular outreach services to Filipino Americans in Kodiak. The Philippine Consulate will collect fees for services rendered, and the Filipino-American Association will also ask for donations from participants to help offset costs associated with the outreach program.

Councilmember Bishop MOVED to adopt Resolution No. 2015–23.

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

**f. Resolution No. 2015–24, Authorizing the Issuance of a Permit to the Kodiak Football League to Collect Admission Fees and Sell Concessions at Baranof Park**

Mayor Branson read Resolution No. 2015–24 by title. Resolution No. 2015–24 authorizes the issuance of a permit to the Kodiak Football League to use the Baranof Football Field to sell concessions from August to October and to charge gate fees at home high school football games. This effort helps pay for most of the team's expenses. Because the games are held on City prop-

erty, the League must receive permission from the City Council to collect fees during home games.

Councilmember Davidson MOVED to adopt Resolution No. 2015–24.

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

**g. Authorization of Bid Award for Annual Sidewalk, Curb, and Gutter Repairs, Project No. 16-01/ 5003**

Annually the City issues bids for the repair and replacement of damaged sections of sidewalk, curb, and gutters at various locations throughout the City. Bids were issued on June 3 and opened on July 06, 2015. Two bids were received. Unitemp Mechanical Insulation, LLC was the lowest bidder.

Councilmember Davidson MOVED to authorize the bid award for the annual sidewalk, curb, and gutter project to Unitemp Mechanical Insulation, LLC in the amount of \$55,370, with funds coming from the Street Improvement Capital Fund, Annual Sidewalk Curb and Gutter project, Project No. 16-01/5003 and authorize the City Manager to execute the award documents on behalf of the City.

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

**h. Authorization to Purchase a Cat 160 M3 Grader**

Public Works budgeted to replace the 1996 Champion grader in the FY2016 budget. After evaluating the options of bidding for a replacement grader or attaching to the State of Alaska bid, staff opted to attach to the State bid as allowed in City Code 3.12.070(c). NC Machinery currently has a contract with the State to supply Cat graders. NC Machinery has offered a Cat 160 M3 grader equipped as the City requested for \$302,988.

Councilmember Walker MOVED to authorize attachment to the State of Alaska grader bid to purchase a Cat 160M3 grader in the amount of \$302,988, with funds coming from the Street Machinery Equipment account and authorize the City Manager to execute the award documents on behalf of the City.

**i. Authorization to Rescind Lease No. 196508 and Authorize Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough**

The City and KIB approved a five-year lease for office space in the Borough Building at a lease rate of \$2.20 sf in July 2011. The City Manager and Borough Manager met in June to negotiate terms of a new five-year lease. The updated lease, which includes additional office space, will remain at \$2.20 sf. The lease includes office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 810 square feet known as Suites 113-115 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square

feet of the common areas described as the Assembly Chambers (1,515 sq. ft.), resulting in 4,727 square feet of total lease area.

Councilmember Davidson MOVED to rescind Lease No. 196508 and authorize Lease No. 219595 for City Hall Office space lease in the Kodiak Island Borough building in the annual amount of \$124,766, with \$100,500 from the General Fund, Non-Departmental Administration account and the balance to be included in the next supplemental budget appropriation and to authorize the City Manager to execute the lease document on behalf of the City.

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

**j. Authorization of Amendment 2 to the Five-Year Regional and Community Jail Contract**

The Alaska Department of Corrections (DOC) received 33.25 percent less funding to support the Regional and Community Jail Program for FY2016. Currently, the City is in year three of a five-year contract with DOC. The amended contract amount for the term beginning July 1, 2015, is \$991,552.

Councilmember Whiddon MOVED to authorize amendment No. 2 to the professional services contract with the Alaska Department of Corrections in the amount of \$991,552 for FY2016 Regional and Community Jail services and authorize the City Manager to sign the amended contract on behalf of the City.

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

**VI. STAFF REPORTS**

**a. City Manager**

Manager Kniazowski gave an update on Pier III and the upcoming arrival of the new crane. She provided a composting project update and indicated the completion date is scheduled for October. She said that Brechan Enterprises Inc. is paving Mill Bay Road, and there have been several public service announcements providing updates. She said a draft of the Strategic Plan has been completed, and a time to review the plan will be scheduled soon. She stated the Deputy City Manager will begin work on August 14, and she extended her appreciation for Public Works Director Kozak and Fire Chief Mullican for providing coverage during her medical leave.

**b. City Clerk**

City Clerk Marljar congratulated Deputy Clerk Shuravloff-Nelson for receiving her Certified Municipal Clerk designation from the International Institute of Municipal Clerks. She announced City nominating petitions for the Mayoral position and two Councilmember positions are available in the Clerk's Office for the October 6 election. She gave the age and residency requirements of those seats. Clerk Marljar informed the public of the next scheduled Council work session and regular meeting.

**VII. MAYOR'S COMMENTS**

Mayor Branson congratulated the Deputy Clerk on her certification and thanked her for her work on the downtown revitalization committee. She spoke about an Artography meeting sponsored by Rasmuson Foundation, which included numerous community participants. She stated she was pleased the crane will arrive soon. She expressed her appreciation for the Department of Corrections Commissioner for supporting the Kodiak Jail Contract funding. She informed the public the City's 75th Anniversary planning meetings will begin next week. She said she was excited for the Filipino Consulate visit to Kodiak next week. She gave a public reminder that the Relay for Life event occurs Friday, July 24.

**VIII. COUNCIL COMMENTS**

Councilmember Walker thanked the City department heads for all their hard work.

Councilmember Davidson congratulated the deputy clerk for receiving her certification, and he wished everyone an enjoyable summer.

Councilmember Whiddon thanked the Clerk's Office for their service and congratulated the deputy clerk. He thanked Finance Director Mayes for the financial update regarding nonprofits. He indicated a Fisheries Work Group meeting is on August 5, 2015. He suggested that a USCG representative be included on the City's 75<sup>th</sup> Anniversary planning meetings.

Councilmember Saravia congratulated the Deputy Clerk and thanked all the staff for their hardwork.

Councilmember Bishop congratulated the Deputy Clerk and shared that "Warm August Nights" is scheduled for August 8; he indicated that CHARR will be sponsoring bus rides to and from the fair grounds.

**IX. AUDIENCE COMMENTS**

None

**X. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:15 p.m.



**JULY 23, 2015**

**7970**

**CITY OF KODIAK**

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**MAYOR**

**ATTEST:**

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**CITY CLERK**

Minutes Approved:

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## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** August 13, 2015

**Agenda Item: III. a. Proclamation: Recognizing the 225th Birthday of the United States Coast Guard**

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**SUMMARY:** This proclamation recognizes that on August 4, 2015, the U.S. Coast Guard celebrated 225 years of service to the Nation and the communities it serves.

**ATTACHMENTS:**

Attachment A: Proclamation: Recognizing the 225th Birthday of the United States Coast Guard

# PROCLAMATION

## Recognizing the 225<sup>th</sup> Birthday of the United States Coast Guard

WHEREAS, created by Congress on August 4, 1790, at the request of Alexander Hamilton as the "Revenue Marine," the U.S. Coast Guard is the oldest continuous seagoing service of the United States; and

WHEREAS, the U.S. Coast Guard is one of the five armed forces of the United States and the only military organization within the Department of Homeland Security; and

WHEREAS, on August 4, 2015, the U.S. Coast Guard celebrated 225 years of service to the Nation and the communities in which it serves; and

WHEREAS, Kodiak is a "Coast Guard City" and members of the Coast Guard are our friends and neighbors who contribute their time and talents to the well-being of our citizens; and

WHEREAS, we are deeply grateful to the men and women of the Coast Guard, and their families, for their sacrifices and devotion to duty, which preserve the safety of our country, our State, our fishermen, and the boating public.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby congratulate the US Coast Guard on its 225th birthday.

Dated this 13 day of August 2015.

City of Kodiak

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Pat Branson, Mayor


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# **UNFINISHED BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Thru:** Corey Gronn, Parks and Recreation Director  
**Date:** August 13, 2015

**Agenda Item: IV. a. Second Reading and Public Hearing, Ordinance No. 1337, Amending Kodiak City Code 7.04.060, Control of Animals, Adopting Kodiak City Code 7.04.190, Off-Leash Dog Parks, Amending Kodiak City Code 7.04.180, Control of Animal Offenses-Fine Schedule, and Amending Kodiak City Code 18.32.020, Definitions to Provide For Leash-Free Dog Parks and Related Matters**

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**SUMMARY:** Ordinance No. 1337 amends Kodiak City Code (KCC) 7.04.060, Control of Animals; adopts KCC 7.04.190, off-leash dog parks; and amends KCC 7.04.180, the animal offenses-fine schedule. The revised code will allow for the north section of East Addition Park to be designated a leash-free dog park (Attachment B), which will benefit the community. Staff recommends Council adopt Ordinance No. 1337 following a public hearing at this meeting.

**PREVIOUS COUNCIL ACTION:**

- Council reviewed the proposed dog park area and voiced support to establish a leash-free dog park at the June 23, 2015, work session.
- Council reviewed the proposed dog park at the June 23, 2015, work session and agreed to move an ordinance forward in July
- Ordinance No. 1337 was introduced, passed in the first reading, and advanced to second reading at the July 23, 2015, regular meeting

**DISCUSSION:** The Parks and Recreation Department received requests from community members to add a leash-free dog park to the Kodiak park system for some time now. The Parks and Recreation Department placed this on the agenda for the Parks and Recreation Advisory Board to discuss. The P&R Advisory Board made a motion to support a dog park at the north end of East Addition Park at their April 1, 2015, meeting. The area identified as most suitable for this type of recreation is the north end of East Addition Park (Attachment B). Establishing a leash-free dog park within City limits will benefit the community and is in the best interest of the City.

Parks and Recreation staff worked to research issues like location, funding, insurance, operational policies, and rules. The Department has funds available to erect a fence that would segregate the leash-



free dog park area from the regular park. Staff contacted other municipalities about the rules and regulations that those departments utilize at their dog parks. Staff also sent letters or talked directly to neighbors next to the proposed area to ask for feedback. Numerous emails were received in support of a dog park, and staff did not receive any negative feedback about the installation of a leash-free dog park.

Materials for this project are estimated at \$1600. This consists of the fencing material and a couple doggie waste stations. The Department has room in its operational budget for the project. No additional insurance would be required to have a dog park as proposed, but the City Code would have to be amended to allow dogs to be off leash at this location and to be cited and/or fined for violations when necessary.

**ALTERNATIVES:**

- 1) Adopt Ordinance No. 1337, which is staff's recommendation, because it reflects the community's request and Council's intent.
- 2) Amend or do not adopt Ordinance No. 1337, which is not recommended.

**LEGAL:** The City Attorney drafted the ordinance.

**STAFF RECOMMENDATION:** Staff recommends Council adopt Ordinance No. 1337.

**CITY MANAGER'S COMMENTS:** The community and the Parks and Recreation Advisory Board have been in full support of a leash-free dog park; the area the Parks and Recreation Advisory Board and staff found most suitable for this type of recreational activity is the north end of East Addition Park. Based on Council's past discussions in May and June, I support staff's recommendation and request that Council adopt Ordinance No. 1337. The ordinance will become effective in approximately 37-40 days from adoption, and the dog park will be opened to the public. I would also like to thank the advisory board and the Parks and Recreation Director for their work on this project.

**ATTACHMENTS:**

- Attachment A: Ordinance No. 1337
- Attachment B: Dog Park map

**PROPOSED MOTION:**

Move to adopt Ordinance No. 1337.

**CITY OF KODIAK  
ORDINANCE NUMBER 1337**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING KODIAK CITY CODE 7.04.060, CONTROL OF ANIMALS, ADOPTING KODIAK CITY CODE 7.04.190, OFF-LEASH DOG PARKS, AMENDING KODIAK CITY CODE 7.04.180, CONTROL OF ANIMAL OFFENSES-FINE SCHEDULE, AND AMENDING KODIAK CITY CODE 18.32.020, DEFINITIONS TO PROVIDE FOR LEASH-FREE DOG PARKS AND RELATED MATTERS**

WHEREAS, several areas within the City are designated as parks devoted to the active and passive recreation of City residents and visitors, including dog owners; and

WHEREAS, current City code requires that dogs be on leash at all times when off the premises of the dog’s owner or custodian; and

WHEREAS, the City Parks and Recreation Department has received several requests to establish a leash-free dog park for dog owners and their dogs to recreate; and

WHEREAS, the City Parks and Recreation Advisory Board met on April 1, 2015, and passed a motion to support the establishment of a dog park and identified an area located at the north end of East Addition Park to be set aside and designated for such purposes; and

WHEREAS, on June 1, 2015, the City Parks and Recreation Department requested public comment on the proposal and received several comments in support and no comments in the negative; and

WHEREAS, establishing a leash-free dog park within City limits will benefit the community and is in the best interest of the City.

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

**Section 1:** Kodiak City Code 7.04.060 Control of animals, is hereby amended to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

**7.04.060 Control of animals**

(a) **Except as otherwise provided in this chapter, a** A person who is the owner or custodian of a dog shall keep and maintain the dog under control at all times when the dog is off the premises of the owner or custodian and not confined within an enclosure by restraining the dog with a leash, cord, or chain, not more than 10 feet in length, secured to the animal and fastened to a stationary object or held by the owner or a custodian of sufficient age and maturity to control the dog. No dog shall be transported or kept within a vehicle or any part thereof unless restrained or confined so as to prevent its leaving the vehicle except under the control of its owner or custodian.

(b) The owner of an animal, other than a dog, that is capable of annoying or endangering other persons or damaging their property shall keep the animal under restraint at all times.

(c) The owner or custodian of a fierce, dangerous, or vicious animal shall confine the animal within a building or secure enclosure and shall not take the animal out of such building or enclosure unless the animal is muzzled and otherwise secured to prevent attacks or feigned attacks.

(d) The owner of a female dog in heat or during ovulation shall keep and maintain the animal confined in a building or secure enclosure, or in a veterinary hospital or boarding kennel, in such manner that the female dog cannot come in contact with a male dog except for planned breeding purposes.

**(e) The city may establish designated areas, known as dog parks, where a dog may roam off-leash in the presence of its owner or custodian.**

**Section 2:** Kodiak City Code 7.04.190, Off-leash dog parks, is hereby adopted to read as follows (new text is **bold and underlined**):

**7.04.190 Off-leash dog parks.**

**(a) Notwithstanding other provisions of this code, legally licensed and currently vaccinated dogs shall be permitted off-leash in areas designated as dog parks by the council, and marked for such use by fencing and signage. Current dog parks are designated at the following locations, and shall be depicted on a map that is on file at the City Clerk's office:**

**East Addition Park – north end.**

**(b) Rules for the use of off-leash dog parks shall be posted at all dog parks and shall include the following:**

**(1) All dogs shall be leashed until within and before leaving designated dog park areas;**

**(2) The owner or custodian of a dog shall be responsible for all actions of the dog while entering, leaving, or within the dog park;**

**(3) The owner or custodian of a dog shall remain in the dog park area at all times while the dog is within the dog park;**

**(4) The owner or custodian of a dog shall keep the dog in sight and under voice control during all times the dog is within the dog park;**

**(5) The owner or custodian of a dog shall clean up after, remove, and dispose of any feces or other animal litter deposited by the dog in the dog park;**

(6) The owner or custodian of a dog shall fill any holes dug by the dog while in the dog park;

(7) The following dogs shall be prohibited at all times in the dog park:

(a) Fierce, dangerous, or vicious dogs;

(b) Female dogs in heat;

(c) Puppies less than four (4) months old; and

(d) Sick or injured dogs;

(8) Feeding dogs shall be prohibited in the dog park;

(9) Children must be supervised at all times by a parent or guardian while at the dog park; and

(10) Users of the dog park are subject to all other rules and regulations governing conduct in city parks.

(c) The provisions of this section shall be in addition to the ordinances regulating conduct in public parks set forth in KCC 18.32.

(d) It shall be unlawful for any owner or custodian of a dog to violate or permit the dog to violate this section.

**Section 3:** Subsection (c) of Kodiak City Code Section 7.04.180 Control of animal offenses—fine schedule, is hereby amended by adding a new line to read as follows (new text is **bold and underlined**, deleted text ~~stricken~~):

City Code Provision	Offense	Fine		
		1st offense w/i 2 years	2nd offense w/i 2 years	3rd offense w/i 2 years
<b><u>7.04.190</u></b>	<b><u>Off-leash dog parks</u></b>	<b><u>\$50</u></b>	<b><u>\$75</u></b>	<b><u>\$100</u></b>

**Section 4:** Kodiak City Code 18.32.020 Definitions, is hereby amended to read as follows (new text is **bold and underlined**):

For the purposes of this chapter the following terms, phrases, words, and their derivations shall have the meanings given in this section. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular, and words in the singular number include the plural. The word “shall” is always mandatory and not merely directory.

“City” is the city of Kodiak, Alaska.

