

**KODIAK CITY COUNCIL  
PLANNING WORK SESSION AGENDA**

**Saturday, January 16, 2016**

**Kodiak Fisheries Research Center  
301 Research Court  
10 a.m.**

*Planning sessions are extended work sessions of the City Council where Councilmembers discuss policy issues and projects and receive information from staff. Additional items not listed on the planning work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff; no formal action is taken at planning work sessions, and items that require formal Council action are placed on a regular Council meeting agenda. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

- 1. Public Comments** (limited to 3 minutes)
- 2. Organizational/Policy Issues**
  - a. Discuss Fisheries Analyst Contract Renewal .....1
  - b. Discuss FY2017 Draft Budget Goals .....15
  - c. Discuss City Public Information Officer Position.....25
  - d. Discuss Teleconferenced Meetings .....29
  - e. Review Council’s Draft Strategic Plan .....33
  - f. Review Nonprofit Grant Policy.....59
  - g. Review Special/Standing Rules.....63
- 3. Property**
  - a. Discuss City Property and Facility Leases ..... 69
  - b. Discuss Infrastructure Needs
- 4. Other Staff/Council Comments**
  - a. Council Training Needs

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December 29, 2015

Bud Cassidy, Borough Manager  
Kodiak Island Borough

Aimee Kniazowski, City Manager  
City of Kodiak

Dear Bud and Aimee:

As you know, the two-year contract between McCarty and Associates, the City and the Borough is in effect until February 6, 2016. The contract is renewable by mutual agreement of the parties to the contract, so I felt it was timely to communicate with you both about future plans.

I want to let you both know that I very much appreciate your help and encouragement, and that of your efficient and friendly staffs. I especially compliment both the City and the Borough on the careful and conscientious way your teams have supported the meetings of the Kodiak Fishery Work Group (KFWG) and the community roundtable forums. Their attention to detail and process is exemplary.

I also would like to formally request your consideration of renewing the contract. I believe the KFWG and the community of Kodiak have benefitted from the work we have collectively done at the North Pacific Council and in other forums. The community of Kodiak is clearly perceived as an example of how fishing-dependent communities can successfully interact with management bodies. We have had the good fortune of having intelligent and motivated co-chairs, and committed members of the KFWG; it has been a true pleasure to work with that group.

I am also pleased that the community has, with deliberation, agreed to a contract to do some important baseline fisheries-related economic data-gathering, which will lay the groundwork for further analysis of management plans.

Although not the only fisheries issue of importance to Kodiak, the outcome of the Council's Gulf Trawl Bycatch Management (GTBM) action will have a tremendous effect on the community. That action is really just beginning, and the next 18 months will clearly be a time of great need for the kind of unbiased information and analysis that I believe I can continue to provide.

Please let me know if you need something more formal from me, and what your joint process and timeline is for making a renewal decision. I am happy to appear before the City Council and/or the Borough Assembly if those bodies should wish to discuss this with me, and of course I am always available to you.

Best regards,

Heather McCarty

Cc: Major Pat Branson, City of Kodiak  
Major Jerrol Friend, Kodiak Island Borough  
John Whiddon, Co-chair, KFWG  
Rebecca Skinner, Co-chair, KFWG



**Professional Services Agreement with  
McCarty and Associates  
for Fisheries Analyst Consulting and Related Services**

This **AGREEMENT**, made and entered into this 7<sup>th</sup> day of February, 2014 by and between the **KODIAK ISLAND BOROUGH**, organized under the laws of the State of Alaska, hereinafter referred to as the "**Borough**", the **CITY OF KODIAK**, organized under the laws of the State of Alaska, hereafter referred to as the "**City**" and **MCCARTY AND ASSOCIATES** a sole proprietor company authorized to do business in Alaska, with offices located at Juneau, Alaska, hereinafter referred to as the "**Contractor**."

**WITNESSETH**

**WHEREAS**, the Borough and City wish to enter into a contract with an independent contractor to monitor, analyze and report on fisheries issues and policy developments that may impact or affect the economy and community in Kodiak, Alaska; and

**WHEREAS**, in response to a request for proposals, Contractor submitted a proposal asserting it is qualified to perform these services and able to do so in a timely manner;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

**1.0 DEFINITIONS**

1.1 "Agreement" shall mean this Professional Services Agreement, including:

Exhibit A – McCarty & Associates proposal dated January 21, 2014

Exhibit B – Borough and City's request for proposals

1.2 "Change Order" is an addition to, or reduction of, or other revision approved by the Borough and City in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

1.3 "Borough" shall mean the Kodiak Island Borough, Alaska.

1.4 "Borough/City Fisheries Work Group" is a sub-committee of the Borough Assembly and City Council consisting of three Assembly members and three Council members (KIB Assembly Resolution FY2013-32).

1.5 "City" shall mean the City of Kodiak, Alaska.

- 1.6 "Contracting Officers" shall mean Borough Manager and the City Manager, and include any successor or authorized representatives.
- 1.7 "Contractor" shall mean McCarty and Associates.
- 1.8 "Fisheries Analyst Services" shall include monitoring, analyzing, and reporting to the Borough and City on fisheries issues and policy developments that may impact or affect the economy and communities with the City and the Borough, as further described in the Borough's and City's request for proposals (Exhibit B) and Contractor's proposal (Exhibit A).

**2.0 TERM OF AGREEMENT.** This Agreement shall take effect on February 7, 2014. This Agreement shall remain in full force and effect for two years expiring on February 6, 2016. This Agreement may be extended for two one year options to extend upon approval by the Borough, City and Contractor. This Agreement may be amended only in writing and upon compliance with all applicable statutes, ordinances, and regulations.

**3.0 FEES.** Contractor will be paid \$5,000 per month, at the beginning of each month, and reimbursed for reasonable travel-related costs including airfare, local transportation, lodging and per diem for meals based on the current US Government Services Administration (GSA) agency schedule. The Contractor will submit monthly invoices, detailing work and expenses incurred. The Borough and City will each pay one half of each accurate monthly invoice.

**4.0 SCOPE OF SERVICES.** The Borough, City, and Contractor have agreed upon a scope of work described in the Contractor's proposal, Exhibit A, to provide Fisheries Analyst Services based on approved standards and instructions [as specifically described in Exhibits A and B.] When available, Contractor will also attend local meetings of the Kodiak Fisheries Advisory Committee (KFAC) and the Kodiak Regional Aquaculture Association (KRAA). Attendance at other meetings may be requested by the Borough/City Fisheries Work Group. Additional Contractor fee for additional meetings (if any) must be agreed to, in writing, and approved by the Borough/City Fisheries Work group.

This Scope of Services can only be changed in writing pursuant to Section 25.0 of this Agreement.

**5.0 REPORT SCHEDULE.** Written quarterly reports shall be provided to the Borough and City within 30 days following the end of each calendar quarter. Contractor shall also report, written and/or oral, to the Borough/City Fisheries Sub-committee after each fisheries meeting attended and attend Borough/City Joint Work Sessions when requested by the Borough/City Fisheries Sub-committee. Joint work sessions are anticipated to occur on a quarterly basis.