“Park” is a park, reservation, playground, beach, recreation center, **off-leash dog park** or any other area in the city or outside of the city owned or used by the city, and devoted to active or passive recreation.

“Person” is any person, firm, partnership, association, corporation, company, or organization of any kind.

“Vehicle” is any wheeled conveyance, whether motor-powered or self-propelled, and shall include but is not limited to automobiles, motorcycles, motor scooters, all-terrain vehicles, and snow machines of all kinds.

“Watershed” is the whole region or area contributing to the Pillar Creek, Monashka Creek, and city reservoir system including the drainage area, catchment area, or basin.

**Section 5:** This ordinance shall be effective one month following final passage and publication in accordance with Kodiak Charter article II section 13.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

First Reading: July 23, 2015  
Second Reading:  
Effective Date:



Proposed Dog Park



Map prepared by Kodiak Island Borough on 7/6/2015. Map is provided for informational purposes only and is not intended for any legal representation.

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniaziowski, City Manager 

**Date:** August 13, 2015

**Agenda Item:** IV. b. Resolution No. 2015–21, Authorizing FY2016 Nonprofit Organization Grant Awards

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**SUMMARY:** Each year the City Council authorizes grant payments to local nonprofit organizations. The types and levels of funding are based on the City Council's nonprofit funding policy guidelines adopted by Resolution No. 2015–16. The policy resolution stipulates the total amount available for nonprofit grants in a given fiscal year, which equals the maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. The amount budgeted for FY2016 for nonprofit grant payments is \$149,900. This policy eliminated the requirement that restricts funding to not more than ten percent less and/or more than the previous year funding. 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 is more fair to all applicants. The policy also grants agencies the ability to apply for one-time only non-operational funds for special projects when the City has additional funds available. The City received twenty-three applications for FY2016 from nonprofit organizations that serve Kodiak, up from twenty-one applications last fiscal year, for a total amount requested of \$215,635. Council reviewed the applications at the July 22 and August 11 work sessions and interviewed some applicants. Council's support for the applicants is reflected in Resolution No. 2015–21.

**PREVIOUS COUNCIL ACTION:**

- Adopted Resolution No. 2015–16 on May 28, 2015, which amended the City Council's policy for the amount and distribution of annual grant funds to local nonprofit organizations, eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year
- July 22, 2015, reviewed FY2016 nonprofit grant applications and discussed level of support and funding amounts based on the approved FY2016 budgeted amount
- July 24, 2015, postponed adoption of Resolution No. 2015–21 to August 13 to allow for further review and discussion with some applicant agencies
- August 11, 2015, reviewed all applications, interviewed some agency representatives, and expressed consensus on funding as reflected in Resolution No. 2015–21

**DISCUSSION:** In April and May of 2015, staff amended the grant application form, added new criteria, posted the application material on the City's web site, and emailed application packets to all nonprofit

AUGUST 13, 2015

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agencies that received funding and/or requested an application. The grant application deadline was June 26, 2015, and all applications were received by the deadline.

The City received a total of 23 applications from organizations with a total of \$215,635 requested. Of these organizations, twelve requested the same amount of funding as received last fiscal year; five requested increases in funding from the previous year; three requested additional funding in categories not previously applied for. Four applicants requested additional funding in the category of one-time non-operational funding.

Council reviewed and discussed the applications at their work sessions on July 22 and August 11. The total amount requested by the twenty-three applicants for FY2016 is \$215,635.

**ALTERNATIVES:**

- 1) Adopt Resolution No. 2015–21 to appropriate FY2016 grant funds to local nonprofits, which is consistent with Council’s stated intent at their July 22 and August 11 work sessions.
- 2) Amend, postpone, or do not adopt the resolution.

**FINANCIAL IMPLICATIONS:** This resolution will authorize funding in the amount of \$\_\_\_\_\_ to the successful applicants for FY2016. The total amount may or may not exceed the budgeted amount of \$149,900 per the Council’s policy of an amount not to exceed one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. If funding is supported by Council, two applicants could be funded through the Tourism Fund for \$9,621. The Humane Society successfully raised the \$4,000 one time funding amount requested and will not need funds for the purchase of appliances as listed in the grant application. Any additional funds, if awarded, will be appropriated from the General Fund fund balance.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends the Council adopt Resolution No. 2015–21 to authorize funding at the level Council supports.

**CITY MANAGER’S COMMENTS:** The City Council continues to recognize the value of supporting the efforts of local nonprofits through grant funding, in-kind awards, and other types of support throughout the year. This year the application form was amended to eliminate the requirement that restricts funding to not more than ten (10%) percent less and/or more than the previous year funding. The applications were posted on the web and mailed out to all agencies. All applications were received on time. Grants were received from three new agencies.

**ATTACHMENTS:**

Attachment A: Resolution No. 2015–21

Attachment B: Policy Resolution No. 2015–16

Attachment C: Nonprofit Grant Application Spreadsheet FY07-FY16

Attachment D: FY16 Grant Application Summary Sheet

Attachment E: In-kind donations worksheet

Clerk’s Note: The motion to adopt Resolution No. 2015–21 is on the floor.

**PROPOSED AMENDMENT:**

Move to amend by substituting for the pending resolution, Resolution No. 2015–21(SUB).

**CITY OF KODIAK  
RESOLUTION NUMBER 2015–21**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK  
AUTHORIZING PAYMENT OF FISCAL YEAR 2016 NONPROFIT ORGANIZATION  
GRANTS**

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has made provisions in the Fiscal Year 2016 budget for cash contributions to these organizations; and

WHEREAS, the City Council supports these nonprofit organizations because they supplement and complement services provided by the City; and

WHEREAS, the funding criteria for cash grants from the General Fund Non-Departmental Contributions Account to nonprofit organizations is based on the criteria established in Resolution No. 2015–16; and

WHEREAS, the City Council reviewed FY2016 nonprofit grant applications at the July 22, 2015, work session and voiced a consensus to provide funding.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, hereby authorizes payment of the following nonprofit organization grants for Fiscal 2016:

**Section 1. General Fund-Non-Departmental Cash Contributions (Nonprofit Organization Grants):**

	<b>FY2016 Request</b>
<b><u>Youth Recreation Programs</u></b>	
Hope Community Resources, Inc.	1,000
Kodiak Arts Council	2,500
Kodiak Football League	2,500
Kodiak Girl Scouts	2,500
Kodiak Kid Wrestling Club	2,500
Kodiak Little League	2,500
Kodiak Kingfishers Swim Club, Inc	2,500
Special Olympics, Kodiak	2,500
The Salvation Army	2,500

<b><u>Adult Recreation Programs</u></b>	
Alutiiq Museum & Arch. Repository	4,620.52
Hope Community Resources, Inc.	5,000
Kodiak Arts Council	5,000
Kodiak Kid Wrestling Club	500
Kodiak Public Broadcasting	5,000
Maritime Museum	5,000
Senior Citizens of Kodiak, Inc.	5,000
Special Olympics - Kodiak Area	5,000

**Public Safety Support Programs (Shelter/Food)**

Humane Society of Kodiak	6,000
Kodiak Area Transit System	5,000
Kodiak Baptist Mission (Food Bank)	4,709
Kodiak Teen Court, Inc.	5,000
Kodiak Women’s Resource and Crisis Center	10,000
Senior Citizens of Kodiak, Inc.	10,000
Brother Francis Shelter – Kodiak	10,000
The Salvation Army	10,000
Kodiak Soil & Water Conservation District	10,000

**Emergency Response Support Programs**

American Red Cross - <del>Kodiak Chapter</del> of Alaska	10,000
Kodiak Area Transit System	5,000
Kodiak Public Broadcasting Company	10,000
Kodiak Women’s Resource and Crisis Center	10,000
Providence Kodiak Is Counseling/Safe Harbor	10,000
The Salvation Army	10,000

**One Time Funding Request**

Humane Society of Kodiak	4,000
Kodiak Football League	10,000
The Salvation Army	3,400
Threshold Services, Inc.	1,405.08
Hope Community Resources	15,000.00
Nonprofit Grant Request	\$200,634.60
FY2016 Budgeted	\$149,900
Difference	(\$50,734.60)

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Postponed: July 23, 2015  
Adopted:

**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

*Bob Branner*  
\_\_\_\_\_  
MAYOR

ATTEST:

*Michelle Shumock Nelson*  
\_\_\_\_\_  
DEPUTY CITY CLERK

Adopted: May 28, 2015



Category	Applicant	Total Request	% for Programs	\$ for Programs	% for Admin	\$ for Admin	New Requests	One Time Requests	Museum Requests
Youth Recreation Programs	Hope Community Resources, Inc.	1,000	100%	\$ 21,000	0%	\$ -			
Adult Recreation Programs	Hope Community Resources, Inc.	5,000							
One Time Funding Request	Hope Community Resources, Inc.	15,000						\$ 15,000	
	Prior year funding sources:								
	Donations	404,515							
	State	61,165,179							
	KIB	5,500							
	Corporate Grants	14,000							
	Clients	776,546							
		<u>62,365,740</u>							
	Prior Year City of Kodiak	5,500							
	Unexpended from PY City of Kodiak Grant	-							
Youth Recreation Programs	Kodiak Arts Council	2,500	97%	\$ 7,275	3%	\$ 225			
Adult Recreation Programs	Kodiak Arts Council	5,000							
	Prior year funding sources:								
	Foundation	4,491							
	Donation	45,243							
	Annual Fundraising	30,000							
	State	20,500							
	KIB	16,500							
	Corporate Grants	4,000							
	Client Fees	73,937							
	Memberships	3,800							
		<u>198,471</u>							
	Prior year City of Kodiak Grant	7,500							
	Unexpended from PY City of Kodiak Grant	-							
Youth Recreation Programs	Kodiak Football League	2,500	100%	\$ 2,500	0%	\$ -			
One Time Funding Request	Kodiak Football League	10,000	100%	\$ 10,000	0%	\$ -		10,000	
	Prior year funding sources:								
	Donations	22,343							
	Memberships	15,737							
	Gaming Permit Activities	17,341							
		<u>55,421</u>							
	Prior year City of Kodiak Grant	2,500							
	Unexpended from PY City of Kodiak Grant	-							
Youth Recreation Programs	Kodiak Girl Scouts	2,500	95%	\$ 2,375	5%	\$ 125			
	Prior year funding sources: **Per Audited Financial statements for GSoIA - AK Region								
	Grants and contributions	293,942							
	In Kind Contributions	26,119							
	Program Fees	376,944							
	Retail Sales	30,511							
	Product Sales	1,207,149							
	Other Income	77,846							
	Capital Grants	874,078							
	Temporarily Restricted contributions	198,914							
		<u>3,085,503</u>							
	Prior year City of Kodiak Grant	2,500							
	Unexpended from PY City of Kodiak Grant	-							
Youth Recreation Programs	Kodiak Kid Wrestling Club	2,500	100%	\$ 3,000	0%	\$ -			
Adult Recreation Programs	Kodiak Kid Wrestling Club	500							
	Prior year funding sources:								
	Donations	3,000							
	Memberships	3,500							
	Gaming Permit Activities	45,000							
		<u>51,500</u>							

Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	3,000 -								
<b>Youth Recreation Programs</b>									
<b>Kodiak Little League</b>		0%	\$ -	100%	\$ 2,500				
Prior year funding sources:									
Donations	1,300								
Interest	124								
Client Fees	9,750								
Memberships	7,558								
	<u>18,732</u>								
Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	2,500 -								
<b>Youth Recreation Programs</b>									
<b>Kodiak Kingfishers Swim Club, Inc</b>		100%	\$ 2,500	0%	\$ -				
Prior year funding sources:									
Donations	21,406								
Interest	9								
Memberships	38,073								
	<u>59,488</u>								
Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	2,500 -								
<b>Youth Recreation Programs</b>									
<b>Special Olympics, Kodiak Special Olympics - Kodiak Area</b>		100%	\$ 7,500	0%	\$ -				
Prior year funding sources:									
Donations	25,000								
KIB	10,000								
	<u>35,000</u>								
Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	7,500 -								
<b>Youth Recreation Programs</b>									
<b>The Salvation Army The Salvation Army The Salvation Army</b>		90%	\$ 23,310	10%	\$ 2,590				
Prior year funding sources:									
Foundations	3,803								
Donations	62,056								
	<u>65,859</u>								
Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	21,788 -								
<b>Adult Recreation Programs</b>									
<b>Alutiq Museum &amp; Arch. Repository</b>		100%	\$ 4,621	0%	\$ -				
Prior year funding sources:									
Federal	80,205								
Foundations	116,254								
Donations	133,205								
Interest	23,900								
State	51,486								
KIB	19,041								
Corporate grants	7,100								
Memberships	18,595								
Gaming Permit Activities	157,107								
	<u>606,893</u>								
Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Grant	-								
<b>Adult Recreation Programs</b>									
<b>Kodiak Public Broadcasting Kodiak Public Broadcasting Company</b>		0%	\$ -	100%	\$ 15,000				
Prior year funding sources:									
Emergency Response Support Programs	5,000								
	<u>10,000</u>								





KIB - In Kind	5,100				
Conference fees	6,830				
Donations	1,478				
Fundraising	6,988				
	<u>58,696</u>				
<b>Prior year City of Kodiak Grant</b>	<b>5,000</b>				
<b>Unexpended from PY City of Kodiak Contract</b>	<b>-</b>				

<b>Public Safety Support Programs (Shelter/Food)</b>					
<b>Emergency Response Support Programs</b>					
<b>Kodiak Women's Resource and Crisis Center</b>	<b>10,000</b>	<b>100%</b>	<b>\$ 10,000</b>	<b>0%</b>	<b>\$ -</b>
<b>Kodiak Women's Resource and Crisis Center</b>	<b>10,000</b>	<b>100%</b>	<b>\$ 10,000</b>	<b>0%</b>	<b>\$ -</b>
Prior year funding sources:					
Federal	59,643				
State	356,571				
Grants - Rural	25,000				
Grant - O'VW Sunaq Tribe	28,272				
State of AK grant	20,684				
Shelter fees	11,689				
Donations	28,641				
Interest	77				
Gaming permit activities	1,580				
Fundraising	9,572				
Membership dues	1,400				
In Kind	97,978				
	<u>641,107</u>				
<b>Prior year City of Kodiak Grant</b>	<b>20,000</b>				
<b>Unexpended from PY City of Kodiak Contract</b>	<b>4,453</b>				

<b>Public Safety Support Programs (Shelter/Food)</b>					
<b>Adult Recreation Programs</b>					
<b>Senior Citizens of Kodiak, Inc.</b>	<b>10,000</b>	<b>100%</b>	<b>\$ 10,000</b>	<b>0%</b>	<b>\$ -</b>
<b>Senior Citizens of Kodiak, Inc.</b>	<b>5,000</b>	<b>100%</b>	<b>\$ 10,000</b>	<b>0%</b>	<b>\$ -</b>
Prior year funding sources:					
Federal	11,000				
Donations	97,505				
Interest	1,000				
State	543,559				
KIB	45,000				
Corporate Grants	5,000				
Client Fees	75,000				
Memberships	11,000				
	<u>789,064</u>				
<b>Prior year City of Kodiak Grant</b>	<b>15,000</b>				
<b>Unexpended from PY City of Kodiak Contract</b>	<b>-</b>				

<b>Public Safety Support Programs (Shelter/Food)</b>					
<b>Brother Francis Shelter - Kodiak</b>	<b>10,000</b>	<b>100%</b>	<b>\$ 10,000</b>	<b>0%</b>	<b>\$ -</b>
Prior year funding sources:					
Federal	28,745				
Donations	160,277				
State	258,156				
KIB	70,000				
Corporate Grants	10,000				
Gaming Permit Activities	16,225				
	<u>543,403</u>				
<b>Prior year City of Kodiak Grant</b>	<b>12,238</b>				
<b>Unexpended from PY City of Kodiak Contract</b>	<b>600</b>				

<b>Public Safety Support Programs (Shelter/Food)</b>					
<b>Kodiak Soil &amp; Water Conservation District</b>	<b>10,000</b>	<b>85%</b>	<b>\$ 8,500</b>	<b>15%</b>	<b>\$ 1,500</b>
<b>10,000</b>					<b>10,000</b>
Prior year funding sources:					
Federal	189,062				
Parent Organization	9,950				
Foundations	3,513				
Donations	20				
Interest	15				
State	11,848				
KIB	7,300				
Client Fees	570				

222,278		Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Contract	-	-				
<b>Emergency Response Support Programs</b>		<b>American Red Cross - Kodiak Chapter of Alaska</b>	10,000	66.67%	\$ 6,667	33.33%	\$ 3,333	
		Prior year funding sources:						
		Parent	941,122					
		KIB	7,100					
		Gaming Permits - stated less than \$40k	40,000					
			<u>988,222</u>					
		Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Contract	7,390					
			-					
<b>Emergency Response Support Programs</b>		<b>Providence Kodiak Is Counseling/Safe Harbor</b>	10,000	100%	\$ 10,000	0%	\$ -	
		Prior year funding sources:						
		State	807,954					
		KIB	42,394					
		Client Fees	886,438					
			<u>1,736,786</u>					
		Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Contract	10,000					
			-					
<b>One Time In Kind Funding Request</b>		<b>Threshold Services, Inc.</b>	1,405	100%	\$ 1,405	0%	\$ -	1,405
		Prior year funding sources:						
		Foundations	35,000					
		Donations	3,414					
		Memberships	14,300					
			<u>52,714</u>					
		Prior year City of Kodiak Grant Unexpended from PY City of Kodiak Contract	-					
			-					
<b>Totals</b>								
		<b>Grant Requests</b>	215,635					
		<b>Program</b>	\$ -192,583					
		<b>Admin</b>	\$ 28,051					
		<b>New</b>	\$ 11,405					
		<b>One time</b>	\$ 32,400					
		<b>Tourism</b>	\$ 9,621					
<b>Summary</b>								
		Total Amount for all Grant applications	215,635					
		Total per FY 2016 Budget Calculation	149,900					
		Total overage / (shortage)	<u>(65,735)</u>					
		Total (Shortage)	(65,735)					
		Total to be allocation to Tourism	9,621					
		Adjusted (shortage)	<u>(56,114)</u>					
		Total (Shortage)	(65,735)					
		Total New Requests	11,405					
		Adjusted (shortage)	<u>(54,330)</u>					
		Total (Shortage)	(65,735)					
		Total One Time Requests	32,400					
		Adjusted (shortage)	<u>(33,335)</u>					
		Total (Shortage)	(65,735)					
		Total Tourism, New, and One Time	53,426					
			<u>(12,309)</u>					

Non-Profits - In Kind Contributions City of Kodiak	City Owned Land	City Owned Building	Utility Rate Code	Annual							Total In-kind	Grant	Total
				Sewer	Water	Land/Bldg Rent	Electricity	Fuel					
<b>Baranof Museum - Kodiak Historical Society</b>	yes	yes									<b>FY16 Budget</b>		
101 E Marine Way New Kodiak Block 16 Lot 2 R1220160020			B1IN	831.00	662.76	86,592.00	3,120.00	12,000.00	103,205.76	93,650.00	196,855.76		
<b>Animal Shelter</b>	yes	yes									<b>FY16 Budget</b>		
2409 Mill Bay Road US Survey 3469 Unsubdivided Portion R1453000007			B1IN	831.00	994.20	24,960.00			26,785.20	117,000.00	143,785.20		
<b>Discover Kodiak</b>	yes	yes									<b>FY16 Budget</b>		
106 Marine Way			B1IN						-	108,000.00	108,000.00		
<b>Kodiak Chamber of Commerce</b>	yes	yes									<b>FY16 Budget</b>		
106 Marine Way			B1IN	1,662.00	1,325.52	43,008.00			45,995.52	7,000.00	52,995.52		
<b>Kodiak Head Start</b>	yes	yes											
419 Hillside USS 2538A Tract B R1443020201			B1IN	1,662.00	1,325.52	43,416.00			46,403.52		46,403.52		
<b>Brother Francis Shelter (UT#20028-001)</b>	yes	NO											
410 Thorseim Street Kodiak Twnst Black 15 Lot 2 R1340150020			B1IN	17,451.00	13,917.96	62,208.00			93,576.96	?	93,576.96		
<b>Ak Wing Civil Air Patrol (UT#11013-001)</b>	yes (a)												
2411 Mill Bay Road USS 3469 USub Portion of B/O R1453000010			B1IN	831.00	662.76	33,920.76			35,414.52	-	35,414.52		
<b>Senior Citizens of Kodiak (UT#11171-001)</b>													
309 Erskine Erskine TR A-1 Senior Center R1440000001			B1IN	3,324.00	2,651.04				5,975.04	?	5,975.04		
<b>Kodiak Women's Resource and Crisis Center (UT#11947-001)</b>													
422 Hillside Aleutian Block 14 Lot 13 & 14 R10410140140			B1IN	831.00	662.76				1,493.76	?	1,493.76		
<b>KMXT (UT#12187-001)</b>													
620 Egan Way 2538 A Lot 5A-2A			B1IN	831.00	662.76				1,493.76	?	1,493.76		



{a} If the building is vacated, then the land and building reverts back to the City

# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniazowski, City Manager   
**Thru:** Kelly Mayes, Finance Director   
**Date:** August 13, 2015

**Agenda Item:** V. a. **Resolution No. 2015–25, Authorizing the City of Kodiak to Issue General Obligation Refunding Bonds in the Principal Amount of Not to Exceed \$7,500,000 to Refund Certain Outstanding General Obligation Bonds of the City, Fixing Certain Details of Such Bonds and Authorizing Their Sale**

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**SUMMARY:** Resolution No. 2015–25 authorizes the City to issue general obligation bonds in an amount not to exceed \$7,500,000 to refund the City’s General Obligation Bonds, 2008 Series A maturing in the years 2019 through 2038, with a principal amount of \$6,280,000 (“2008 Bonds”) that were issued to pay part of the cost of the City’s new public safety building. The purpose of the refunding is to realize debt service savings.

The 2008 Bonds were purchased by the Alaska Municipal Bond Bank (Bond Bank) with the proceeds of the Bond Bank’s General Obligation Bonds, 2008 Series One (“2008 Bond Bank Bonds”). The Bond Bank proposes to issue its General Obligation and Refunding Bonds, 2015 Series Three (“2015 Bond Bank Bonds”). A portion of the proceeds of the 2015 Bond Bank Bonds is being used to refund and redeem certain outstanding bonds of the Bond Bank, including the 2008 Series One Bonds. Depending on the market conditions on the pricing date and resulting savings available as a result of the refunding, the Bond Bank may refund all or none of the refunding candidates. A market analysis was performed on July 20, 2015, to determine the potential savings to the City. The potential savings for the City of Kodiak from refunding the 2008 Bonds by participating in the issuance of the 2015 Bond Bank Bonds could be as much as \$258,735 over the term of the City’s refunding bonds. Staff recommends Council adopt Resolution No. 2015–25 to allow the City to proceed with the sale in the event the next market analysis is favorable to the City.

**PREVIOUS COUNCIL ACTION:**

- July 26, 2006, Council adopted Ordinance No. 1210 authorizing submission to the City voters at the October 3, 2006, regular City election the question of whether to issue up to \$8,000,000 of general obligation bonds to finance part of the cost of the new public safety building.
- January 24, 2008, Council adopted Resolution No. 08–01, as amended by Resolution No. 08–03, adopted February 28, 2008, which authorized the issuance of the 2008 Bonds.

**DISCUSSION:** The City has one outstanding issue of general obligation bonds. The 2008 bonds were previously issued for the purpose of construction of the new public safety building. The 2008 bonds

annual debt service is approximately \$532,000 for fiscal year 2016 and will range from \$532,000 to \$500,000 annually until the bonds reach maturity. Annual coupon rates range from 4% to 5.2% per annum until maturity on October 1, 2038.

An initial review of market conditions by the Bond Bank showed that refunding would likely be favorable to the City. In order to take advantage of favorable rates, the Council would adopt Resolution No. 2015–25, which authorizes the City Manager to proceed with the issuance of refunding bonds if terms and conditions remain favorable to the City. Additional considerations include market conditions at the pricing date and overall lower costs to the City over the term of the bonds.

The Bond Bank has offered to refinance the 2008 Bond Bank bonds corresponding to the 2008 bonds at this time due to favorable market conditions. Pricing for the refinancing is scheduled to take place on August 27, 2015, with bond issuance and closing to occur on or about September 15, 2015. Market conditions could change, requiring reevaluation of the refinancing of outstanding bonds, the issuance of additional bonds by the Bond Bank, or both. Should the market interest rates increase by 0.25%, the potential overall savings to the City would decrease to \$133,512. Industry standard savings for choosing to refinance outstanding bonds is a minimum of 3% of the outstanding principal balance. The City's outstanding principal balance on the bonds eligible for refunding is currently \$6,280,000.

A market analysis was performed on July 20, 2015, to determine the market sensitivity and yield rates for the bond refunding. At this time, the bonds would receive a premium price of \$865,785.90 over par value, which results from the bonds being issued at higher-than-market interest rates. However, on the date of pricing, this premium could be lower. If the bonds were sold at par value or at a discount from par value, additional bonds would be required to meet the sources of funds required for refunding. Therefore, Resolution No. 2015–25 authorizes an increase in principal up to \$7.5 million.

The City of Kodiak would also incur costs of issuance due to refinancing in the amount of \$21,761.67; underwriter's discount costs in the amount of \$19,776.25, and costs recovered by the City at issuance that total \$2,535.50. These costs include the attorney's fees but would not include the costs of City employees to travel to Seattle, Washington for closing in September.

The City would recognize overall savings over the life of the bonds in the estimated amount of \$258,735 due to the lower debt service payments made each year. Per the current amortization schedules, debt service payments are approximately \$532,000 per year. These debt service payments include interest and principal based on the stated rates and will decrease year over year to approximately \$500,000 per year. Under the terms of the refinancing, annual debt service payments would decrease on average \$10,000 - \$15,000 per year, resulting in annual debt service payments ranging from \$520,000 to \$490,000. The amortization schedules for current debt service requirements (Attachment C) and refunded debt service (Attachment C) provide annual debt service requirements and detailed amounts for each year under the bonds.

**ALTERNATIVES:**

- 1) Adopt Resolution No. 2015–25 authorizing the City Manager to proceed if terms and conditions remain favorable to the City.
- 2) Choose not to proceed with refunding at this time. Annual debt service requirements, outstanding principal, and terms would remain the same.

**FINANCIAL IMPLICATIONS:**

Due to the complex nature of the subject of refinancing bonds, financial implications have been noted throughout.

**LEGAL:** The City Attorney, Tom Klinkner prepared the resolution and advised the City staff on the process.

**STAFF RECOMMENDATION:** Staff recommends Council adopt Resolution No. 2015–25 at this time, so the City Manager can proceed with the bond refinancing if the market conditions remain favorable to the City.

**CITY MANAGER’S COMMENTS:** This bond refunding or refinancing by the Bond Bank could result in savings to the City of over \$200,000 if the market remains favorable. That would reduce our annual debt service by between \$10,000 and \$15,000 per year from 2019 through 2038. According to our attorney, the resolution, if passed, will position the City to participate in the bond sale along with several other municipal governments if the market remains favorable when the next analysis is done on August 27, 2015. Despite the complexity of the memo and resolution, the process will save the City in debt service payments. Therefore, I recommend Council adopt Resolution No. 2015–25, and I will proceed if the market bears action. If the market does not remain favorable, nothing will be done.

**ATTACHMENTS:**

- Attachment A: Resolution No. 2015–25
- Attachment B: Amendatory Loan Agreement
- Attachment C: Bond annual savings schedule

**PROPOSED MOTION:**

Move to adopt Resolution No. 2015–25.



**CITY OF KODIAK  
RESOLUTION NUMBER 2015–25**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE CITY OF KODIAK TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,500,000 TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.**

WHEREAS, the City of Kodiak, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City; and

WHEREAS, there are now outstanding General Obligation Bonds, 2008 Series A of the City maturing on April 1 in the years 2019 through 2038 in the aggregate principal amount of \$6,280,000 (the "2008 Bonds") issued under Resolution 08-1 of the City, as amended; and

WHEREAS, the Council finds that it is in the best interest of the City to provide for the refunding, including the payment of principal of, and premium and interest on, those maturities of the 2008 Bonds (the "Refunded Bonds") whose refunding the Manager or the Finance Director determines will produce the percentage debt service savings specified in this resolution, by the issuance of general obligation refunding bonds (the "Bonds") in the aggregate principal amount of not to exceed \$7,500,000; and

WHEREAS, Article IX, Section 11 of the Alaska Constitution and Kodiak Charter Section VI-1 provide that general obligation refunding bonds may be issued without an election, and Section 29.47.410 of the Alaska Statutes provides that the Council by resolution may provide for the form and manner of sale of bonds and notes; and

WHEREAS, the Alaska Municipal Bond Bank and the City intend to enter into an Amendatory Loan Agreement, which amends the Loan Agreement dated as of April 1, 2008 between the Alaska Municipal Bond Bank and the City, to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters; and

WHEREAS, the Council finds that it is necessary and appropriate to delegate to the Manager and the Finance Director authority to determine the maturity amounts, interest rates and other details of the Bonds, and to determine other matters that are not provided for in this resolution;

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

Section 1. Definitions. The following terms shall have the following meanings in this resolution:

- A. “Amendatory Loan Agreement” means the Amendatory Loan Agreement between the City and the Bond Bank, amending the 2008 Loan Agreement to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters.
- B. “Bond” or “Bonds” means any of the “General Obligation Refunding Bonds” of the City of Kodiak, the issuance and sale of which are authorized herein.
- C. “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.
- D. “Bond Bank Bonds” means general obligation bonds issued by the Bond Bank to refund all or part of its outstanding General Obligation Bonds, 2008 Series One.
- E. “Bond Register” means the registration books maintained by the Registrar, which include the names and addresses of the Registered Owners of the Bonds or their nominees.
- F. “City” means the City of Kodiak, a municipal corporation of the State of Alaska, organized as a first class city under Title 29 of the Alaska Statutes.
- G. “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.
- H. “Council” means the Council of the City of Kodiak, as the general legislative authority of the City of Kodiak, as the same shall be duly and regularly constituted from time to time.
- I. “Government Obligations” means obligations that are either (i) direct obligations of the United States of America, or (ii) obligations of an agency or instrumentality of the United States of America the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America.
- J. “Loan Agreement” means the 2008 Loan Agreement, as amended by the Amendatory Loan Agreement.
- K. “Refunded Bonds” means the maturities of the 2008 Bonds whose refunding is approved by the Manager or the Finance Director under Section 13.
- L. “Registered Owner” means the person named as the registered owner of a Bond in the Bond Register.
- M. “Registrar” means the Finance Director, or any successor that the City may appoint by resolution.
- N. “Resolution” means this Resolution 2015–25 of the City.
- O. “2008 Loan Agreement” means the Loan Agreement between the City and the Bond Bank dated as of April 1, 2008.

Section 2. Authorization of Bonds and Purpose of Issuance. For the purpose of effecting the refunding by exchange of the Refunded Bonds in the manner set forth in this Resolution and the Amendatory Loan Agreement, and to pay all costs incidental thereto and to the issuance of the Bonds, the City hereby authorizes and determines to issue and sell the Bonds in the aggregate principal amount of not to exceed \$7,500,000.

Section 3. Obligation of Bonds. The Bonds shall be direct and general obligations of the City and the full faith and credit of the City are hereby pledged to the payment of the principal of and interest on the Bonds. The City hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. Designation, Maturities, Interest Rates, and Other Details of Bonds. The Bonds shall be designated "City of Kodiak, Alaska, General Obligation Refunding Bonds." The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered separately in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

The Bonds shall mature in one or more years commencing no earlier than 2016 and ending no later than 2039. The Bonds shall bear interest from their date, payable commencing on or after January 1, 2016, and semiannually thereafter. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Subject to Section 2 and the remainder of this section, the aggregate principal amount, the principal amount of each maturity, the interest rates, the dated date, the principal and interest payment dates and the record dates for principal and interest payments on the Bonds shall be determined at the time of execution of the Amendatory Loan Agreement under Section 17.

Section 5. Optional Redemption. The Bonds, if any, subject to optional redemption by the City, the time or times when such Bonds are subject to optional redemption, the terms upon which such Bonds may be redeemed, and the redemption price or redemption prices for such Bonds, shall be determined at the time of execution of the Amendatory Loan Agreement under Section 17.

Section 6. Selection of Bonds for Redemption; Notice of Redemption.

(A) Selection of Bonds for Redemption. When the Bond Bank is the Registered Owner of the Bonds, the selection of Bonds to be redeemed shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the Bonds, the selection of Bonds to be redeemed shall be made as provided in this subsection (A). If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such other manner determined by the Registrar) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City shall treat such Bond as representing such number of

separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000. In the event that only a portion of the principal amount of a Bond is redeemed, upon surrender of such Bond at the office of the Registrar there shall be issued to the Registered Owner, without charge therefor, for the then unredeemed balance of the principal sum thereof, at the option of the Registered Owner, a Bond or Bonds of like maturity and interest rate in any of the denominations authorized herein.

(B) Notice of Redemption. When the Bond Bank is the Registered Owner of the Bonds, notice of any intended redemption of Bonds shall be given as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the Bonds, notice of any intended redemption of Bonds shall be made as provided in this subsection (B). Notice of redemption shall be mailed not less than 30 nor more than 45 days prior to the date fixed for redemption by first class mail to the Registered Owners of the Bonds to be redeemed at their addresses as they appear on the Bond Register on the day the notice is mailed. Notice of redemption shall be deemed to have been given when the notice is mailed as herein provided, whether or not it is actually received by the Registered Owners. All notices of redemption shall be dated and shall state: (1) the redemption date; (2) the redemption price; (3) if fewer than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the office of the Registrar.