**6.0 PERSONNEL/ORGANIZATION**

6.1 Key Personnel. Fisheries Analyst Services provided by the Contractor will be performed by:

**Heather McCarty**

6.2 Changes in Key Personnel. The Contractor shall give the Borough and City, through notice to the Contracting Officers, reasonable advance notice of any necessary substitution or change of key personnel and shall submit justification therefore in sufficient detail to permit the Borough and City to evaluate the impact of such substitution on this Agreement. No substitutions or other changes shall be made without the written consent of the Borough.

**7.0 STANDARD OF PERFORMANCE.** The Contractor agrees to use its best efforts to provide Fisheries Analyst Services. The Contractor accepts the relationship of trust and confidence established between it and the Borough and City by this Agreement. The Contractor covenants with the Borough and City to furnish its best skill and judgment. The Contractor shall provide all services in a competent manner.

**8.0 TIMELINESS OF PERFORMANCE.** Time is of the essence in this Agreement.

**9.0 COMPLIANCE WITH LAWS.** The Contractor shall be familiar with and at all times comply with and observe all applicable federal, state and local laws, ordinances, rules, regulations, and executive orders, all applicable safety orders, all orders or decrees of administrative agencies, courts, or other legally constituted authorities having jurisdiction or authority over the Contractor, the Borough, or the service which may be in effect now or during performance of the services.

**10.0 INDEMNITY.** The Contractor shall indemnify, defend, and hold harmless the Borough and City from and against any claim of, or liability for, negligent acts, errors, and omissions of the Contractor under this Agreement, including attorney fees and costs. The Contractor is not required to indemnify, defend, or hold harmless the Borough or City for a claim of, or liability for, its (the Borough or City, as applicable) independent negligent acts, errors, and omissions. If there is a claim of, or liability for, a joint negligent act, error, or omission of the Contractor

and the Borough and City, the indemnification, defense, and hold harmless obligation of the Contractor, and liability of the parties, shall be apportioned on a comparative fault basis. In this provision, "Contractor", "Borough" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions of the Borough and City means negligence other than in the Borough's and City's selection, administration, monitoring, or controlling of the Contractor, or in approving or accepting the Contractor's work.

**11.0 INSURANCE.** The Contractor understands that no Borough or City insurance coverage, including Workers' Compensation, is extended to the Contractor while completing the services described in this Agreement. The Contractor shall carry adequate (commercially reasonable coverage levels) insurance covering Workers' Compensation, general public liability, automobile, professional liability, and property damage including a contractual liability endorsement covering the liability created or assumed under this Agreement. The Contractor shall not commence work under this Agreement until the Contractor provides the Borough and City with certificates of insurance evidencing that all required insurance has been obtained. These insurance policies and any extension or renewals thereof must contain the following provisions or endorsements:

- a. Borough and City are additional insured thereunder as respects liability arising out of or from the work performed by Contractor.
- b. Borough and City will be given thirty (30) days prior notice of cancellation or material alteration of any of the insurance policies specified in the certificate.
- c. Insurer waives all rights of subrogation against Borough and City and their employees or elected officials.
- d. The insurance coverage is primary to any comparable liability insurance carried by the Borough and City.

Upon request, Contractor shall permit the Borough and City to examine any of the insurance policies specified herein. Any deductibles or exclusions in coverage will be assumed by the Contractor, for account of, and at the sole risk of the Contractor.

The minimum amounts and types of insurance provided by the Contractor shall be subject to revision at the Contracting Officers' request in order to provide continuously throughout the term of the Agreement a level of protection consistent with good business practice and accepted standard of the industry.

**12.0 GOVERNING LAW.** The laws of Alaska will determine the interpretation, performance and enforcement of this Agreement.

**13.0 OWNERSHIP OF WORK PRODUCTS.** Payment to the Contractor for services hereunder include full compensation for all work products and other materials produced by the Contractor pertaining to this Agreement.

The originals of all material prepared or developed by the Contractor or its employees, agents, or representatives hereunder, including documents, drawings, designs, calculations, maps, sketches, notes, reports, data, models, computer tapes, and samples shall become the property of the Borough and City when prepared, whether delivered or not, and shall, together with any materials furnished the Contractor and its employees, agents, or representatives by the Borough and City hereunder, be delivered to the Borough and City upon request and, upon termination or completion of this Agreement. Materials previously created and copyrighted by the Contractor included in this project will remain property of the Contractor. Copies will be made available to the Borough and City upon request. Materials purchased from and copyrighted by third parties are not included in this provision.

**14.0 PATENTS, TRADEMARKS, AND COPYRIGHTS.** The Contractor agrees to defend, indemnify, and save the Borough and City harmless from and against any and all claims, costs, royalties, damages and expenses of any kind of nature whatsoever (including attorneys' fees) which may arise out of or result from or be reasonably incurred in contesting any claim that the methods, processes, or acts employed by the Contractor or its employees in connection with the performance of services hereunder infringes or contributes to the infringement of any letter patent, trademark, or copyright. In case such methods, processes, or acts are in suit held to constitute infringement and use is enjoined, the Contractor, within reasonable time and at its own expense, will either secure a suspension of the injunction by procuring for the Borough and City a license or otherwise, or replace such method, process, etc., with one of equal efficiency.

**15.0 NONWAIVER.** No failure of the Borough, City or Contractor to insist upon the strict performance by the other of any of the terms of this Agreement or to exercise any right or remedy herein conferred, shall constitute a waiver or relinquishment to any extent of its rights to rely upon such terms or rights on any future occasion. Each and every term, right, or remedy of this Agreement shall continue in full force and effect.

**16.0 SAFETY/PERFORMANCE.** The Contractor shall comply with all federal and state statutes, ordinances, orders, rules, and regulations pertaining to the protection of workers and the public from injury or damage, and shall take all other reasonable precautions to protect workers and the public from injury or damage.

## **17.0 SUSPENSION OR TERMINATION.**

17.1 Fault Termination or Suspension. This Agreement may be terminated by any party upon ten (10) days written notice if another party fails substantially to perform in accordance with its terms. If the Borough or City terminates this Agreement, they will pay the Contractor a sum equal to the percentage of work completed and accepted that can be substantiated by the Contractor, offset by any amounts owed to the Borough or City. However, within the ten (10) day Notice of Intent to terminate the party in default shall be given an opportunity to present a plan to correct its failure.

17.2 Convenience Suspension or Termination. Any party may at any time terminate or suspend this Agreement upon 30 days' prior written notice to each of the other parties, for any reason including its own needs or convenience. In the event of a convenience termination or suspension for more than six (6) months, the Contractor will be compensated for authorized services and authorized expenditures performed to the date of termination or suspension. No fee or other compensation for the uncompleted portion of the services will be paid, except for already incurred indirect costs which the Contractor can establish and which would have been compensated but because of the termination or suspension would have to be absorbed by the Contractor without further compensation.