Official notice of redemption having been given as aforesaid, Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date, such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as provided herein for the payment of interest. Upon surrender of any Bond for partial redemption, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Each check or other transfer of funds issued to pay the redemption price of Bonds shall bear the CUSIP number, if any, identifying, by maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 7. Form of Bond. Each Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Resolution:

UNITED STATES OF AMERICA  
STATE OF ALASKA

CITY OF KODIAK  
(A Municipal Corporation of the State of Alaska)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION REFUNDING BOND, 2015 SERIES \_\_

Registered Owner

Principal Amount DOLLARS

The City of Kodiak (the "City"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, the principal amount shown above in the following installments on \_\_\_\_\_ 1 of each of the following years, and to pay interest on such installments from the date hereof, payable on \_\_\_\_\_, 2016 and semiannually thereafter on the \_\_\_ days of \_\_\_\_\_ and \_\_\_\_\_ of each year, at the rates per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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When this Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the City dated as of April 1, 2008, as amended (the "Loan Agreement"). When this Bond is not owned by the Bond Bank, installments of principal and interest on this Bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the 15<sup>th</sup> day of the month preceding each installment payment date; provided that the final installment of principal and interest on this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the office of the Registrar. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this Bond are payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts.

This Bond is one of the General Obligation Refunding Bonds, 2015 Series \_\_ of the City of Kodiak, Alaska, of like tenor and effect except as to interest rate, serial number and maturity, aggregating \$\_\_\_\_\_ in principal amount, and constituting Bonds authorized for the purpose of refunding certain general obligation bonds issued by the City, and is issued under Resolution 2015-25 of the City entitled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE CITY OF KODIAK TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,500,000 TO REFUND CERTAIN OUT-

STANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.

(the "Resolution").

Installments of principal of this Bond due on and after \_\_\_\_\_, 20\_\_, shall be subject to prepayment on and after \_\_\_\_\_, 20\_\_, at the option of the City (subject to any applicable provisions of the Loan Agreement), in such principal amounts and from such maturities as the City may determine, and by lot within a maturity, at a redemption price equal to the principal amount to be prepaid, plus accrued interest to the date of prepayment.

This Bond is transferable as provided in the Resolution, (i) only upon the bond register of the City, and (ii) upon surrender of this Bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and upon the payment of charges, if any, as therein prescribed. The City may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a general obligation of the City of Kodiak and the full faith and credit of the City are pledged for the payment of the principal of and interest on this Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska and the home rule charter of the City to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said constitution, statutes or charter.

IN WITNESS WHEREOF, THE CITY OF KODIAK, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
Mayor

A T T E S T:

\_\_\_\_\_  
Clerk

[ S E A L ]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address, zip code and Social Security number or other tax identification number of Transferee) \_\_\_\_\_

\_\_\_\_\_ this Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer this Bond on the Bond Register, with full power of substitution in the premises.

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

Signature Guaranteed:

\_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of this Bond.

Section 8. Execution. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Clerk. The execution of a Bond on behalf of the City by persons who at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

Section 9. Payment of Principal and Interest. The Bonds shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of the Bonds, payment of principal and interest on the Bonds shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the Bonds, installments of principal and interest on the Bonds shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided that the final installment of principal and interest on a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar.

Section 10. Registration. The Bonds shall be issued only in registered form as to both principal and interest. The City designates the Finance Director as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the City. The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code. The City and the Registrar may treat the person in whose name any Bond shall be registered as the absolute owner of such Bond for all purposes, whether or not the Bond shall be overdue, and all payments of principal of and interest on a Bond made to the Registered

Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Section 11. Transfer and Exchange. Bonds shall be transferred only upon the books for the registration and transfer of Bonds kept at the office of the Registrar. Upon surrender for transfer or exchange of any Bond at such office, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, the City shall execute and deliver an equal aggregate principal amount of Bonds of the same maturity of any authorized denominations, subject to such reasonable regulations as the City may prescribe and upon payment sufficient to reimburse it for any tax, fee or other governmental charge required to be paid in connection with such transfer or exchange. All Bonds surrendered for transfer or exchange shall be canceled by the Registrar.

Section 12. Bonds Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated Bond, the City shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new Bond of like maturity and principal amount. The person requesting the execution and delivery of a new Bond under this section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 13. Designation of Refunded Bonds. The Manager and the Finance Director each is authorized to designate which, if any, maturities of the 2008 Bonds authorized to be refunded in this Resolution shall be refunded, provided that the refunding of the 2008 Bonds so designated shall realize a debt service savings in the aggregate of at least three percent of their principal amount, net of all issuance costs and underwriting discount, on a present value basis.

Section 14. Tax Covenants. The City covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds to be “arbitrage bonds” subject to federal income taxation by reason of section 148 of the Code, and that it will not take or permit any action that would cause the Bonds to be “private activity bonds” as defined in Section 141 of the Code.

Section 15. Amendatory and Supplemental Resolutions.

A. The Council from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this Resolution, for any one or more of the following purposes:



1. To add to the covenants and agreements of the City in this Resolution other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City.

2. To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this Resolution or in regard to matters or questions arising under this Resolution as the Council may deem necessary or desirable and not inconsistent with this Resolution and which shall not adversely affect the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owner of any of the Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the Registered Owners of not less than 60 percent in aggregate principal amount of the Bonds at the time outstanding, the Council may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall:

1. Extend the fixed maturity of any of the Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owners of each Bond so affected; or

2. Reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution without the consent of the Registered Owners of all of the Bonds then outstanding.

It shall not be necessary for the consent of the Registered Owners of the Bonds under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

C. Upon the adoption of any supplemental resolution under this section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Resolution of the City and all Registered Owners of outstanding Bonds shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

D. Bonds executed and delivered after the execution of any supplemental resolution adopted under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the City, to any modification of this Resolution contained in any such supplemental resolution may be prepared by the City and delivered without cost to the Registered Owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 16. Defeasance. In the event money and/or non-callable Government Obligations maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special trust account to effect such redemption or retirement and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such Bonds and such Bonds shall be deemed not to be outstanding.

Section 17. Exchange of Bonds; Amendatory Loan Agreement. The Bonds shall be delivered to the Bond Bank in exchange for the Refunded Bonds. Subject to the limitations provided in Sections 2 and 4, each of the Manager and the Finance Director is hereby authorized to determine the aggregate principal amount, maturity amounts, interest rates, yields, dated date, principal and interest payment dates, record dates for principal and interest payments, and other details of the Bonds; provided that: (i) the principal amount of each maturity of the Bonds shall not exceed the principal amount of the portion of the corresponding maturity of the Bond Bank Bonds that is allocated to the making of a loan to the City; and (ii) the interest rate on each maturity of the Bonds shall not exceed the interest rate on the corresponding maturity of the Bond Bank Bonds. Based upon the foregoing determinations, the Manager and the Finance Director are each authorized to negotiate and execute the Amendatory Loan Agreement.

Section 18. Authority of Officers. The Mayor, the acting Mayor, the Manager, the acting Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk each is authorized and directed to do and perform all things and determine all matters not determined by this Resolution, to the end that the City may carry out its obligations under the Bonds, the Loan Agreement and this Resolution.

Section 19. Prohibited Sale of Bonds. No person, firm or corporation, or any agent or employee thereof, acting as financial consultant to the City under an agreement for payment in connection with the sale of the Bonds, is eligible to purchase the Bonds as a member of the original underwriting syndicate either at public or private sale.

Section 20. Ongoing Disclosure. The City acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City may now or in the future be an "obligated person" with respect to the Bond Bank Bonds. In accordance with the Rule and as the Bond Bank may require, the City shall enter into a continuing disclosure agreement and undertake to provide certain annual financial information and operating data as shall be set forth in the Amendatory Loan Agreement.

Section 21. Miscellaneous.

A. All payments made by the City of, or on account of, the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be.

B. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this Resolution against any member of the Council or officer of the City or any person executing the Bonds. The Bonds are not and shall

not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the City, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said state or of any political subdivision thereof, except the City.

Section 22. Severability. If any one or more of the provisions of this Resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this Resolution and shall in no way affect the validity of the other provisions of this Resolution or of the Bonds.

Section 23. Effective Date. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

Adopted:

**AMENDATORY LOAN AGREEMENT**

THIS AMENDATORY LOAN AGREEMENT, dated as of the \_\_\_ day of \_\_\_\_\_ 2015, between the Alaska Municipal Bond Bank (the "Bank"), a body corporate and politic constituted as an instrumentality of the State of Alaska (the "State") exercising public and essential governmental functions, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended (the "Act"), having its principal place of business at Juneau, Alaska, and City of Kodiak, Alaska, a duly constituted home rule City of the State (the "City"):

## WITNESSETH:

WHEREAS, pursuant to the Act, the Bank is authorized to issue bonds and loan money (the "Loans") to governmental units; and

WHEREAS, the City is a "Governmental Unit" as defined in the General Bond Resolution of the Bank hereinafter mentioned and was authorized to accept a Loan from the Bank, evidenced by its municipal bond; and

WHEREAS, to provide for the issuance of bonds of the Bank in order to obtain from time to time money with which to make, and or refinance, municipal Loans, the Bank adopted its General Obligation Bond Resolution on July 13, 2005, as amended (the "General Bond Resolution"); and

WHEREAS, the Board of the Bank approved certain modifications to the General Bond Resolution, effective on the date when all bonds issued under the terms of the General Bond Resolution, prior to February 19, 2013, cease to be outstanding; and

WHEREAS, the Bank made a Loan to the City from proceeds of the Bank's General Obligation Bonds, 2008 Series One ("2008 Series One Bonds") in the amount of \$8,000,000, evidenced by a Loan Agreement dated April 1, 2008 (the "Loan Agreement") between the Bank and the City; and

WHEREAS, the Bank's 2008 Series One Bonds were issued pursuant to the terms of the Bank's General Bond Resolution, as amended and supplemented by a series resolution; and

WHEREAS, as security for repayment of the Loan, the City issued its General Obligation Bond, 2008, dated April 15, 2008 (the "Municipal Bond") of which the Bank is the registered owner; and

WHEREAS, the Bank has determined that refunding a portion of the 2008 Series One Bonds will result in a debt service savings thereon and on the Municipal Bond; and

WHEREAS, pursuant to the terms of the General Bond Resolution the Bank adopted Series Resolution No. 2015-04, approved on \_\_\_\_\_, 2015 (the "Series Resolution" and, together with the General Bond Resolution, the "Bond Resolution") authorizing the issuance of its General Obligation and Refunding Bonds, 2015 Series Three (the "2015 Series Three Bonds") to, in part, refund a portion of the 2008 Series One Bonds; and

WHEREAS, to effect the proposed refunding and resulting debt service savings on the 2008 Series One Bonds and the Municipal Bond, and to conform the terms of the Loan Agreement to the current practices of the Bank, it is necessary to amend the terms of the Loan Agreement and the Municipal Bond as provided herein.

NOW, THEREFORE, the parties agree as follows:

1. The Bank will refund a portion of the outstanding 2008 Series One Bonds as provided in the Series Resolution. The amounts of the principal installments of the Municipal Bond corresponding to the refunded maturities of the 2008 Series One Bonds, and the interest payable thereon, shall be adjusted pro rata in accordance with the debt service payable on the 2015 Series Three Bonds. The Municipal Bond henceforth shall mature in the principal amounts and bear interest at the rates per annum as stated on Exhibit A appended hereto.

2. Section 2 of the Loan Agreement is amended to include the following paragraph:

The City represents that it has duly adopted or will adopt all necessary ordinances or resolutions, including Resolution No. 2015-\_\_\_\_, adopted on August \_\_, 2015 (the "City Refunding Resolution"), and has taken or will take all proceedings required by law to enable it to enter into this Amendatory Loan Agreement and issue its refunding Municipal Bond to the Bank and that the refunding Municipal Bond will constitute a general obligation bond, secured by the full faith and credit of the City, all duly authorized by the City Refunding Resolution.

3. The refunding Municipal Bond shall be subject to optional prepayment prior to maturity on and after the same date, and on the same terms as the 2015 Series Three Bonds may be subject to optional redemption.

4. Section 16 of the Loan Agreement is amended by replacing the current language with the following:

The City agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond

Resolution it shall provide the Bank for inclusion in future official statements, upon request, financial information generally of the type included in Appendix D of the Bank's Official Statement, dated \_\_\_\_\_, 2015, under the heading "Summaries of Borrowers Representing 10% or More of Outstanding Principal of Bonds Issued Under the 2005 Bond Resolution" to the Official Statement and attached hereto as Exhibit B.

The City further agrees that if its bonds constitute ten percent (10%) or more of the outstanding principal of municipal bonds held by the Bank under its General Bond Resolution, it shall execute a continuing disclosure agreement prepared by the Bank for purpose of Securities and Exchange Commission Rule 15c2-12, adopted under the Securities and Exchange Act of 1934.

5. A new Section 22 is added to the Loan Agreement, as follows:

The City agrees that it shall file, on an annual basis, its audited financial statement with the Municipal Securities Rulemaking Board not later than two hundred ten (210) days after the end of each fiscal year of the City for the term of the Municipal Bond and any refunding Municipal Bond. The City agrees filings under this Section 22 shall be made in connection with CUSIP Nos. 01179P, 011798 and 01179R. Additional or alternate CUSIP number(s) may be added from time to time by written notice from the Bank to the City. The City agrees that if it shall receive from the Bank CUSIP number(s) in addition to those set forth in this Section then it shall make its filings using both CUSIP numbers herein stated and any additional CUSIP number(s).

6. A new Section 23 is added to the Loan Agreement, as follows:

The City hereby agrees to keep and retain, until the date six years after the retirement of the Municipal Bond, or any bond issued to refund the Municipal Bond, or such longer period as may be required by the City's record retention policies and procedures, records with respect to the investment, expenditure and use of the proceeds derived from the sale of its Municipal Bond, including without limitation, records, schedules, bills, invoices, check registers, cancelled checks and supporting documentation evidencing use of proceeds, and investments and/or reinvestments of proceeds. The City agrees that all records required by the preceding sentence shall be made available to the Bank upon request.

7. A new Section 24 is added to the Loan Agreement, as follows:

(a) The City hereby certifies that all Municipal Bond proceeds, except for those proceeds that are accounted for as transferred proceeds in the arbitrage certificate for its refunding Municipal Bond, have been expended prior to the date hereof.

(b) The City hereby certifies that all required rebate calculations relating to the Municipal Bond have been timely performed and the City has remitted any necessary amount(s) to the Internal Revenue Service.

(c) The City hereby certifies that the Municipal Bond, or any portion thereof, has not previously been advance refunded.

IN WITNESS WHEREOF, the parties hereto have executed this Amendatory Loan Agreement as of the date first set forth above.

ALASKA MUNICIPAL BOND BANK

By: \_\_\_\_\_  
DEVEN J. MITCHELL  
Executive Director

CITY OF KODIAK, ALASKA

By: \_\_\_\_\_  
\_\_\_\_\_  
Authorized Representative

**EXHIBIT A**

City of Kodiak, Alaska  
General Obligation Bond, 2008  
(2008 Outstanding Municipal Bond)

Principal Sum of \$610,000

<u>Principal Payment Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2016	\$195,000	5.00%
2017	205,000	4.00
2018	210,000	4.00

Principal installments shall be payable on April 1 in each of the years, and in the amounts set forth above. Interest on the 2008 Outstanding Municipal Bond shall be payable on October 1, 2008, and thereafter April 1 and October 1 of each year.

Prepayment Provisions: The 2008 Outstanding Municipal Bond principal installments are not subject to prepayment prior to maturity.



City of Kodiak, Alaska  
General Obligation Refunding Bond, 2015 Series \_\_  
(2015 Municipal Bond)

Principal Sum of \$ \_\_\_\_\_

Principal Payment Date  
(April 1)  
\_\_\_\_\_

Principal  
Amount  
\$ \_\_\_\_\_

Interest  
Rate  
\_\_\_\_\_%

Principal installments shall be payable on April 1 in each of the years, and in the amounts set forth above. Interest on the 2015 Municipal Bond shall be payable on April 1, 2016, and thereafter on October 1 and April 1 of each year.

Optional Prepayment: The 2015 Municipal Bond principal installments due on or after \_\_\_\_\_ 1, 20\_\_ are subject to prepayment in whole or in part at the option of the City on any date on or after \_\_\_\_\_ 1, 20\_\_, at a price of 100% of the principal amount thereof to be prepaid, plus accrued interest to the date of prepayment.

**EXHIBIT B**


DRAFT

2008 General Obligation Bonds - Current Payment Schedule											Non-Refunded Bonds				Refunded Bonds				Annual Debt Service - Refunded and Non-Refunded Bonds		Nondiscounted Savings	Present Value of Savings at 09/15/2015 @ 3.1391404%	
Fiscal Year	Date	Principal	Coupon	Interest	Total	Fiscal Yr. Total	Fiscal Year	Date	Principal	Coupon	Interest	Total	Fiscal Yr. Total	Fiscal Year	Date	Principal	Coupon	Interest	Total	Fiscal Yr. Total	Annual Debt Service - Refunded and Non-Refunded Bonds	Nondiscounted Savings	Present Value of Savings at 09/15/2015 @ 3.1391404%
2016	10/1/15	195,000	5.00%	168,495.00	363,495.00	531,990	2016	10/1/2015	-	-	-	-	165,647.22	2016	10/1/2015	-	-	-	-	165,647.22	155,320.00	(155,320.00)	(155,320.00)
2017	10/1/17	205,000	4.00%	163,620.00	368,620.00	532,240	2017	4/1/2016	195,000	5.00%	13,175.00	208,175.00	221,350	2017	4/1/2016	-	5.00%	152,125.00	165,125.00	337,250.00	386,997.22	144,992.78	155,105.13
2018	10/1/18	210,000	4.00%	159,520.00	369,520.00	529,040	2018	10/1/2016	205,000	4.00%	8,300.00	213,300.00	221,600	2018	4/1/2017	-	4.00%	152,125.00	167,125.00	339,250.00	525,850.00	6,390.00	6,137.67
2019	10/1/19	195,000	4.00%	155,320.00	350,320.00	505,640	2019	4/1/2017	210,000	4.00%	4,200.00	214,200.00	218,400	2019	10/1/2017	-	5.00%	152,125.00	167,125.00	339,250.00	522,650.00	6,390.00	5,949.45
2020	10/1/20	205,000	4.25%	151,420.00	356,420.00	507,840	2020	10/1/2018	210,000	4.00%	4,200.00	214,200.00	218,400	2020	4/1/2018	185,000	5.00%	147,500.00	147,500.00	332,500.00	489,250.00	16,390.00	14,721.74
2021	10/1/21	215,000	4.25%	147,063.75	362,063.75	509,128	2021	4/1/2019	195,000	5.00%	13,175.00	208,175.00	221,350	2021	10/1/2019	195,000	5.00%	142,625.00	142,625.00	337,250.00	490,000.00	17,840.00	15,538.76
2022	10/1/22	220,000	4.38%	142,495.00	362,495.00	504,990	2022	4/1/2020	205,000	5.00%	10,250.00	215,250.00	225,250	2022	4/1/2020	205,000	5.00%	137,500.00	137,500.00	332,500.00	490,250.00	18,877.50	15,942.02
2023	10/1/23	230,000	4.50%	137,682.50	367,682.50	505,365	2023	10/1/2021	210,000	5.00%	10,250.00	220,250.00	230,500	2023	10/1/2021	210,000	5.00%	132,250.00	132,250.00	332,500.00	485,000.00	19,990.00	16,367.58
2024	10/1/24	240,000	4.70%	132,507.50	372,507.50	505,015	2024	4/1/2022	220,000	5.00%	12,250.00	232,250.00	244,500	2024	4/1/2022	220,000	5.00%	126,750.00	126,750.00	332,500.00	484,500.00	20,865.00	16,562.81
2025	10/1/25	255,000	4.80%	126,867.50	381,867.50	508,735	2025	4/1/2023	235,000	5.00%	12,250.00	247,250.00	259,500	2025	10/1/2023	235,000	5.00%	120,875.00	120,875.00	332,500.00	488,500.00	16,515.00	12,725.23
2026	10/1/26	265,000	4.90%	120,747.50	385,747.50	506,495	2026	4/1/2024	250,000	5.00%	12,250.00	262,250.00	274,500	2026	4/1/2024	250,000	5.00%	120,875.00	120,875.00	332,500.00	491,750.00	16,985.00	12,686.85
2027	10/1/27	280,000	5.00%	114,255.00	394,255.00	508,510	2027	4/1/2025	260,000	5.00%	11,425.00	271,425.00	282,850	2027	10/1/2025	260,000	5.00%	114,625.00	114,625.00	332,500.00	489,250.00	17,245.00	12,486.46
2028	10/1/28	295,000	5.00%	107,255.00	402,255.00	509,510	2028	4/1/2026	275,000	5.00%	10,875.00	285,875.00	296,750	2028	4/1/2026	275,000	5.00%	108,125.00	108,125.00	332,500.00	491,250.00	17,260.00	12,114.09
2029	10/1/29	305,000	5.00%	99,880.00	404,880.00	504,760	2029	10/1/2027	290,000	5.00%	9,400.00	299,400.00	308,800	2029	10/1/2027	290,000	5.00%	94,000.00	94,000.00	332,500.00	492,500.00	17,010.00	11,572.11
2030	10/1/30	320,000	5.10%	92,255.00	412,255.00	504,510	2030	4/1/2028	300,000	5.00%	8,650.00	308,650.00	317,300	2030	4/1/2028	300,000	5.00%	86,500.00	86,500.00	332,500.00	488,000.00	16,760.00	11,051.98
2031	10/1/31	340,000	5.10%	84,095.00	424,095.00	508,190	2031	10/1/2029	310,000	5.00%	7,850.00	317,850.00	326,700	2031	10/1/2029	310,000	5.00%	86,500.00	86,500.00	332,500.00	483,000.00	21,510.00	13,731.38
2032	10/1/32	355,000	5.10%	75,425.00	430,425.00	505,850	2032	4/1/2030	330,000	5.00%	7,050.00	337,050.00	346,100	2032	10/1/2030	330,000	5.00%	78,750.00	78,750.00	332,500.00	487,500.00	20,690.00	12,801.02
2033	10/1/33	375,000	5.10%	66,372.50	441,372.50	507,745	2033	10/1/2031	345,000	5.00%	6,175.00	351,175.00	360,350	2033	4/1/2031	345,000	5.00%	70,500.00	70,500.00	332,500.00	486,000.00	19,850.00	11,902.77
2034	10/1/34	395,000	5.20%	56,810.00	451,810.00	508,620	2034	4/1/2032	365,000	5.00%	5,275.00	370,275.00	379,550	2034	10/1/2032	365,000	5.00%	61,875.00	61,875.00	332,500.00	488,750.00	18,995.00	11,038.82
2035	10/1/35	415,000	5.20%	46,540.00	461,540.00	508,080	2035	10/1/2033	385,000	5.00%	4,325.00	389,325.00	393,650	2035	4/1/2033	385,000	5.00%	52,750.00	52,750.00	332,500.00	490,500.00	18,120.00	10,205.35
2036	10/1/36	435,000	5.20%	35,750.00	470,750.00	506,500	2036	4/1/2034	400,000	5.00%	3,325.00	403,325.00	406,650	2036	10/1/2034	400,000	5.00%	43,125.00	43,125.00	332,500.00	486,250.00	21,830.00	11,905.24
2037	10/1/37	460,000	5.20%	24,440.00	484,440.00	508,880	2037	10/1/2035	420,000	5.00%	2,225.00	422,225.00	424,450	2037	4/1/2035	420,000	5.00%	33,125.00	33,125.00	332,500.00	486,250.00	20,250.00	10,700.35
2038	4/1/38	480,000	5.20%	12,480.00	492,480.00	504,960	2038	4/1/2036	445,000	5.00%	1,125.00	446,125.00	447,250	2038	10/1/2036	445,000	5.00%	22,625.00	22,625.00	332,500.00	490,250.00	18,630.00	9,537.61
		\$ 6,890,000		\$ 4,842,593	\$ 11,732,593	\$ 11,732,593			\$ 610,000		\$ 51,350	\$ 661,350	\$ 661,350			\$ 6,085,000		\$ 4,450,897.22	\$ 10,535,897.22	\$ 10,535,897.22	\$ 11,197,247.22	\$ 380,025.28	\$ 256,199.46

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Thru:** Mark Kozak, Public Works Director  
**Date:** August 13, 2015

**Agenda Item: V. b. Authorization of Water Utility Rate Cost of Service Study Project No. 05-04/7024**

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**SUMMARY:** CH2MHILL has prepared several water and sewer rate studies for the City of Kodiak going back to 1982. In 2004 CH2MHILL did a complete cost of service study as part of both a water and sewer rate evaluation. This study was completed in 2005 and the Council adopted five years of the rates projected out over a ten-year period. It has been five years since the last water rate study and current rates were adopted. It has been ten years since the last cost of service study was completed. Staff believes it is important to complete the much more in depth cost of service study to provide this information to the Council. Staff recommends Council approve the Water Utility Rate Cost of Service Study with CH2MHILL in the lump sum amount of \$40,400, with funds coming from the Water Capital Improvement Fund Project No. 7024.

**PREVIOUS COUNCIL ACTION:** The City has undertaken water and sewer rate studies at various times over the years.

- CH2MHILL completed a water and sewer rate study for the City of Kodiak in 1982.
- The City Public Works Department did an in-house rate evaluation in 1993.
- CH2MHILL did a complete cost of service study for both a water and sewer rate, and new rates were approved by the Council in 2005.
- CH2MHILL completed another rate study for water and a single year for sewer in 2011, and Council approved the adoption of a five-year rate plan for water and a single-year rate increase for sewer in September 2011.
- CH2MHILL completed the sewer rate study, and Council approved a five-year rate plan in May 2014. The completion of sewer rate study was delayed until the composting construction cost estimates and operation cost could be determined.

**DISCUSSION:** The City of Kodiak's public water and sewer system serves roughly 9,500 people within the City of Kodiak and the nearby service district. The utility system varies in age from the early 1950s to recent times and requires continual maintenance, upgrading, and replacement to meet continually changing regulations and good operating practices.

The system consists of 52.4 miles of water distribution and transmission lines and 46.3 miles of sewer collection system. The system also has three reservoirs made up of nine dams and two pumphouses that

pump water from the Monashka and Pillar creek reservoir systems. The water treatment plant includes a new UV water treatment plant, onsite chlorine generator facility, and two 2.2 million gallon storage tanks for contact time of disinfectant.

Given the City's extensive infrastructure, regular rate studies are critical in keeping up with operation and maintenance costs and to have resources to plan for capital improvement of existing infrastructure. An additional benefit is the value gained when applying to the Alaska Municipal Matching Grant funding program. The program awards points for current rates and Council resolutions adopting current rates.

In September 2004 the City Council authorized cost of service and rate studies for both water and sewer. Prior to that study, the water and sewer rates had not changed in 11 years. With an aging infrastructure and new regulatory requirements, it was necessary to evaluate revenue and expenses in relation to the needs of the both the water and sewer enterprise funds. The cost of service study showed the distribution of cost throughout the system and how the cost was distributed amongst the rate payers.

The most recent rate studies were based on evaluations of operation and maintenance cost as well as the capital improvement plan and then compared to the revenue stream. In 2011 the Council adopted the last set of rates for the water utility. The plan included adopted water rates through FY2016.

It has been ten years since the last cost of service study was conducted, and staff recommends the full cost of service study be completed again. The result of the cost of service study is a more detailed analysis that shows how customer use affects the cost of the system. The cost of service study adds another layer of modeling, data collection, and analysis to the process. This type of detailed analysis takes time and does cost more than the basic rate type studies done since 2004.

Once the cost of service study is completed, it will show how the cost of the system is allocated between user classifications. As an example, ten years ago the study showed the residential and commercial users rates would have gone down while the industrial user rates would have increased substantially. At the time of this study it was estimated that the unmetered customers (mostly residential homes) represented approximately 40 percent of the total cost and industrial users represent nearly 59 percent of the cost, the remaining 1 percent was allocated to metered commercial accounts.

Once the cost of services are determined adjustments, to how rates are allocated may be a way to keep residential rates as affordable as possible. As an example, using the last study numbers, the City could potential have had minimal increases in residential rates and shift more of the rate increases towards the industrial users. Staff won't know if this remains the case until the new study is completed.

One of the key aspects of utility rates is to adequately provide for the cost of operation and maintenance but just as important is to be taking care of and aging infrastructure. As an example, within the

downtown core, the water and sewer infrastructure was installed between 1964 and 1968. All of this underground system is well past its 30-year design life. We have finalized the downtown master plan to begin the replacement of these utilities. The downtown rehabilitation of the water and sewer will take many years in order to coordinate funding with other capital needs and keeping utility rates current is very important to taking care of our system.

**ALTERNATIVES:** Below are the alternatives we evaluated in preparing for this cost of service rate study.

- 1) Staff recommends Council authorize the professional services agreement with CH2MHILL to perform a complete cost of service study as part of the evaluations of rates needed to support the water utility over the next five years. The primary benefit is to determine how the cost of service is distributed among each customer group and then determine if adjusting fees within the different categories are beneficial.
- 2) Do not authorize the cost of service study agreement, but have CH2MHILL analyze the cost of operation and maintenance and capital improvement needs over the next five years and then do across the board fee adjustments based on projected revenue needs. This is how the last study was completed approximately four years ago.
- 3) Do not authorize the agreement to complete a water rate study at this time. This is not recommended considering the extensive system needs and the increasing cost of regulatory compliance, operation, and maintenance of the system.

**FINANCIAL IMPLICATIONS:** This project was funded in the FY2015 Water Capital Improvement. With the substantial water infrastructure keeping rates current are critical to maintaining a functional and regulatory compliant public water system.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends Council authorize the water rates cost of service study with CH2MHILL in the lump sum amount of \$40,400 with funds coming from Water Capital Improvement Fund Project No. 7024.

**CITY MANAGER'S COMMENTS:** We have an exceptionally complex water infrastructure. The system has ongoing need of repairs, scheduled upgrades, and replacement of elements, as we've seen over the past ten years. We have or are planning to replace key components of the water system, which cost money and have operational cost implications. The best way to run a public utility is to routinely review rates to ensure expenses and capital needs are covered by ratepayers, and Council agrees as this has been an ongoing budget goal.

The last rate study was completed four years ago and needs to be updated. We believe it's time to do another cost of service study since the last one was completed 11 years ago. The study will identify

which customer groups use the most water and how costs for the service are apportioned through rates. The information from the study can then be applied to the rate schedules for the next five years. Therefore, I support staff's recommendation that Council approve this contract so we can get the full study underway. This will ensure that the enterprise fund is healthy and covers costs and planned capital expenses.

**ATTACHMENT:**

Attachment A: CH2MHIL Water Cost of Service Rate Study

**PROPOSED MOTION:**

Move to authorize a professional services agreement with CH2MHILL in the amount of \$40,400 to perform a water utility cost of service study with funds coming from the Water Capital Improvement Fund, Project No. 05-04/7024 and authorize the City Manager to execute the documents on behalf of the City.



CH2M HILL  
949 E. 36<sup>th</sup> Avenue, Suite 500  
Anchorage, AK 99518  
Tel 907.278.2551  
Fax 907.257.2000

July 1, 2015

Mark Kozak  
Director of Public Works  
City of Kodiak  
2410 Mill Bay Road  
Kodiak, AK 99615

Subject: Water Cost of Service Rate Study

Dear Mr. Kozak:

CH2M HILL is pleased to submit this proposal to provide water rate development services to the City of Kodiak. We appreciate the opportunity to continue our successful working relationship with the City. Our proposed scope of work presents our understanding of the project and our proposed approach. Our project team of Kurt Playstead (Project Manager), Dave Green (Senior Rate Consultant), and Floyd Damron (Principal in Charge) brings the capabilities needed to make this a successful project for the City.

The purpose of this rate study will be to analyze the revenue requirements needed for operations and capital improvements from 2017 to 2021 and propose additional rate increases if necessary. The study will also conduct a cost of service analysis for the water utility. The attached scope of services provides a list of the tasks to be completed during the study.

Project work will begin with the data collection task as soon as the contract is executed. A draft report will be delivered in the spring of 2016. We propose billing for this work as a lump sum payment of \$40,400. Please see Appendix A for a cost breakdown by task. This amount will include all labor and expenses associated with completing this work. The budget includes time and expenses for CH2M HILL representatives to attend 2 meetings with the City. Additional meetings will require a supplement to the original task order of approximately \$5,000 per trip.

Please contact Kurt Playstead at 425-233-3174 if you have any questions regarding our proposed scope or require additional information. We look forward to the opportunity to work with you and City staff on updating the water utility rates for the citizens of Kodiak.

Sincerely,

**CH2M HILL**

Floyd Damron, PE  
Principal in Charge

Kurt Playstead  
Project Manager





CH2M HILL  
949 E. 36<sup>th</sup> Avenue, Suite 500  
Anchorage, AK 99518  
Tel 907.278.2551  
Fax 907.257.2000

## Scope of Services

The City of Kodiak has requested CH2M HILL to prepare a water cost of service rate analysis. The analysis will update the City's rates for water service to reflect the City's costs of providing service to its users. Rates will be developed for a 5-year projection period.

### **Task 1 Data Request**

Provide the City of Kodiak with a data request list to conduct the water rate analysis. This list will consist of various operational and financial data to be used in the study. The City of Kodiak will assemble the available data and provide them to CH2M HILL in approximately 2 weeks. Both the City of Kodiak and CH2M HILL agree that any additional time required to provide this information could affect the overall time schedule for the study.

### **Task 2 Data Review and Compilation**

CH2M HILL will review the data provided and organize and compile the information for use in the rate analysis. Any requested information that is unavailable, or additional information needs that are identified after reviewing the data provided by the City will be identified and plans for addressing these data needs discussed with the City in Task 3.