17.3 Activities Subsequent to Receipt of Notice of Termination or Suspension. Following receipt of a Notice of Termination or suspension and except as otherwise directed by the Contracting Officers, the Contractor shall:

- a. perform only work authorized under this Agreement through the termination or suspension date and to the extent specified in the Notice; and
- b. deliver in the manner, at the times, and to the extent directed by the Contracting Officers, work in progress, completed work, supplies, and other material produced as a part of, or acquired in respect of the performance of the work terminated or suspended by the Notice.

**18.0 EQUAL EMPLOYMENT OPPORTUNITY.** The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, or because of age, physical handicap, sex, marital status, change in marital status, pregnancy, or parenthood when the reasonable demands of the position do not require distinction on the basis of age, physical handicap, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall take affirmative action required by law to ensure that applicants are employed and that employees are treated during



employment without regard to their race, color, religion, national origin, ancestry, age, or marital status.

**19.0 NO ASSIGNMENT OR DELEGATION.** The Contractor may not assign, subcontract or delegate this Agreement, or any part of it, or any right to any of the money to be paid under it without written consent of the Contracting Officers.

**20.0 INDEPENDENT CONTRACTOR.** The Contractor shall be an independent contractor in the performance of the work under this Agreement, and shall not be an employee or agent of the Borough or of the City.

**21.0 PAYMENT OF TAXES.** As a condition of performance of this Agreement, the Contractor shall pay all federal, state and local taxes incurred by the Contractor and shall require their payment by any other persons in the performance of this Agreement.

**22.0 PRECEDENCE AND DIVISIBILITY.** The provisions of this Agreement shall fully govern the services performed by the Contractor. If any term, condition, or provision of this Agreement is declared void or unenforceable, or limited in its application or effect, such event shall not affect any other provisions hereof and all other provisions shall remain fully enforceable.

**23.0 ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties as to the services to be rendered by the Contractor. All previous or concurrent agreements, representations, warranties, promises, and conditions relating to the subject matter of this Agreement are superseded by this Agreement.

**24.0 CLAIMS AND DISPUTES.** Venue for all claims and disputes under this Agreement, if not otherwise resolved by the parties, shall be in the appropriate Alaska State court in Anchorage or Kodiak, Alaska.

**25.0 CHANGES IN SCOPE OF WORK.**

25.1 General. Additional services not specifically provided for in this Agreement will not be compensated.

25.2 Changes in Scope of Work. The Contracting Officers may, at any time, by a written Change Order delivered to the Contractor, make changes to the scope of work, or authorize additional work outside the scope of work to the extent authorized by Borough and City appropriations.

25.3 Compensation to the Contractor. If any Change Order for which compensation is allowed under this Article causes an increase or decrease in the estimated cost of, or time required for, the performance of

any part of the work under this Agreement, or if such change otherwise affects other provisions of this Agreement, an equitable adjustment will be negotiated. Such an adjustment may be:

- a. in the estimated cost or completion schedule, or both;
- b. in the amount of fee to be paid; and
- c. in such other provisions of the Agreement as may be affected, and the Agreement shall be modified in writing accordingly.

25.4 Any claim by the Contractor for adjustment under this section must be asserted within fifteen (15) days from the day of receipt by the Contractor of the notification of change; provided, however, that the Contracting Officers, deciding that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Agreement. Failure to agree to any adjustment shall be a dispute within the meaning of Section 2540 of this Agreement.

#### **26.0 LIMITATION OF FUNDS.**

26.1 At no time will any provision of this Agreement make the Borough or City liable for payment for performance of work under this Agreement in excess of the amount that has been appropriated by the Borough Assembly (for the Borough) or City Council (for the City) and obligated for expenditure for purposes of this Agreement.

26.2 Change orders issued pursuant to Section 25 of this Agreement shall not be considered an authorization to the Contractor to exceed the amount allotted in the absence of a statement in the change order, or other modification increasing the amount allotted.

26.3 Nothing in this Section shall affect the right of the Borough and City under Section 17 to terminate this Agreement.

**27.0 PRIOR WORK.** For the purposes of this Agreement, work done at the request of the Borough and City before execution of this Agreement, if any, shall be deemed to be work done after its execution and shall be subject to all the conditions contained herein.



**28.0 NOTICES.** Any notices, bills, invoices, or reports required by the Agreement shall be sufficient if sent by the parties by electronic mail or by United States mail, postage paid, to the addresses noted below:

Kodiak Island Borough  
Attn: Borough Manager  
710 Mill Bay Road, Room 125  
Kodiak, AK 99615  
[bcassidy@kodiakak.us](mailto:bcassidy@kodiakak.us)

McCarty and Associates  
Attn: Heather McCarty  
1537 Pine Street  
Juneau, AK 99801  
[hdmccarty@gmail.com](mailto:hdmccarty@gmail.com)

City of Kodiak  
Attn: City Manager  
710 Mill Bay Road  
Kodiak, AK 99615  
[akniazowski@city.kodiak.ak.us](mailto:akniazowski@city.kodiak.ak.us)

IN WITNESS WHEREOF, the parties have executed this Agreement.

**Kodiak Island Borough**

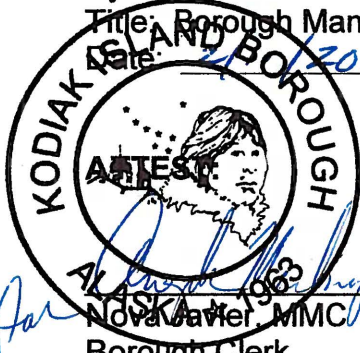
**McCarty and Associates**

*Charles E. Cassidy Jr*

By: Charles E. Cassidy Jr  
Title: Borough Manager  
Date: 2/20/14

*Heather D. McCarty*

By: Heather McCarty  
Title: Owner  
Date: 1/30/14



*Janet...*  
Nov 1982  
Borough Clerk

(Borough seal)

**City of Kodiak**

*Aimée Kniazowski*

By: Aimée Kniazowski  
Title: City Manager  
Date: 2/9/14

**ATTEST:**

*Debra Marlax*

Debra Marlax, MMC  
City Clerk



(City seal)


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## MEMORANDUM

TO: Mayor Branson and City Councilmembers

FROM: Aimée Kniazowski, City Manager 

DATE: January 16, 2016

RE: Planning Session Agenda, Item 2.b.-1, Organizational/Policy Issues, Draft FY2017 Budget Goals

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For the past six fiscal years as elected officials you have reviewed and discussed annual budget goals at the Council planning meeting and then adopted final goals by resolution at the next regular meeting. The process of adopting formal budget goals gives you the opportunity to define the budget direction at the outset of the budget cycle.

The attached proposed goals for FY2017 were reviewed by Kelly Mayes, Mike Tvenge, and me, and some adjustments and recommended deletions are noted. The draft goals are very much like those of the current fiscal year. I believe the goals, both current and proposed, are well-developed. We don't recommend many changes in the coming year because the City's organization, infrastructure needs, and financial condition remain similar from year to year. Sales tax revenues continue to make up the largest portion of the City's revenues each year, ranging from 65% in FY2011 to 53% this fiscal year.