### **Task 3 Kickoff Meeting and Conceptual Planning**

CH2M HILL will meet with City staff to discuss rate related issues facing the City, the City's current and future financial commitments/needs, and the City's objectives and policies for this analysis. Alternative water rate structures will also be discussed. A schedule for conducting the analysis will also be reviewed.

### **Task 4 Collection of Additional Data**

A list of additional information identified as needed to address the issues identified in Task 3 will be submitted to the City. This information will be collected by the City and submitted to CH2M HILL.

### **Task 5 Project System Revenue Requirements**

The revenue requirements of the combined water system will be projected for a 5 year period by CH2M HILL. Funding for capital improvement needs identified in the comprehensive plan will be allowed for, along with other financial commitments. Revenues from sources other than rates will also be projected, and deducted from system revenue requirements to determine the amount of revenue that would need to be recovered through rates to cover the projected system costs.

### **Task 6 Cost Allocations To System Functions**

The water system costs will be allocated to the respective system functions. The water system costs incurred to meet system average and peak demands and other system functions will be estimated. Costs for incurred to serve customers (billing and collection costs etc.) will also be estimated.

### **Task 7 Cost Allocations To Users**

The costs allocated to the water system functions will be allocated to user groups or customer classes in proportion to their demands on the water system. Thus water system costs will be allocated in proportion to user's average day and peak demands on the water system. The resulting costs allocated to each user group represent their respective cost of service.

### **Task 8 Rate Design**

Projected revenues under the water and wastewater system's current rates and charges will be projected. To the extent that the projected revenues under these current rates are insufficient to cover each utility's projected costs, a schedule of rate adjustments designed to recover the utility's costs over the 5 year projection period will be developed. Up to three alternative schedules of rate adjustments will be developed for the Council's consideration. These adjustments will be uniform across the board adjustments to the current rate schedules for the water system. Optional rate adjustment schedules may include a 1 time rate adjustment, annual rate adjustments to meet the projected costs in each year, or uniform annual rate adjustments over the 5 year projection period. Impacts of the proposed rates on typical user bills will be developed, and comparisons with the water and wastewater bills of selected nearby communities will be provided.

### **Task 9 Prepare Draft Report**

A draft report summarizing the results of the rate analysis and describing the alternative rates will be prepared. Five copies of the draft report will be submitted for the City's review and comment. A meeting will be held with City staff to review these comments.

### **Task 10 Present Results**

A presentation to the City Council will be held. CH2M HILL will participate in the presentation as requested by City staff. Additional presentations, if requested by the City of Kodiak, will be considered beyond the scope of services and fee agreement for this contract.

### **Task 11 Final Report**

In approximately 2 weeks after receiving City comments on the draft report, and participating in a presentation of the draft report to the City Council, CH2M HILL will submit a final report incorporating the City comments on the draft report. Up to ten copies of the final report will be submitted to the City.

## Appendix A

### Proposed Water Cost of Service Study Fee

TASK	TOTAL LABOR HOURS	Labor Hours			Office Support	Expenses	TOTAL (Rounded)
		Floyd Damron	Dave Green	Kurt Playstead			
Data Request/review	14	0	2	12			\$2,200
Develop financial plan	40	2	8	30			\$6,600
Conduct cost allocation process	40	8	8	24			\$7,200
Develop rate structure	22	2	4	16			\$3,700
Prepare Draft & Final Memoranda	42	2	8	24	8	\$100	\$6,400
Attend Meeting (2 meetings)	52	12	0	40		\$5,390	\$14,300
<b>TOTAL</b>	<b>210</b>	<b>26</b>	<b>30</b>	<b>146</b>	<b>8</b>	<b>\$5,490</b>	<b>\$40,400</b>

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Aimée Kniazowski, City Manager 

**Date:** August 13, 2015

**Agenda Item:** V. c. Authorization to Purchase Trash Cans

---

**SUMMARY:** The purpose of this memo is for Council to formally authorize the purchase and shipment of 28 uniquely designed and manufactured trash receptacles to be installed in various locations in downtown Kodiak and other specific locations in the City. The exterior of each can will have a unique and historically accurate label of canned salmon from a Kodiak area cannery, and each can lid will have a map graphic showing the locations of the canneries in the Kodiak archipelago. Staff requests Council to authorize the purchase and shipment of the cans in an amount not-to-exceed \$35,000.

**PREVIOUS COUNCIL ACTION:**

- April 21, 2015, Bruce Schactler presented the project to Council at their work session

**DISCUSSION:** The City has been working toward improving the downtown area. The Mayor and Council created a community-based committee to make recommendations to the City in the areas of beautification, public safety, and economic development. The committee and subcommittees have made short and long-term suggestions for improvement in each of the three areas and presented them to Council. A key element of downtown revitalization has been to improve the look of the downtown area. The committee identified the need for new trash cans as a way to improve the looks and cleanliness of the downtown area.

A local resident with ties to the commercial fisheries, Bruce Schactler, spearheaded a project to replace the old cans with new ones similar to those found in Astoria, Oregon (Attachment A). He made a presentation proposing the project to Council in April, and Council was unanimously supportive of his efforts. Mr. Schactler then worked with local resource people like Anjuli Grantham from the Baranof Museum to identify historically accurate salmon can labels from the Kodiak fisheries. He did all the preliminary work with the manufacturer, participating local businesses, and shippers to come up with an estimate for manufacturing and shipment of 28 decorative cans to Kodiak. The estimated not-to-exceed amount for this project is \$35,000. Per the City Code, Council must authorize a purchase of this amount. If Council approves the purchase of the cans, staff will place the order, arrange the shipping, and oversee distribution of the cans once they arrive.

AUGUST 13, 2015

Agenda Item V. c. Memo Page 1 of 2

**ALTERNATIVES:**

- 1) Authorize the purchase and shipment of the decorative trash cans, which is staff's suggestion and is consistent with community efforts and Council's goals to improve the downtown area.
- 2) Do not authorize the expenditures, which is not recommended.

**FINANCIAL IMPLICATIONS:** the Council approved a budget of \$175,000 for a downtown revitalization project in the FY2015 budget for such expenses.

**LEGAL:** KCC 3.12.070 (d) allows for an exception to standard bidding requirements for materials where there is only one source. In this case, PlayPro is the only known manufacturer of these specialty cans and can meet the project requirements.

**STAFF RECOMMENDATION:** Staff recommends Council authorize the purchase of 28 decorative trash cans from PlayPros Inc. in Tualatin, Oregon, and the shipment of the cans from Tacoma to Kodiak by the most cost efficient shipper in an amount not-to-exceed \$35,000 with funds from the General Fund Capital Project Fund, Downtown Revitalization Project, Project No. 4039.

**CITY MANAGER'S COMMENTS:** The project has been developed fully now by Bruce Schactler with help from Anjuli Grantham and other local resources. We are not yet sure of which shipper to use and what the costs will be due to the size of the cans, but we have made an estimate that should be more than sufficient. I recommend Council approve this sole source purchase in an amount not-to-exceed \$35,000. I would also like to thank Mr. Schactler and Ms. Grantham as well as others who worked to develop the project to this point. There are eight businesses who are participating as well, and we will include their orders in the master order to help reduce the overall cost of manufacturing.

**ATTACHMENTS:**

Attachment A: Quote from PlayPro, Inc. and photo examples of the can designs

**PROPOSED MOTION:**

Move to authorize the purchase of 28 decorative trash cans from PlayPros Inc. in Tualatin, Oregon, and the shipment of the cans from Tacoma to Kodiak by the most cost efficient shipper in an amount not-to-exceed \$35,000 with funds from the General Fund Capital Project Fund, Downtown Revitalization Project, Project No. 4039.



**PlayPros** *Recreation Products and Services*

PlayPros, Inc  
 19450 SW Cipole Rd  
 Suite 106  
 Tualatin, Or 97062  
 Phone 503-968-7230

**DATE:** July 28, 2015  
**QUOTE #** 2150728  
**FOR:** *Trash Receptacles*

Quote

**To:**  
 Kodiak, Alaska  
 Bruce Schactler  
 bschactler@ak.net

CCB # 140881

DESCRIPTION	AMOUNT
28 Custom Trash Receptacle w Graphics	
<u>Total Quantity Quoted: 28 Receptacles</u>	
32 Gallon T3-PB-CDL Receptacles Surface Mount Assembly Plastic Liner Convex Lid w/graphic Cudtom Lid Attachment modification Custom Graphic Wrap Black Textured Powder Coat FOB Freight to Pacific Alaska Freight, Fife WA	Total Cost Each: \$ 1,152.28
Terms: 50% Deposit Required with order balance due upon delivery.	
<b>TOTAL</b>	<b>\$ 32,263.84</b>

Please contact us with any further information needed: **Stan Nored 503-968-7230 or stan@123playground.com**

**Mailing Address:** PlayPros, Inc., P O Box 184, Canby OR 97013

**THANK YOU FOR THE OPPORTUNITY TO EARN YOUR BUSINESS!**





Shuyak Island

Port Williams

Magnak Island

Marmot Bay

Afognak Bay

Port Bailey

Ouzinkie

Kodiak

Ugavik Bay

West Point

Port Packers Spit

O'Brien

Zachar Bay

Kodiak Island

Ugavik Bay

Shearwater Bay

Three Saints Bay

Harvester/Bear Island Anchorage

Larsen Bay

Uyak Bay

Uyak Bay

Halibut Bay

Karluk

Akalura Bay

Moser Bay

Lazy Bay

Gulf of Alaska

Trinity Islands

Kodiak Salmon Canning Sites  
Past & Present



BUTTERFLY BRAND



RED SALMON

BUTTERFLY BRAND



RED SALMON



AURORA BRAND



RED SALMON

AURORA BRAND



RED SALMON

AURORA BRAND



RED SALMON

TRADE MARK REGISTERED  
PAPER REAR AURORA UNITED STATES OF AMERICA

COOKERS & EAT AFTER HEATING

**HORSE SHOE BRAND**



**KARLUK  
RED  
SALMON**

REG. U. S. PAT. OFF.

PACKED IN ALASKA, UNITED STATES OF AMERICA  
TRADE MARK REGISTERED

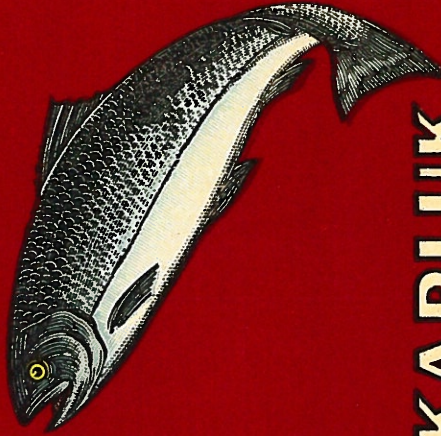


**RED SALMON**

REG. U. S. PAT. OFF.

CONTENTS 1 LB. SALMON  
COOKED IN CAN AFTER SEALING

**HORSE SHOE BRAND**



**KARLUK  
RED  
SALMON**

SCHEMIST LITHO. CO. & P.


*City Kodiak  
(Horse Shoe Dize)*

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Aimée Kniaziowski, City Manager   
**Date:** August 13, 2015

**Agenda Item: V. d. Direction for Pedestrian Pathway Grant Funds**

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**SUMMARY:** The City Council received a presentation in July from the state grants administrator who oversees the City's legislative grants. She advised Council and City staff that the \$384,000 that was awarded in FY2012 for the planning and design of a pathway project (originally requested for a paved pathway from Pier II to Deadman's Curve) will be lost if a decision is not made now on which project to direct the money. The legislative funds come from the cruise ship excise tax funds and require the project to be something that will benefit cruise ship passengers, provide for safety of the passengers, and/or enhance their experience in Kodiak. Staff is requesting Council to adopt by motion their preferred concept plan so initial work can begin.

**PREVIOUS COUNCIL ACTION:**

- January 13, 2011, Council adopted Resolution No. 2011-02 requesting state cruise ship funds for pedestrian improvements on Shelikof from Pier II to downtown (No. 4 priority) and requesting cruise ship funds for pathway design from Pier II to Deadman's Curve (No. 5 priority)
- November 17, 2011, Council adopted Resolution No. 2011-37 accepting the legislative grant award for pathway design from Pier II to City Boundary (Deadman's Curve)
- March 2015, Council and staff talked with Alaska Department of Commerce, Community, and Economic Development staff and Kodiak's legislative delegation about problems of using the grant award for the paved pathway from Pier II to Deadman's Curve due to excessive costs and the need to meet state Department of Transportation requirements
- July 22, 2015, Council received presentation by State grants administrator on the need to decide on a project to use the grant funds on as soon as possible, but no later than the fall
- August 11, 2015, Council discussed three options for pathway planning and design using the grant funds

**DISCUSSION:** The City requested and received a \$384,000 legislative grant funded through the state's cruise ship excise tax fund to use for planning and design of a pathway, originally from Pier II to Deadman's Curve, the City's FY2012 No. 5 priority. That project became too complex and expensive to pursue due to multiple factors.

The grant was authorized by the legislature using broad terms, terms that did not restrict its use to the Pier II to Deadman's Curve project. It was to be used for planning and design of a pathway project for the City (Attachment C). The funds come from the state's cruise ship excise tax fund, so the project

AUGUST 13, 2015

Agenda Item V. d. Memo Page 1 of 4

must benefit cruise ship passengers, provide for their safety, and/or enhance their experience while in Kodiak. The City has not been able to decide on where to direct the funds. City staff invited Debi Kruse, the City's grants administrator from Anchorage, who came to the work session on July 22 to discuss options for the grant funds. She advised that the Council select a pathway project, preferably one that is already part of a City plan, and begin the planning and design process as soon as possible. To delay beyond September would increase the chances of the City losing the money either through legislative reallocation, a sweep, or due to the expiration of the grant in mid 2016. To keep the funds available, the Council must decide on a project to direct the funds toward.

Council has discussed general ideas about use of the grant funds but has not voiced a consensus. The three main possibilities discussed were: to continue to develop the Shelikof Pedestrian Improvement project, with the concept element of a boardwalk built along the breakwater in St. Paul Harbor; to use for more trails development on Near Island; or to consider the community trail proposed by Island Trails Network (ITN) that would connect downtown Kodiak with East Elementary school and later the bike path on Rezanof.

Of the three possible pathways, the breakwater boardwalk is a conceptual element of the existing Shelikof Pedestrian Improvement project, which has been an active phased project and has been identified by the City as a legislative priority since 2010 (Attachment D). The boardwalk would meet the grant criteria and would provide an enjoyable walking route, a good view of the working harbor and Cannery Row, and provide the possibility for a fishing platform. This is the project staff recommends Council consider for the reasons stated, and because the Council accepted the concept plan from DOWL in 2012.

The other proposals have merit, but have not been scoped or may not fully meet the intent of the excise tax funds. Staff recommends that any property use decisions on Near Island, including new trails, be deferred until the Near Island Land Use plan is put into place. As Council knows, there are conflicts of use that must be addressed, as shown by the hiking community's desire that the City rezone prime industrial property to natural use, which would essentially restrict any future Harbor development. The community trail concept as proposed by ITN also has merit (Attachment E), but the proposal is a draft that did not receive an internal review to recommend inclusion in the City's 2014 five-year CIP due to potential costs, complexity, and lack of staff to help develop and manage the project, though the project was supported by the City's Parks and Recreation department and advisory board. This proposed project poses some unique challenges in that it would transit areas of private property and traverse the City's cemetery, reducing gravesite availability.

The decision is Council's to make, but time is of the essence. Therefore, staff requests Council to provide formal direction on which pathway to apply the grants, so staff can request a proposal from a design firm and begin the process of securing the use of those funds.

**ALTERNATIVES:**

- 1) Move to authorize grant funds to be used on a specific pathway project. Staff is recommending use on the Shelikof Pedestrian Improvement project for planning and design of a boardwalk along the breakwater in St. Paul Harbor, because the project has been on the City's request list to the state since 2010 and has been under phased development for several years, funded with state cruise ship excise tax money.
- 2) Do not identify a preferred pathway project, which is not recommended, because it will result in the loss of state grant funds.
- 3) Move to authorize the return of the grant funds to the state.

**FINANCIAL IMPLICATIONS:** There will be some initial costs to the City for planning and design once a contract is issued to a design firm, but the costs will be reimbursed by the state grant if filed prior to expiration of the grant. Depending on the project chosen by Council, some City funds may be required to complete planning and design.

**LEGAL:** N/A

**STAFF RECOMMENDATION:** Staff recommends Council approve by motion a pathway development project to which the grant monies can be applied for planning and design.

**CITY MANAGER'S COMMENTS:** The request for this project was submitted and funded at a time when the City and some community members believed it would be possible to begin development of a road system bike trail starting with the segment from Pier II to Deadman's Curve. The project became too expensive and unrealistic to develop, because the City could not afford to meet the standards set out by DOT in the Statewide Transportation Plan (STIP).

I tried to get consistent information from the state as to what the City could and could not do with the funds, but advice was often inconsistent. Following discussion with legislators and DCCED staff in Juneau during the March legislative trip, I invited DCCED employee Debi Kruse to come to Kodiak to explain how the funds could be used appropriately and in what timeframe so as not to lose the funds due to lack of activity. Debi gave good advice to Council and staff in July, and now Council needs to decide which pathway concept is best suited to the City's existing and long-term plans, so the money available can go toward planning and design of the most appropriate concept or project.

**ATTACHMENTS:**

Attachment A: Resolution No. 2011-02, FY2012 State CIP Request List

Attachment B: Resolution No. 2011-37, accepting state grant funds for pathway from Pier II to Deadman's Curve

Attachment C: Grant award and funding documents from State of Alaska

Attachment D: Shelikof Street Concept Development Plan, 2012

Attachment E: Internal draft plan for ITN's community pathway

AUGUST 13, 2015

Agenda Item V. d. Memo Page 3 of 4

**PROPOSED MOTION:**

Move to authorize the 2012 legislative pedestrian pathway planning and design grant funds in the amount of \$384,000 be applied to the \_\_\_\_\_ pedestrian pathway project and authorize the City Manager to request a planning and design proposal to initiate use of the funds.

**CITY OF KODIAK  
RESOLUTION NUMBER 2011-02**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK  
RESCINDING RESOLUTION NO. 10-24 AND ADOPTING AN FY2012 RE-  
PRIORITIZED STATE CAPITAL IMPROVEMENTS PROGRAM LIST**

WHEREAS, the City of Kodiak uses a Capital Improvements Program planning process to identify the capital improvement project needs of the community; and

WHEREAS, this identification and planning process plays a vital role in directing the City's administration and is utilized as a long-range planning and policy setting tool for City infrastructure maintenance and enhancement; and

WHEREAS, the City of Kodiak is committed to paying its way to the greatest extent possible, but the cost of some of the City's capital project needs are greater than the resources available locally; and

WHEREAS, the Kodiak City Council previously adopted Resolution No. 2010-24 on August 26, 2010, which identified and prioritized five capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, circumstances have changed since the City Council adopted Resolution No. 2010-24 and require revisions to reflect current project status.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects are considered of primary importance and are hereby adopted as the City of Kodiak's FY2012 State capital improvement project list:

**1. UV Water Treatment Facility Construction**

**Funding Request: \$3,528,000**

The Federal Enhanced Surface Water Treatment Rule requires all unfiltered surface water drinking supplies, such as the City of Kodiak's, to use a minimum of two disinfectant methods. The City of Kodiak completed a feasibility study of the different treatment methods available, and based on a number of factors, including our water quality and the Federal "disinfection by-products" rule, the City determined that UV disinfection is the most appropriate secondary water treatment option. This mandated project is anticipated to cost approximately \$9 million and is funded by local revenues and Federal and State grants and loans. The City of Kodiak completed engineering and purchased the UV reactors for this project at a combined cost of \$1,240,000. The project went out to bid in November 2010 with construction to be done in the spring of 2011. The City is requesting funding support for this project from the Alaska Department of Environmental Conservation's Municipal Matching Grant Program.



## 2. New **Public Library Design**

**Funding Request: \$6,888,110**

The Kodiak Public Library, which serves the entire Kodiak region and beyond, has outgrown its current building, a building that has also reached the end of its useful life, and the City has been working to replace the facility since 2004. The City and a local citizen's group, the Kodiak Public Library Association, have been working closely with the Rasmuson Foundation and the Foraker Pre-Development Program on this project and recently completed the pre-design phase. The size of the new facility will meet the community and region's needs at approximately 17,000 square feet, and total project costs are estimated to be \$13,614,219. The City submitted its grant application to the State Department of Commerce, Community, and Economic Development for the State's Library Construction and Major Expansion Matching Grant program. This project will be funded for up to \$6.8 million through the State's matching grant program, up to \$6.8 million in City General Fund appropriations, up to \$750,000 in capital campaign efforts, and up to \$1.5 million through Federal and private grantors. The City of Kodiak is requesting State funding support of \$6,888,110 from the Alaska Department of Commerce, Community, and Economic Development's Construction and Major Expansion Matching Grant Program with support from the State Legislature, to assist in construction of this important public facility.

## 3. **Phase I Baranof Park Improvements**

**Funding Request: \$2,000,000**

Baranof Park is a regional recreational facility that serves not only City residents, but the entire region. The Park serves as an important educational facility for both the Kodiak Middle School and the Kodiak High School, neither of which has outdoor educational facilities. This project requires the replacement of the aging track, replacement of two playing fields, necessary drainage improvements, fencing, and some utility improvements, with an estimated total cost of \$7 million. At least half of the needs for this project are due to Kodiak Island Borough School District use of the facility. Preliminary engineering plans and bid specifications for this project were completed in 2007. Phase I of this project is estimated to cost \$2.9 million. Phase I includes removal of the deteriorating synthetic surface track and infield area used for football, soccer, physical education classes, and other sports and replacement with a new synthetic track and synthetic surface infield better suited to multi-purpose use. The project will be funded with City of Kodiak funds and grants, but the City requires funding assistance to complete this phase of the project. The community is requesting funding support for \$2 million to assist with constructing Phase I of this important community and school district facility.

## 4. **Pedestrian Improvements Pier II to Downtown**

**Funding Request: \$1,000,000**

The City recently completed planning and initial design work for pedestrian improvements from Pier II to downtown Kodiak to better accommodate an increasing number of cruise ship passengers arriving annually and to improve pedestrian facilities for local residents and businesses that use this street year round. The project consists of construction of an eight-foot ADA accessible sidewalk along a portion of Shelikof Street, which links Pier II to

downtown. Total project costs are estimated at \$1,800,000. The City received a \$700,000 State grant for construction in 2009. Additional construction costs are necessary to build the sidewalk and retain existing road width, including excavation, utility relocates, and parking modifications to direct pedestrian traffic out of this congested roadway. The City of Kodiak is requesting State funding assistance through the cruise ship excise tax for \$1,000,000 to complete the project.

**5. Pathway Design from Pier II to Kodiak City Boundary Funding Request: \$384,000 at Deadman's Curve**

The City of Kodiak, in conjunction with the Kodiak Island Borough and interested community members, is working to develop a continuous designated pathway system to compliment Kodiak's road system. This segment of the pathway will extend from Pier II, where cruise ships dock in Kodiak, to the City boundary and a well used scenic overlook and integrate with the pedestrian improvements already under development from Pier II to downtown Kodiak. This pathway will benefit bicyclists and pedestrians alike by significantly improving safety and access and benefit cruise ship passengers who want to view the Kodiak road system coastline from an inviting and scenic location. A planning level scoping document has already been completed for this project. Total project costs for this City phase of the pathway project is estimated at \$2.9 million, including \$384,000 in design and engineering costs and \$325,000 for environmental, permitting, and right-of-way acquisition. The City of Kodiak is requesting State funding assistance through the cruise ship excise tax for design and engineering costs for this pathway segment.

CITY OF KODIAK

  
MAYOR

ATTEST:

  
CITY CLERK

Adopted: January 13, 2011



**CITY OF KODIAK  
RESOLUTION NUMBER 2011-37**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ACCEPTING  
A LEGISLATIVE GRANT AWARD FOR PATHWAY DESIGN FROM PIER II TO THE  
KODIAK CITY BOUNDARY**

WHEREAS, the Alaska State Legislature has approved an FY12 Designated Legislative Grant to the City of Kodiak in the amount of \$384,000; and

WHEREAS, the funding is available from the State of Alaska cruise ship excise tax to be used on projects or infrastructure improvements that benefit cruise ship passengers; and

WHEREAS, the City of Kodiak will accept these funds for the preliminary design, permitting, and right-of-way acquisition for a section of pathway from Pier II to the City boundary; and

WHEREAS, this portion of the larger Kodiak Island Borough pathway project will extend from Pier II, where cruise ships dock in Kodiak, to the City boundary and a well used scenic overlook and integrate with the pedestrian improvements already under development by the City of Kodiak; and

WHEREAS, the pathway will benefit bicyclists and pedestrians alike by significantly improving safety and access and benefit cruise ship passengers who want to view the Kodiak road system coastline from an inviting and scenic location; and

WHEREAS, the Alaska State Department of Transportation and Public Facilities will receive federal funds to design and construct the pathway project in Kodiak as a ranked project in the current Draft 2012-2015 Statewide Transportation Improvement Program (STIP); and

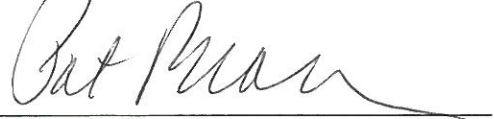
WHEREAS, once the City officially accepts the grant funds, the City will enter into an agreement with the State of Alaska Department of Transportation (DOT) to transfer the funds to them via a Transfer of Responsibility Authorization (TORA) which allows the grant funds to be applied to the project as the required local match to the federal funds to design and build this segment of pathway.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that an Alaska State Legislature FY12 Designated Legislative Grant in the amount of \$384,000 is hereby accepted, and the City Manager is authorized to execute and administer any and all documents required for the acceptance and management of this grant award.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to enter into and execute an agreement with the State of Alaska Department of Transportation for a

TORA to enable the grant funds to be transferred to DOT to be used as the required local match for the federal funds for this project.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Adopted: November 17, 2011





DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT  
DIVISION OF COMMUNITY AND REGIONAL AFFAIRS

Designated Legislative Grant Program  
Grant Agreement

Grant Agreement Number <b>12-DC-613</b>		Amount of State Funds <b>\$ 384,000.00</b>	
Encumbrance Number/AR/Lapse Date <b>/8895 / 6/30/2016</b>		Project Title <b>Pedestrian Pathway Planning and Design</b>	
<b>Grantee</b>		<b>Department Contact Person</b>	
Name City of Kodiak		Name Nancy Pierce	
Street/PO Box 710 Mill Bay Road		Title Grants Administrator	
City/State/Zip Kodiak, AK 99615		Street/PO Box PO Box 110809	
Contact Person Aimee Kniazowski <a href="mailto:akniazowski@city.kodiak.ak.us">akniazowski@city.kodiak.ak.us</a>		City/State/Zip Juneau, Alaska 99811-0809	
Phone 907-486-8640 or 8641	Fax 907-486-8600	Phone (907) 465-2023	Fax (907) 465-5867

**AGREEMENT**

The Alaska Department of Commerce, Community, and Economic Development, Division of Community and Regional Affairs (hereinafter 'Department') and City of Kodiak (hereinafter 'Grantee') agree as set forth herein.

**Section I.** The Department shall pay the Grantee for the performance of the project work under the terms outlined in this agreement. The amount of the payment is based upon project expenses incurred, which are authorized under this Agreement. In no event shall the payment exceed **\$384,000.00**.

**Section II.** The Grantee shall perform all of the work required by this Agreement.

**Section III.** The work to be performed under this agreement begins 7/1/2011 and shall be completed no later than 6/30/2016.

**Section IV.** The agreement consists of this page and the following:

ATTACHMENTS

Attachment A: Scope of Work

1. Project Description
2. Project Budget
3. Project Narrative
4. Project Management/Reporting
5. Forms Packet

Attachment B: Payment Method

Attachment C: Standard Provisions

APPENDICES

Appendix A: Audit Regulations

Appendix B: Audit Compliance Supplement

Appendix B2: Insurance

Appendix C: State Laws and Regulations

Appendix D: Special Requirements and Assurances for Federally Funded Projects (if applicable)

Appendix E: Site Control

Appendix F: State Fire Marshal Review

AMENDMENTS: Any fully executed amendments to this Agreement

<b>Grantee</b>		<b>Department</b>	
Signature 		Signature 	
Printed Name and Title Aimee Kniazowski, City Manager		Printed Name and Title Jolene Julian, Grants Administrator III	
Date 1/6/12		Date 1/11/12	

Reviewed by: \_\_\_\_\_

## Attachment A Scope of Work

### 1. Project Description

The purpose of this FY 2012 Designated Legislative Grant in the amount of \$384,000.00 [*pursuant to the provisions of AS 37.05.315, SLA 2011, Chapter 5, Section 7, Page 141, Lines 27,*] is to provide funding to City of Kodiak for use towards Pedestrian Pathway Planning and Design. The objective of this project is provide design and engineering for the City phase of the pathway project.

This project may include, but is not limited to:

- Costs associated with design and engineering.

No more than five percent (5%) of the total grant award may be reimbursed for Administrative expenses for projects involving equipment purchase or repairs and no more than ten percent (10%) of the total grant award may be reimbursed for Administrative expenses for all other projects. To be reimbursed for eligible administrative costs, expenses must be reported on the Designated Legislative Grant Financial/Progress Report form.

### 2. Project Budget

Cost Category	Grant Funds	Total Project Cost
Program Funds	\$384,000.00	\$384,000.00

### 3. Budget Narrative

The Grant Funds identified above will be used to complete the project described in the above Project Description.

#### **4. Project Management/Reporting**

This project will be managed by the Grantee.

If the Grantee is a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Mayor. The Mayor may delegate signatory authority for executing the Grant Agreement and amendments to others within the City government via the Signatory Authority Form. The Mayor may also designate financial and progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the City government, unless otherwise approved by the Department.

If the Grantee is not a City, signatory authority for execution of the Grant Agreement and subsequent amendments is granted to the Chief Executive Officer (CEO). The CEO may delegate authority for executing the Grant Agreement and amendments to others within the Grantee's organization via the Signatory Authority Form. The CEO may also designate financial and performance progress reporting authority via the Signatory Authority Form. Such delegation is limited to others within the Grantee's organization unless otherwise approved by the Department.

The Grantee must establish and maintain separate accounting for the use of this Grant. The use of Grant funds in any manner contrary to the terms and conditions of this Grant Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. It may also result in the Grantee being required to return such amounts to the State.

The Grantee shall submit a Designated Legislative Grant Financial/Progress Report Form (see attached) each month, or quarterly, with the concurrence of the Department, during the life of the Grant Agreement. Grant Financial/Progress Report Forms are due fifteen (15) days after the end of the month or quarter being reported. The report period is the first of the month through the last day of the month. If quarterly reporting is approved, the report period is the first day of the first month through the last day of the third month of the quarter. The final Financial/Progress Reports must be submitted within thirty (30) days following completion of the project. Under no circumstances will the Department release funds to the Grantee unless all required reporting is current.

#### **5. Grant Forms Packet**

The following page, which includes the Designated Legislative Grant Financial/Progress Report Form, is to be used by the Grantee for monthly/quarterly reporting. Additional copies of this form are available from the Department, electronically or in hard copy.



# LAWS OF ALASKA

2011

FIRST SPECIAL SESSION

**Source**  
HCS CSSB 46(FIN)

**Chapter No.**  
5

## AN ACT

Making and amending appropriations, including capital appropriations, savings deposits in the form of appropriations to the statutory budget reserve fund, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.

---

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1

Enrolled SB 46



1 \* **Sec. 7.** The following appropriation items are for capital project grants to upgrade  
 2 commercial passenger vessel services and infrastructure, enhance passenger safety, and  
 3 support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS  
 4 43.52.230) or other funds as set out in section 8 of this Act to the agencies named for the  
 5 purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
	Allocations	Items	Funds
		Funds	Funds
6			
7			
8	*****		*****
9	*****	<b>Department of Commerce, Community, and Economic Development</b>	
10	*****		*****
11	<b>Grants to Municipalities</b>		
12	<b>(AS 37.05.315) - Cruise</b>		
13	<b>Ship-Related Grant</b>		
14	<b>Projects</b>		
15	Anchorage - Alaska Aviation	495,000	495,000
16	Museum Energy & Safety		
17	Improvements (HD 16-32)		
18	Homer - Cruise Ship Dock	6,000,000	6,000,000
19	and Passenger Facility		
20	Improvements (HD 33-35)		
21	Hoonah - Berthing Facility	17,000,000	16,000,000
22	(HD 5)		1,000,000
23	Juneau - Cruise Ship Dock	7,500,000	7,500,000
24	Improvements (HD 3-4)		
25	Ketchikan - Berths I & II	5,000,000	5,000,000
26	Replacement Project (HD 1)	<del>10,000,000</del>	<del>10,000,000</del>
27	Kodiak - Pedestrian Pathway	384,000	384,000
28	Planning and Design (HD		
29	36)		
30	Kodiak - Pier and Downtown	1,600,000	1,600,000
31	Pedestrian Improvements		

Total Project Snapshot Report

2011 Legislature

TPS Report 56490v1

Agency: Commerce, Community and Economic Development

Grant Recipient: Kodiak

Federal Tax ID: 92-6000083

Project Title:

Project Type: Planning and Research

# Kodiak - Pedestrian Pathway Planning and Design

State Funding Requested: \$384,000

House District: 36 / R

Future Funding May Be Requested

### Brief Project Description:

The City of Kodiak, in conjunction with the Kodiak Island Borough, are planning the extension of pedestrian pathways from Pier II south. This addresses the portion of the project within the City's boundaries.