The City also must be prepared for changes the state is facing due to declining oil revenues. Intergovernmental funds which are always variable are expected to decline this coming fiscal year along with the proposed reduction in revenue sharing programs that have helped us continue to rebuild our infrastructure (docks and utilities). Intergovernmental funds have fluctuated from a high of 21% of the City's general fund revenues in FY2013 to a low of 13% in the current fiscal year. Our preliminary estimate of intergovernmental funds as part of the City's FY2017 general fund revenue stream is between 9% and 10%. Much is in flux at this point on both state and federal funding levels that Kelly and I aren't comfortable in making more specific budget recommendations than what you see in the draft resolution.

The budget goals are your policy statement that tells me how you want to utilize the City's resources and provision of services for the next fiscal year. They are goals and therefore are both a policy statement and a planning tool. They may be accomplished in a single year or two as some have, or they can carry over from year to year because they are needed each year, or because they have not yet been completed. I use your goals as a guide in preparation of the City's operating and capital budget. This process improves accountability by making the management staff and employees aware of Council's concerns and gives us the direction necessary to help work toward and achieve the goals.

**CITY OF KODIAK**  
**RESOLUTION NUMBER 2015-03**  
***DRAFT***

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING  
THE CITY COUNCIL'S BUDGET GOALS FOR FY2017**

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

WHEREAS, the City Council discussed and selected the list of budget goals at their January 16, 2016 planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2017 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2017 budget:

**Revenue**

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

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

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

**Operating Expenses**

General Fund operating (non-personnel) expenses for FY 2017 will be at a level consistent with FY 2016. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

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

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

### **Personnel Goals**

There will be ~~an~~ increase in the number of employee full-time equivalents (FTEs) ~~from the FY2016 total of 126.15, providing that revenues remain consistent with FY2016 and there are no changes in operational needs.~~ to 128.15 due to the need to operate the City's new compost facility and meet permit requirements and operational needs.

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

### **General Fund**

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in "Setting the Course for the Future, 1/14/12.

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

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

### **Enterprise Funds**

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

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will continue to maintain and achieve revenue increases on a cash flow basis ~~achieve a breakeven point, including adequate revenues~~ through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will be ~~refined and~~ evaluated yearly for its effectiveness to capture maximum revenues.

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

### **Community Support**

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

### **Capital**

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

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

### **Debt Service**

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

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

### **Quality of Life**

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

### **Economic Development**

The City will continue ~~work jointly with the Kodiak Island Borough to promote economic development to help ensure a sustainable and healthy economy for Kodiak. facilitate community training in business development and expansion through assistance with the State of Alaska and develop a set of steps to identify barriers and opportunities to local business development.~~

CITY OF KODIAK

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MAYOR



ATTEST:

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CITY CLERK

Adopted:

DRAFT

**CITY OF KODIAK  
RESOLUTION NUMBER 2015-03**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING  
THE CITY COUNCIL'S BUDGET GOALS FOR FY2016**

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

WHEREAS, the City Council discussed and selected the list of budget goals at their January 31, 2015 planning meeting; and

WHEREAS, management will use the listed budget goals as guidelines when developing the FY2016 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2016 budget:

**Revenue**

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

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

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

**Operating Expenses**

General Fund operating (non-personnel) expenses for FY 2016 will be at a level consistent with FY 2015. Required increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

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

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

### **Personnel Goals**

There will be no increase in the number of employee full-time equivalents (FTEs) of 126.15, providing that revenues remain consistent with FY 2015, and there are no changes in operational needs.

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

### **General Fund**

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in "Setting the Course for the Future," 1/14/12.

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

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

### **Enterprise Funds**

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

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will achieve a breakeven point, including adequate revenues through charges for services to meet debt payments and operational expenses without transfers from other funds. The business plan and marketing campaign for services will be refined and evaluated yearly for its effectiveness to capture maximum revenues.

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

### **Community Support**

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

### **Capital**

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

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

**Debt Service**

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

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

**Quality of Life**

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

**Economic Development**

The City will work jointly with the Kodiak Island Borough to facilitate community training in business development and expansion through assistance with the State of Alaska and develop a set of steps to identify barriers and opportunities to local business development.



CITY OF KODIAK

*Pat Mann*  
\_\_\_\_\_  
MAYOR

ATTEST:

*Michelle Shurvell-Nelson*  
\_\_\_\_\_  
DEPUTY CITY CLERK

Adopted: February 12, 2015


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## MEMORANDUM

TO: Mayor Branson and City Councilmembers

FROM: Aimée Kniaziowski, City Manager 

DATE: January 16, 2016

RE: Planning Session Agenda, Item 2.c. Organizational/Policy Issues, Discuss City Public Information Officer Position (press officer/communications manager)

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Council expressed an interest in hiring or creating a press officer or communications specialist, or as stated in the agenda, a public information officer (PIO) for the City. The position would work closely with the City Manager's Office to release positive news to the media and community regarding City business or employee accomplishments.

Some local governments employ communications specialists or press officers to promote their government's image, educate residents on municipal issues, and write newsletters and other promotional pieces for their government. For example, the small Aleutians East Borough employs a communications manager who publishes newsletters and provides information on borough activities to its communities and outside interests. The City Clerk is a trained and experienced PIO whose focus has been on information support for the Kodiak Island Emergency Services Organization. She's expressed an interest in serving in this additional capacity, which certainly is an option for Council to consider. This may be especially good once a communications plan is developed and approved.

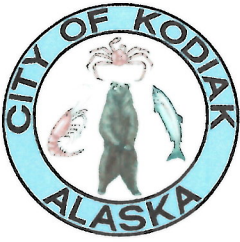
The City and its employees do many good things at any given time. They provide a wide array of governmental services, win awards, and face challenges which they overcome on a regular basis. Assigning a person to do the work of getting that information out to the community on a regular basis is certainly worth discussion.

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## Office of the City Clerk

710 Mill Bay Road, Room 220, Kodiak, Alaska 99615

### MEMORANDUM

To: Mayor Branson and Councilmembers

Date: January 13, 2016

From: Debra Marlar, City Clerk *DM*

Subject: Teleconferenced Meetings

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Some of you have inquired about the possibility of allowing for meeting participation via teleconference. Due to my illness earlier in the week, the backup for this item was not ready when the packet was prepared for distribution.

Our attorney is providing some information that will be received Friday afternoon and distributed at the planning meeting on Saturday.

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## MEMORANDUM

TO: Mayor Branson and City Councilmembers

FROM: Aimée Kniaziowski, City Manager 

DATE: January 16, 2016

RE: Planning Session Agenda, Item 2.e-1, Organizational/Policy Issues, Review Council's Draft Strategic Plan

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Last April the Council and Mayor contracted with Sarah Barton to help the Council develop strategic priorities for the City of Kodiak straddling 2 years, from 2015-2017. Sarah worked with the Council to develop a vision, values, and strategic priorities document and then worked with management staff to fully develop and align their efforts and priorities with those of the Council's. Sarah put the Council's visions and priorities and the managers' projects in a draft document, which is attached.

Due to my workload and a series of staff transitions and other demands, the draft strategic plan was not presented as scheduled in the summer. However, this is a good opportunity for Council to review the draft and discuss when it can be presented for full review. I will then work with the management team to update and finalize the plan for formal Council action. I believe this document will help us remain in alignment and help us build onto it with the improved CIP and other internal and external efforts to ensure the City maintains a steady course for the immediate future.



**City of Kodiak**  
Strategic Priorities 2015-2017

July 2015



# Introduction

This document summarizes the Vision, Values and Strategic Priorities for the City of Kodiak, 2015-2017. It includes workplans for implementation by each of the City's departments. This work was completed by the City Council, City Manager and Department Heads in meetings between May and July 2015.

The Council identified the overall vision for the future of the City of Kodiak as:

**Kodiak is a thriving, engaged and diverse island-community that cares for all.**

This vision will be served by the values defining how we will work together:  
Leadership, integrity, collaboration, innovation, stewardship

The vision will be delivered through these priority strategies:

- Create a strategy for asset management. (buildings, vehicles, equipment, etc.)
- Promote economic development.
- Strengthen local partnerships. (government, business, nonprofit)
- Maintain sustainable fiscal policies.
- Attract and retain the best people. (staff and residents)

This leadership communication from the City Council will set the course for the next two years. It will be shared with the community and staff, align the work of the City Manager and departments, and guide the Council in decision-making.

The City Manager and department heads articulated departmental workplans aligned with the vision and values to implement the strategic priorities set by the Council. The workplans include citywide efforts to increase operating efficiency, buying power and effective use of technology, demonstrating stewardship of the City's resources and service to the community.

The Council's vision, values and priority strategies are summarized on the following chart. Implementation workplans were outlined by each department:

- City Clerk
- Fire Department
- Harbor
- Engineering
- Public Works
- Parks and Recreation
- Library
- Police
- City Manager



# City of Kodiak

## Council Strategic Priorities

<b>Vision</b>	Kodiak is a thriving, engaging, and diverse island-community that cares for all.				
<b>Values</b>	Leadership, integrity, collaboration, innovation, stewardship				
<b>Priority Strategies</b>	<b>Create Asset Management plan</b>	<b>Promote Economic Development</b>	<b>Strengthen Local Partnerships</b>	<b>Maintain Sustainable Fiscal Policy</b>	<b>Attract/Retain Best People</b>
<b>Implementation</b>	<p>Develop Citywide plan for maintenance and replacement of facilities, equipment and vehicles.</p> <p>Design and plan for construction of replacement Fire Station</p> <p>Prepare 25-year longterm Capital Improvement Plan.</p> <p>Develop citywide building services contracts.</p> <p>Complete Mill Bay Road repairs.</p> <p>Develop citywide regulatory compliance plan.</p> <p>Identify Records storage solutions.</p>	<p>Replace Channel Transient Floats.</p> <p>Create Shipyard Development Plan.</p> <p>Develop Replacement Plant for St. Herman Harbor.</p> <p>Pier and doc inspections.</p> <p>Library collections and services analysis to establish state/national grant eligibility.</p> <p>Upgrade technology, access, operations and data capacity.</p>	<p>Build joint agenda with KIB, and KIBSD.</p> <p>Partner with KNB, and KANA and Alutiiq, and faith-based communities and Chamber to create positive downtown environment.</p> <p>Redesign City website to be more informative and interactive outreach. Highlight City priorities, and myth busting.</p> <p>Work with other libraries to broker cost-savings contracts, and to extend State's OWL program.</p> <p>Explore public/private partnerships for capital projects.</p>	<p>Produce energy audits and savings plan, such as bulk fuel and LEDs.</p> <p>Establish turf maintenance and replacement fund.</p> <p>Install videoconferencing at Jail to reduce costs.</p> <p>Funds consolidation.</p> <p>Improve revenues with update of Title 3.</p> <p>Apply for grants for support of library and police programs</p> <p>Maintain equitable rates for port, harbor and shipyard that support facilities replacements and operations.</p>	<p>Deliver training for staff; supervisory, technology, conflict resolution, large-scale emergency response.</p> <p>Develop Safety Compliance Plan.</p> <p>Complete Skate Park</p> <p>Establish temporary worker policy.</p> <p>Assess staffing citywide, and respond as needed based on national standards and Best Practices.</p> <p>Establish recruitment and retention plan</p> <p>Succession planning.</p>

July, 2015

# City Clerk

Department	Project	Strategic Priority	Timing	Activities
City Clerk	Records Storage: Paper	Asset Management	Q4, 2017	Reassess potential locations for a records storage center. Design funds are budgeted in FY2018 budget.
City Clerk	Records: Data Backup off-island	Asset Management	Q4, 2015	Determine vital and essential records to be stored electronically. <ul style="list-style-type: none"> <li>Conduct survey with all City departments.</li> <li>Estimate cost for inclusion in FY2016 budget.</li> </ul>
			Q1, 2016	Tally results from survey. <ul style="list-style-type: none"> <li>Clerk and Records Manager to determine records to include.</li> <li>Work with IT to determine records storage size.</li> <li>Contact records approved vendor(s) to determine exact cost and storage transmission methods.</li> <li>Formalize and conduct RFQ/RFP.</li> <li>Determine if correct amount budgeted in FY2016 budget.</li> <li>Receive Council approval for budget adjustment, if necessary</li> <li>Award contract via Council or Manager, depending on cost.</li> <li>Set up data transfer protocols with IT and transmit data.</li> </ul>
City Clerk	Redesign City website Social media policy User-friendly Highlight City priorities	Economic Development, Attract, Retain Best People	Q4, FY2015	Contract awarded. <ul style="list-style-type: none"> <li>Develop photo library with website development team</li> <li>Receive training from aHa! Consulting.</li> <li>Discuss with consultant website elements needed to provide a user-friendly interface and highlight City priorities.</li> <li>Identify staff from each department who will have authority to update departmental website.</li> <li>Social media policy that was previously drafted to be approved by Manager.</li> </ul>

DEPARTMENT WORK PLANS

**City Clerk** (continued)

Department	Project	Strategic Priority	Timing	Activities
			(Q4, FY2015 continued)	<ul style="list-style-type: none"> <li>• Website team to discuss social media with vendor and determine which social media will be used by the City. (Facebook, Twitter, Nixel, etc.)</li> <li>• Integrate social media into the re-designed web site</li> <li>• New web site online</li> </ul>
<b>City Clerk</b>	<p><b>City Manager Search Plan</b></p> <p>Timeline based on assumption Manager to retire April 30, 2016. Process should begin six months prior to retirement, if possible.</p>	Attract/Retain Best People		<p>At a work session or special meeting, Council to determine CM hiring process and direct Clerk to proceed:</p> <ul style="list-style-type: none"> <li>• Determine if by committee or full Council.</li> <li>• Determine minimum qualifications and experience. (Clerk will draft initial scoring sheet based on this criteria.)</li> <li>• Determine advertising venues and length of advertising time (AML; Muni Mgrs. Assoc.; local, state, out of state newspapers; headhunter firm; etc.)</li> <li>• Committee or full Council to meet in work session to review and prioritize applications when sufficient number of applicants received and/or hiring period closes.</li> <li>• Determine number of finalists to be interviewed.</li> </ul>