### Funding Plan:

Total Project Cost:	\$2,900,000
Funding Already Secured:	(\$0)
FY2012 State Funding Request:	(\$384,000)
Project Deficit:	\$2,516,000

### Detailed Project Description and Justification:

The City of Kodiak, in conjunction with the Kodiak Island Borough and interested community members, is working to develop a continuous designated pathway system to compliment Kodiak's road system. This segment of the pathway will extend from Pier II where cruise ships dock in Kodiak, to the City boundary and a developed scenic overlook with telescopes for viewing commercial fishing fleet and Coast Guard ship activity. This will integrate with the pedestrian improvements already under development from Pier II to downtown Kodiak. This pathway will benefit pedestrians and bicyclists alike by significantly improving safety and access and benefit cruise ship passengers who want to view the Kodiak road system coastline from an inviting and scenic location. A planning level scoping document has already been completed for this project. Total project costs for this City phase of the pathway project is estimated at \$2.9 million, including \$384,000 in design and engineering costs and \$325,000 for environmental, permitting, and right-of-way acquisition. The City of Kodiak is requesting State funding assistance through the cruise ship excise tax for design and engineering costs for this pathway segment.

### Project Timeline:

If the City receives funding assistance through the cruise ship excise tax program in FY12, it will begin the preliminary design and engineering for this segment of the pathway.

### Entity Responsible for the Ongoing Operation and Maintenance of this Project:

City of Kodiak

Contact Name: Enn Harrington  
Contact Number: 465 4230

For use by Co-chair Staff Only.

\$384,000  
Approved

4 47 PM 5/27 2011

**Grant Recipient Contact Information:**

Name:	Aimee Kniazowski
Title:	City Manager
Address:	710 Mill Bay Road Kodiak, Alaska 99615
Phone Number:	(907)486-8640
Email:	akniazowski@city.kodiak.ak.us

Has this project been through a public review process at the local level and is it a community priority?  Yes  No

Contact Name: Erin Harrington  
Contact Number: 465-4230

<i>For use by Co-chair Staff Only</i>
4 47 PM 5/27/2011

**DEVELOPMENT CONCEPT PLAN**     *Shelikof Street: Jack Hinkel Way to Marine Way*

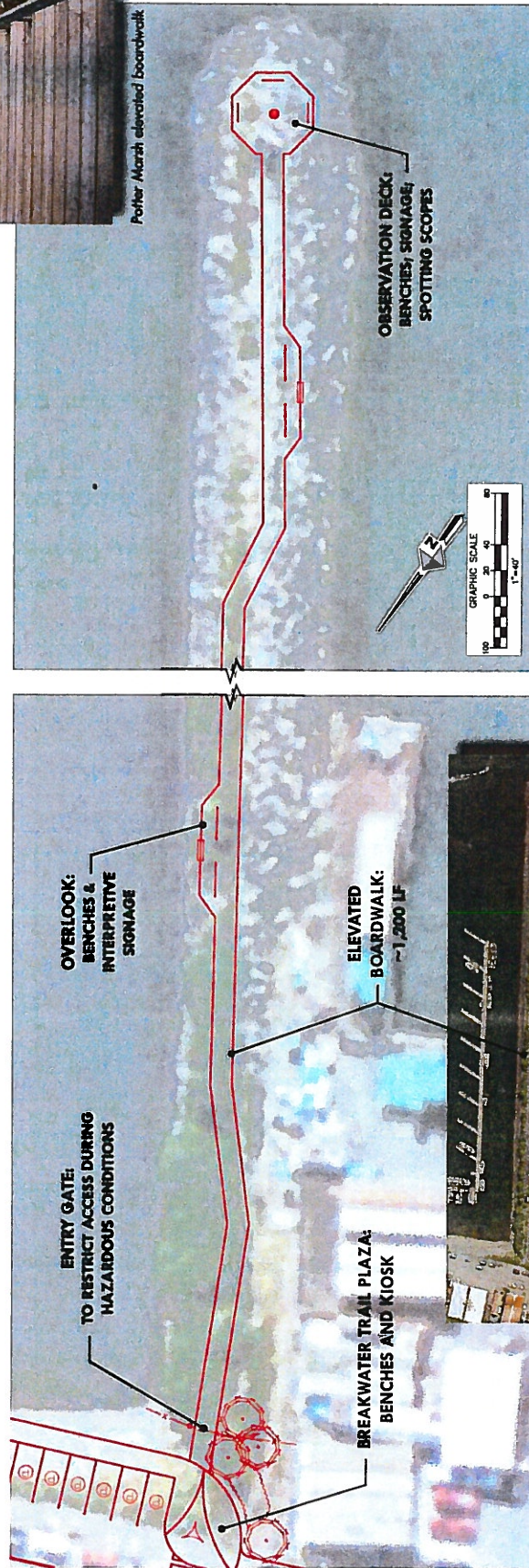
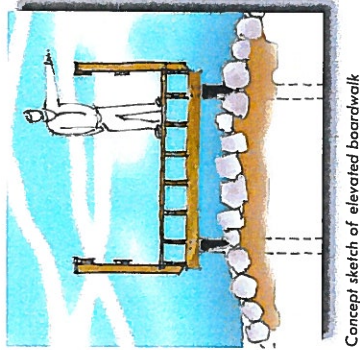


### BREAKWATER TRAIL

The breakwater boardwalk concept was developed to provide another enhancement to the downtown Kodiak area for visitors and residents alike. By providing this boardwalk, pedestrians can enjoy a safe and convenient route out to the end of the existing breakwater. A gate at the entry plaza will restrict access onto this raised boardwalk during hazardous conditions. Benches and overlook areas along this approximately 1,200 LF of boardwalk could provide a variety of viewpoints - into downtown, St. Paul Harbor, and distant views

out into the surrounding bay. Eagles, seals, and possibly whales could be viewed all along this proposed boardwalk and at the observation deck at the end of the breakwater. The boardwalk would be supported on piles driven into the existing breakwater with an elevated deck above and railings on each side. Materials would be durable products that are able to withstand marine environments, such as galvanized supports or railings, recycled plastic decking or rails, and slip resistant surfacing for the tread.

The Marine Highway is planning to construct a new ferry dock in Kodiak and they have considered the end of this breakwater. ADOT&PF's use of the breakwater should be confirmed prior to any consideration of this as a trail. The Army Corps of Engineers owns the breakwater, so right-of-way and permitting issues would need to be resolved. The boardwalk budget would need to include money for right-of-way and permitting.



DRAFT

CITY OF KODIAK  
FIVE YEAR CAPITAL IMPROVEMENT PROGRAM  
FY 2015-2019

NEW OR MAINTENANCE PROJECT NOMINATION APPLICATION

Check One  Feasibility  Design  Construction  Maintenance

Prepared By: Charlie Powers Date 20-May-14

Department: Parks & Recreation  
PROJECT NAME: Carolyn Floyd Community Path

Project Start Date: 1-Oct-14 Capital Fund \_\_\_\_\_

1 PROJECT LOCATIONS/LEGAL DESCRIPTION/TAX LOT ID

Numerous	<u>N/A</u>	<u>N/A</u>
Lot No.	<u>Block No.</u>	
Numerous	<u>NA</u>	<u>N/A</u>
Tract	<u>USS</u>	<u>Unsubdivided</u>

Does the City own the property?  Yes  No

Does the City lease the property?  Yes  No

If No, how will it be acquired? City owns a portion of the lands traversed by the trail. Others will be obtained through easements and land sales.

2 Project Description: **Write a narrative describing what will be constructed and why the project is being proposed.**

This project will designate and build an 8' wide community path connecting downtown to the existing Rezanof Dr. path. The path will originate at Pier 2 and proceed through downtown, climb borough hill and traverse the school campus, then traverse Baranof park, East Addition subdivision and a tract of undeveloped land before linking to the existing path near the entrance to East Elementary. The project will provide a main arterial pathway providing safe access for youth and adults to schools, shopping, parks & public facilities and housing, fulfilling an integral role in Kodiak's long-range transportation plan. The 3.3 mile route lies primarily on public lands (parks, schools, government centers) and utilizes green corridors, undeveloped right-of-ways and side street crossings to minimize conflicts with vehicle traffic. Sidewalks alone are widely insufficient in tread width, corridor width and surface quality for the growing number of cyclists commuting to school or work.

The proposed path will be 8' wide and paved or pavement-ready. Along its length it links 33 public facilities, schools, parks and cultural destinations that connect

Kodiak residents to resources and to each other (Exhibit A). The project will be funded by multiple sources and phased over several years to deliver measurable

benefits from year one. The Parks & Recreation Advisory Committee recommends the path be named in honor of Carolyn Floyd, who served as Mayor of the city of

Kodiak for 16 years.

**3 Project purpose and need: Write a narrative describing the purpose and need for the project. This narrative should address the following as applicable:**

1. Will this project improve a safety problem or public health concern? State how.
2. Is the project specifically mandated by a federal, state, or local authority? State why.
3. Will this project replace, expand, or upgrade an existing City facility?
4. Will this project increase the life expectancy of another structure, road, or utility? State the increased life expectancy.
5. Describe the benefits of the project to the community in terms of increased economic development, improvements to social opportunities, environmental protection, improvement to quality of life, supports Kodiak's CIP and Council goals.

The project will reduce conflicts with motorists by providing off-street alternatives to travel on Mill Bay Rd. and Rezanof Dr. The project will improve air quality

and physical well-being of residents by providing safe, healthy, emission-free alternatives to vehicular travel. The path will make it safer for school children to

walk and bike to school, the decline of which may be linked to the childhood obesity epidemic. Pedestrian and bicycle facilities are not mandated but strongly

encouraged by the Alaska statewide transportation plan and by the KIB trails master plan. The path will increase access to numerous public facilities and civic

centers and will increase visitorship to city parks. The project will reduce vehicular traffic and congestion, resulting in longer life expectancy of city-maintained

roads. The path will facilitate travel from residential areas to downtown, restoring economic and cultural vibrance to the urban core. The path will shorten evacuation

routes to earthquake and tsunami shelters in numerous parts of the city, and will boost economic development by attracting visitors and increasing retail

sales associated with these activities. The path will increase social interaction of community members, and will increase the livability and quality of life for residents

by providing them with access to parks and open spaces or outlets for activities associated with the use of the path itself. Land acquisitions as a part of the project

may indirectly benefit expansion of city parks and cemeteries.

**DRAFT**

**4 Development plan and status: Describe what work has been completed on the project and describe this project's plan for development. The plan should include feasibility, pre-design, construction, estimates, and who will be doing the work.**

Project has been recently recommended as a community priority by city parks & recreation committee and downtown Kodiak revitalization special committee, as well as Borough Assembly and Parks & Recreation Committee. Use of FY11 legislative appropriation of \$384,000 identified for "Pedestrian Pathway Planning & Design" toward this project has been met with approval by DCEED, ADOT&PF, and the Alaska legislature. With planning funds now in place, planning through schematic (35%) phase shall be conducted in house or by consulting contract, with subsequent engineering, design and construction completed by city parks & recreation department or awarded by competitive bid. Funding sources shall not be limited to city of Kodiak capital funds, but may include Alaska legislature, ADOT&PF Safe Routes to Schools, Indian Rural Roads (IRR) through KANA or Sun'aq Tribal Council, and others. As each segment has intrinsic value as a stand-alone project, project phases may be completed in any order as funding becomes available. With completed plans including engineering and design completed by end of 2015, funding can be sought for shovel-ready projects beginning 2016. Estimates from DOWL engineers on paved multi-use path and pedestrian staircases are attached as Exhibits C and D.

**5 Project Time Line: Provide an approximate month and year for the following:**

Project Phase	Started Date	Finish Date
Initiation/Concept	Jan-10	May-14
Feasibility/Pre Design	May-14	Jun-14
Engineering/Design	Jun-14	Jun-15
Construction	Jul-15	Dec-18



**6 Permitting:**

Are any permits required for the work?  Yes  No

If yes, please describe the permit and provide as estimated timeline/process for obtaining the permit(s):

NEPA preliminary analysis, Stormwater Pollution Prevention Plan (SWPPP), and right-of-way encroachment permits will be required for each phase of the proje

Where possible, these shall be obtained in the feasibility/pre-design phase.

**7 Utility Services:**

Will this project require new or relocated services?  Yes  No

If yes, please describe the type of utilities (electric, water, sewer, phone/data) and provide information on their installation relocation.

No lighting is planned for the community path at this time.

**8 Cost and Financing Data:**

Will project generate revenue?  Yes  No

a. If yes, explain fees to be charged by user group with rates, if applicable.  
How the proposed fee(s) were determined  
Projected annual revenue

N/A

b. Write a narrative describing the overall project costs, funding source(s) and how much of the overall cost will be paid by each source. If grant funding is proposed, identify the source. Describe future operational costs and savings.

Year 1 **Scope:** Planning & design (all) construction (Phase 1/2) **Estimate:** \$794k **Funding Source:** AK Leg Grant of \$384k (Exhibit B). \$294k for planning/design.

Remaining \$90k set aside for future land acquisition for Phase 4. \$500k capital funds for construction Phase Phase 1, High School Campus and Phase 2, Baranof Park.

Year 2 **Scope:** Construction (Phase 3/4) **Estimate:** \$590k **Funding Source:** \$500k capital funds for construction of Phase 3, East Addition & Phase 4, Chichenof

Trace/Cemetery. \$90k legislative funds used for lands acquisition.

Year 3 **Scope:** Construction (Phase 5) **Estimate:** \$500k **Funding Source:** \$500k capital funds for construction of Phase 5, Borough Hill. Three year scope is timed to occur on or about date of FWS divestiture of triplex property on borough hill, a key~~stop~~ property for the proposed route.

Year 4 **Scope:** Construction (Phase 6) **Estimate:** \$750k **Funding Source:** \$500k capital funds for construction of Phase 6, Downtown Kodiak. \$250k federal funds (FHWA/Indian Roads) to be requested for line item Zharof Bridge staircase.

Year 5 **Scope:** Construction (Phase 7) **Estimate:** \$750k **Funding Source:** \$500k capital funds for construction of Phase 7, Shelikof Avenue harbor walk. \$250k funds requested for breakwater elevated walkway.

**9 Relationship to other scheduled projects: Write a narrative describing the impact this project will have on any other active project.**

Most of Downtown section can be rebuilt following the planned stormwater/sewer replacement scheduled for 2015-2016, reducing project costs of downtown phase of the project. Since over 50% of the route is on or near existing sidewalks, some infrastructure for the planned path is already in place. Construction cost estimates are based on non-sidewalk portions of the route. Remaining areas may require resurfacing, widening or elevated curb to make them suitable for cyclists. These may be phased in during repaving, scheduled utility projects, or proposed future improvements such as East Elementary entrance & parking re-design, cemetery expansion, Baranof park improvements and the divestiture of federal (FWS) lands on borough hill. Once built, operational impact will be limited to maintenance. Tread failure on Rezanof path has been minimal since construction. Snow removal on the 8' wide path can be performed cost effectively by a common plow truck.

# DRAFT FUNDING SOURCES FOR PROJECT

Revenue Source	Existing Funds	Fiscal Year Funding Requests							Total
		FY2014	FY2015	FY2016	FY2017	FY2018			
State Grant	\$ 384,000			\$ 50,000	estimate pending		\$	434,000	
Federal Grant					\$ 250,000		\$	250,000	
Local Grant							\$	-	
Transfer 100		\$ 500,000	\$ 500,000	\$ 450,000	\$ 250,000	\$ 500,000	\$	2,200,000	
Transfer 500							\$	-	
Transfer 510							\$	-	
Transfer 550							\$	-	
Transfer 570							\$	-	
Transfer 299							\$	-	
Other							\$	-	
Other							\$	-	
<b>Total</b>	<b>\$ 384,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$</b>	<b>2,884,000</b>	

How were the revenue numbers derived? Example: Financial Engineering, Rate Study, WAG based upon previous project, etc. Please specify project WAG numbers are based upon.

FY16 state grant based on similar Safe Routes to Schools infrastructure investments. Elevated breakwater path based on 2012 Sitka SeaWalk project.

FY15 Federal grant for staircase near Zharof bridge is based upon 2004 costs for a similar structure, adjusted for inflation and other cost increases.

**CAPITAL COSTS FOR PROJECT**

D R A F T

Revenue Source	Existing Funds	Fiscal Year Funding Requests						Total
		FY2014	FY2015	FY2016	FY2017	FY2018		
Salaries & Wages								
Benefits								
Legal Services								
Engineering Services	\$ 166,000						\$	166,000
Professional Services	\$ 69,600						\$	69,600
Construction		\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$ 450,000	\$	2,250,000
Permitting	\$ 20,000						\$	20,000
Land	\$ 90,000						\$	90,000
Equipment							\$	-
Contingency	\$ 38,400						\$	38,400
Construction Administration		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$	250,000
Shipping							\$	-
Other							\$	-
Other							\$	-
Other							\$	-
Other							\$	-
<b>Total</b>	\$ 384,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$	2,884,000

How were the expense numbers derived?  
See attached estimates.