**DEPARTMENT WORK PLANS**

**City Clerk** (continued)

Department	Project	Strategic Priority	Timing	Activities
			(Q2, FY2016 <i>continued</i> )	<ul style="list-style-type: none"> <li>• Determine if phone/skype interviews will be conducted for off-island candidates, or if all first-round finalists will be flown to Kodiak for interviews.</li> <li>• Determine interview questions. (Process must be consistent for all applicants.)</li> <li>• Conduct interviews.</li> <li>• After obtaining permission from applicants, meet in Executive Session to discuss strength and weaknesses of each applicant. (If any applicant requests the discussion be conducted in an open meeting, an Executive Session may not be conducted.)</li> <li>• Determine if second-round interviews will be conducted.</li> <li>• Determine if social occasion will be provided for applicant(s) to interface with Council/public. (Clerk will verify Open Meetings Act requirements.)</li> <li>• Determine how reference checks will be conducted.</li> <li>• Determine at work session or special meeting which applicant to extend an employment offer.</li> <li>• Authorize Mayor or Councilmember to sign offer letter.</li> </ul>

# Fire Department

Department	Project	Strategic Priority	Timing	Activities
Fire with Engineering	Replace Fire Station	Asset Management	Q1, FY 2016	<p><u>Pre Design</u> Council Approval for Professional Services Contract Contract to cover:</p> <ul style="list-style-type: none"> <li>• Current Site Evaluation</li> <li>• New site Evaluation (if needed)</li> <li>• Cost Estimate to include:                             <ol style="list-style-type: none"> <li>1. Building destruction</li> <li>2. Temporary Fire Station</li> <li>3. Design and As-built</li> </ol> </li> </ul>
			Q1, FY 2016	<p><u>Pre Design</u> Site Visit Condition Assessment Site Selection</p>
			Q2, FY 2016	<p><u>Pre Design</u> Concept Design Preferred Concept Presentation</p>
Fire with Engineering and Finance			Q2, FY 2016	<p><u>Pre-Design</u> Develop Funding Source Plan Federal Grant – Fire Station Construction Grant State Grant - SHSP Self Funding – Bonds</p>

**DEPARTMENT WORK PLANS**

**Fire Department** (continued)

Department	Project	Strategic Priority	Timing	Activities
Fire with Engineering			Q4, FY 2016	<u>100% Design</u> Secure Funding Source
Fire with Engineering			Q4, FY 2016	<u>Construction</u> Bid Opening
Fire and Engineering			Q1, FY 2017	<u>Construction</u> Bid Selection
Fire and Engineering			Q1, FY 2018	Construction
Fire			Q2, FY 2019	Move-In and Operate/Maintain.
Fire	Supervisory Training	Attract/Retain Best People		City Manager/HR to address Citywide.
Fire	Rolling Stock Replacement	Asset Management		Participate with Engineering and Public Works to address rolling stock replacement for Fire Department.

# Harbor and Boatyard

Department	Project	Strategic Priority	Timing	Activities
Harbor	CTF Replacement \$3,000,000	Asset Management/ Economic Development		
			Q1, FY 2015	Solicit for Design-Build or Design-Bid-Build. Design build could be most cost-effective but uncertain funding from State could make this option undesirable.
			Q1, FY 2015	Fund & authorize. Use authorized city funds for engineering and design.
			Q1, FY 2015	Grant application for State Harbors matching grant due to State by August 1, 2015. Funding in FY16 uncertain.
			Q1, FY 2016	Bid project, depending on State funding.
			Q1, FY 2016	Award Project.
			Q3, FY 2017	Construction.
Harbor	St Herman Harbor Replacement \$25,000,000	Asset Management/ Economic Development		
			FY 2017	Solicit for master plan update, design and engineering. Budget funding for design and engineering in FY17.
			FY 2017	Determine funding sources: Tier 2 State grant, local funds, and bond. Obtain funding.
			FY 2019	Bid and construction, depending on funding.



**DEPARTMENT WORK PLANS**

**Harbor and Boatyard** (continued)

Department	Project	Strategic Priority	Timing	Activities
Harbor	Shipyard Development Plan: \$250k	Asset Management/ Economic Development	Q1, FY2015	Include Shipyard in Near Island Development Study as it ties into shipyard. Roadway, parking and public access areas along Alimaq Drive can be addressed.
			Q1, 2017	Fund Shipyard development plan. Budget for and authorize Shipyard Development Plan. Consider future infrastructure (vendor buildings, boat house, loading dock), land use and lease policy.
Harbor	Pier & Dock Inspections:\$175k	Asset Management		
			FY 2017	Budget for engineering and inspection of Pier 2 and 3 (Port); Dock 1 and 2 (Harbor). Funds to come from Cargo and Harbor accounts.
			Q1, 2017	Solicit for Engineering and Inspection, 1 July 2017.
			Q1, 2017	Award project in August 2017.
			Q1, 2017	Conduct Inspections by September 2017.

DEPARTMENT WORK PLANS

# Engineering

Department	Project	Strategic Priority	Timing	Activities
Engineering	Citywide Building Maintenance System	Asset Management	Q1, FY 2016	Develop maintenance questionnaire checklist. Includes Arch, Struct, Mech, Elect, Site/Landscape. Distribute.
			Q2, FY 2016	Assess and prioritize needed maintenance and repair with focus on most critical needs.
			Q2, FY 2016	Obtain Asset Management training AWWA Water infrastructure Conference. Apply training to this task.
			Q3, FY 2016	Research local resources available and costs. Look for one or two local firms that could provide services .
			Q3, FY 2016	Draft vendor contracts for Department and Manager review and approval.
			Q4, FY 2016	Finalize costs for inclusion in FY 2017 Budget.
			Q1, FY 2017	Implementation.
			Q2, FY 2017	Monitor and assess program.
Engineering	Citywide Equipment/Vehicle Inventory	Asset Management	Q4, 2015	Inventory vehicles in engineering department .
			Q4, 2017	Develop schedule for Replacement, Disposal, Sale for inclusion in Public Works Citywide Vehicle Inventory.
				Operate and maintain engineering vehicles based on scheduled repairs/replacement.

# Public Works

Department	Project	Strategic Priority	Timing	Activities
Public Works	Vehicle/Equipment Replacement Tracking System	Maintain Sustainable Fiscal Policy Create Asset Management Plan	End of Q2 FY 2016	Work with IT (suitable software, must be compatible with finance) Finance and Departments (match all inventory with Finance and departments) Develop Written Procedures to aid maintenance of program (per adopted vehicle replacement policy).
			First of Q 3 FY 2016	Provide this to City Manager for purpose of discussion with Council at annual planning meeting
	<b>CIP Plan: 5, 10, 15 years+</b>	Create Asset Management Plan Maintain Sustainable Fiscal Policy		
			End Q3, FY 2016	Coordination with all departments in order to identify infrastructure and buildings (known needs and unknown) citywide. Specific coordination with Finance to verify assets. Work with IT for management programming options, including contingency and unplanned emergency response.
			End of Q 4, FY 2016	Focus on updating existing 5-year CIP plan. Incorporate updated 5-year CIP with longer term plan so look ahead can be part of annual 5-year CIP update. Update existing plan to include FY2016 plus 5 years.

**DEPARTMENT WORK PLANS**

**Public Works** (continued)

Department	Project	Strategic Priority	Timing	Activities
	<b>Citywide Safety Compliance</b>	Create Asset Management Plan Maintain Sustainable Fiscal Policy	End Q2, FY2016	Coordinate with City Safety Committee to identify common safety needs for all departments citywide. Focus on saving time and resources by doing common training, as in HazCom, substance abuse management.
			End Q4, FY2016	Establish methods and processes for implementation. Identify training location, trainers (in-house or consultant). Multiple sessions and followup required. Set up tracking system to monitor.
			End of Q1, FY2017	Implement the first of the common training programs citywide.
	<b>Energy Audit for City Facilities</b>	Asset Management. Maintain Sustainable Fiscal Policy.		
			End Q3, FY 2016	Identify facilities' electrical and fuel usage (Use Energy Committee benchmark forms.) Discuss audit options with consultant to evaluate potential of cost benefit for facility improvements.
			Q4, FY 2016	Based on work above, budget highest priority facilities for energy audit of facilities.
			End Q1, FY 2017	Award energy audit of facilities to consultant.
			End Q2, FY 2017	Evaluate audit results and begin further development of specific facility improvement projects.

**DEPARTMENT WORK PLANS**

**Public Works** (continued)

Department	Project	Strategic Priority	Timing	Activities
			Q3, FY 2017	Develop budget for design and construction of facility improvements.
	<b>Mill Bay Road Repairs</b>	Asset Management. Sustainable Fiscal Policy		
			End Q2, FY 2016	Patch pavement in worst locations. Evaluate use of mill and overlay or pavement removal and full-depth replacement.
			End Q3, FY 2016	Budget process for remaining work. Must complete repair work in summer 2017, or it is likely that entire surface will be lost and have to be completely replaced.
	<b>Regulatory Compliance Plan</b>	Asset Management. Sustainable Fiscal Policy		
			End Q3, FY 2016	Develop tracking program for regulatory compliance needs at Public Works. Build monitoring and tracking system to improve compliance. Focus on WT, WWT, dams, environmental, stormwater, SPCC and underground tanks. Need IT help to evaluate best software programs.
			End Q1, FY 2017	Include fund source to improve future budget planning for regulatory compliance monitoring, upgrades and reporting.

**DEPARTMENT WORK PLANS**

**Public Works** (continued)

Department	Project	Strategic Priority	Timing	Activities
	Develop Barn as IT Center, Reroof	Attract/retain best people. Asset management. Sustainable fiscal policy.	End Q1, FY 2016	Clean the area to allow electrical evaluation. Evaluate possible route for fiber optic. Develop scope of work to prepare building utility needs of phone, internet infrastructure. Identify funding to support work and move.
			End Q2, FY 2016	Coordinate outside work with in-house work on site (dependent on funding availability).
			End Q2, FY 2017	Complete reroof of the building, dependent on funding.

# Parks and Rec

Department	Project	Strategic Priority	Timing	Activities
Parks & Recreation	Fleet upgrade	Asset Management		
			Q1, FY2016	Evaluate Fleet size.
			Q2, FY2016	Replace one vehicle.
			Q3, FY2016	Evaluate vehicles for replacement.
			Q4, FY2016	Request new vehicle.
			Q2, FY2017	Replace one vehicle.
	Equipment replacement schedule, implementation			Tool Cat John Deere tractor Zamboni
			Q2, FY2016	Evaluate all equipment and priority of need.
			Q3, FY2016	Repair what can be repaired.
			Q4, FY2016	Request replacement of toolcat.
			Q2, FY2017	Replace toolcat.
			Q4, FY2017	Request replacement of John Deere tractor
	Skate Park Completion	Attract/Retain Best People		
			Q1, FY2016	Put money into project for Phase 2 utilizing P&R capital funds.
			Q4, FY2016	Request \$80,000 from Parks capital fund for Phase 2.
			Q1, FY2017	Sole source to American Ramp to stay consistent with Phase 1.
			Q3, FY2017	Install Phase 2 ramps.

**DEPARTMENT WORK PLANS**

**Parks and Rec** (continued)

Department	Project	Strategic Priority	Timing	Activities
	<b>Staffing</b>	Attract/Retain Best People		
	<b>Turf Replacement Fund</b>	Sustainable Fiscal Policies		Establish Temporary Worker employment policy. This is a City Manager action item.
			Q3, FY2016	The turf has a life expectancy of 10-15 years. To replace the turf at today's price would be \$2 million dollars.
			Q4, FY2016	Find a funding source. Establish a fund that will be available for turf replacement in 10 years.
			Q3, FY2017	Request funding source be approved by Council. Establish reserve funds for eventual replacement of field turf.



# Library

Department	Project	Strategic Priority	Timing	Activities
Library	<b>Building Maintenance Plan</b>	Maintain Sustainable Fiscal Policy	Q4, FY2015 through Q4, FY2016	A fiscally responsible library building maintenance plan will ensure facility systems and equipment remain operational in a cost-effective manner over a 30 year time period so that city assets are housed and public services are delivered in a safe, functioning, appealing building that attracts all community members to use it and skilled staff to work in it
Library will strengthen its Partnerships with Engineering, DPW and Park & Rec			Q4, FY2015 June through Q2 FY2016 December	Library will participate in a City-Wide Building Maintenance System to reduce costs. Work with Engineering Dept. to identify and contract with systems maintenance service personnel to inspect and repair library's operational and special systems
			Q1, FY2016 July for creation of timetable Q4, FY2016 June complete	Create and implement a citywide building maintenance time table for operational systems: fire suppression and sprinklers, HVAC, boiler, etc. Contribute library input.
			Q1 FY2016 July Q4, FY2016 June complete	Create and implement time table for special systems maintenance (security cameras, lighting, electric windows, sound & projection).
		Attract/Retain Best People	Q1, FY2017 July	Establish duties and skill requirements for a library regular part-time position to provide daily maintenance of building FF&E, i.e.: table and desk wire management, door closures, furniture repair, shelving and cart repairs.

**DEPARTMENT WORK PLANS**

**Library** (continued)

<b>Department</b>	<b>Project</b>	<b>Strategic Priority</b>	<b>Timing</b>	<b>Activities</b>
Library	Library Collections Assessment	Promote Economic Development	Initiate Q2 FY16 November Complete Q3 FY17 February	Library will be active in City's economic redevelopment by providing materials responding to people's economic, employment, educational and cultural needs and helping individuals thrive in Kodiak.
		Create Asset Management Plan	Q2 FY2016 November	Library will identify and review its collection assets in prior reports, The New Kodiak Public Library Development Plan, April 22, 2011.
		Create Asset Management Plan	Q3 FY2016 February	Train library staff in collections assessment using community-based asset-analysis techniques. American Library Association standards . Prepare and deliver Library Collection Assessment in local media, reports and presentations
		Strengthen Local and Other Partnerships	Q4 FY2016 April	Library will communicate its eligibility for partnerships with grant and other agencies at local, state, regional and national levels. April 1, 2016-State Library grant deadline.
		Promote Economic Development	Q2FY2017 October	Identify grant and program opportunities; submit proposals for fiscal and other support. Library will offer collections and trainings relevant to the community's life and job enrichment needs.
Library	Create Library Technology Infrastructure	Attract/Retain Best People	Q1 FY2016 July through Q4 FY2016 June	Establishing an integrated plan of library devices and training on those devices for staff and patrons will boost library use, appeal and satisfaction amidst employees, newcomers, visitors and residents of Kodiak.

**DEPARTMENT WORK PLANS**

**Library** (continued)

Department	Project	Strategic Priority	Timing	Activities
		Maintain Sustainable Fiscal Policy	Q1 FY2016 July through Q1 FY2017 August.	Continue staff training and development through the complimentary, national "EDGE: Technology Access Benchmarking Initiative" begun in FY15. Library is one of several Alaskan Libraries invited to participate in the EDGE program to increase patron access to information technology and establish potential for outreach and funding. <a href="http://www.libraryedge.org/">http://www.libraryedge.org/</a>
<b>Library and IT Department</b>		Strengthen Local Partnerships	Q1 FY2016 July through Q3 FY2016 Mar	Work with The City IT staff to create a Library Technology Plan for maintaining and developing library IT capacity in library for patron and staff use. Include outreach to school district. Alaska State Library, American Library Association, and foundations require a library technology plan as part of grant proposals. <a href="http://www.imls.gov">http://www.imls.gov</a>
		Attract /Retain Best People	Q2 FY2016 December through Q4 FY2016 June	Based on tech planning work, identify proficient and advanced levels of technology skills in library staff and develop those skills. <a href="http://www.webjunction.org">www.webjunction.org</a>
		Attract /Retain Best People	Q1 FY2017 through Q4FY2017	Offer technology training to staff and patrons around the island through grant-funded and collaborativpartnerships. Library will be a recognized, competent community leader in offering information technology tips and training around Kodiak to staff, patrons and community partners

# Police

Department	Project	Strategic Priority	Timing	Activities
Police	Reinstate 19th Police Officer	Maintain Sustainable Fiscal Policy	Q3, FY2016	Perform population study, within City limits and Borough. Use other city demographics for the comparables. January-March 2016.
			Q4 FY2016	Identify Funding via grants and City. COPS Grants. April – June 2016
			Q1, FY2017	Begin discussion with Council for additional FTEs. July 2016
			Q2, FY2017	Present Council with research conducted on comparables, with information from Kodiak and other cities. Sept – Dec 2016
			Q4, FY2017	If accepted by Council, proceed with next steps in adding 19th police officer for FY18. April – June 2017
Police	Experience and Longevity Incentives	Attract, and Retain Best People		
			Q3, FY2016	Perform City of Kodiak Personnel Study regarding current incentives for experience and longevity, including the Kodiak Police Department. Jan – Mar 2016.
			Q4, FY2016	Perform study of comparable employment incentives for police in Kodiak and other cities. April – June 2016.
			Q2, FY2017	Study the costs of employee attrition at KPD. Example: Breakdown investment required to train one officer and the rationale for this training. Oct – Dec 2016.

**DEPARTMENT WORK PLANS**

**Police** (continued)

<b>Department</b>	<b>Project</b>	<b>Strategic Priority</b>	<b>Timing</b>	<b>Activities</b>
			Q3, FY2017	Prepare suggested incentives and longevity bonuses based upon above information. Submit to City Manager. Jan – Mar 2017
			Q4, FY2017	Pre sentation to Council, if required for approval. April – June 2017
<b>Police</b>	<b>Video Teleconferencing Contract Community Jail</b>	Maintain Sustainable Fiscal Policy		
			Q1,FY2016	Prepare overview of jail operations in September 2015.
			Q1, FY2016	Review contract beds and costs for 22-bed facility that is always over-capacity with as many as 39 occupants. Include occupancy of 2 juvenile beds, maximum hold days, prisoner transports, professional services. September 2015
			Q2, FY2016	Achieve DOC participation in better prisoner transports and agreement to video teleconferencing. Seek local court participation for video teleconferencing. October 2015
<b>Police and IT Department</b>			Q3, FY2016	All parties agree, seek quotes for equipment Wiring already in place when jail was built in 2010.
<b>Police and IT Department</b>			Q3, FY2016 March 2016	Installation and start of new system for video teleconferencing by March 2016.

DEPARTMENT WORK PLANS

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Department	Project	Strategic Priority	Timing	Activities
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**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.



ATTEST:

CITY OF KODIAK

  
MAYOR

  
DEPUTY CITY CLERK

Adopted: May 28, 2015



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## Office of the City Clerk

710 Mill Bay Road, Room 220, Kodiak, Alaska 99615

### MEMORANDUM

To: Mayor Branson and Councilmembers

Date: January 14, 2016

From: Debra Marlar, City Clerk DM

Subject: Standing/Special Rules

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Standing rules are related to the details of the administration of the Council. Special rules supplement or modify the Council's parliamentary authority, which is *Robert's Rules of Order*.

The Council first established its standing and special rules via resolution in January 2002 at the request of the City Clerk. Prior to adopting the rules via resolution, Council depended on institutional memory to define its administrative processes.

It is helpful for Council to review its standing and special rules annually to ensure the rules listed are still relevant and to discuss potential new rules that might facilitate meeting administration.

**CITY OF KODIAK  
RESOLUTION NUMBER 2012-05**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NUMBER 08-02 AND RE-ESTABLISHING STANDING AND SPECIAL RULES OF THE COUNCIL**

WHEREAS, the City Council initially established its Standing and Special Rules with Resolution No. 02-01 and subsequently amended its Rules with Resolution Nos. 05-6; and 08-02; and

WHEREAS, the City Council reviewed its Special and Standing Rules at the January 28, 2012, planning meeting; and

WHEREAS, the City Council desires to amend Section 3, Work Session Agenda Discussion .

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that Resolution No. 08-02 is hereby rescinded.

BE IT FURTHER RESOLVED by the Council of the City of Kodiak, Alaska, that the following Rules are hereby adopted and shall remain in effect until rescinded or amended:

- Section 1: Items for Regular Meeting Agendas.** Regular meeting agenda items shall be established by the Mayor, any two Councilmembers, and/or the City Manager. The Clerk may also place routine items on the agenda.
- Section 2: Agenda Amendments.** Except in the event of an emergency, or to consider an extremely time-sensitive issue, motions to amend the agenda shall not be made. (Any amendment to an agenda that results in an official Council action for which sufficient public notice has not been given is a violation of the Alaska Open Meetings Act and is grounds for recall.)
- Section 3: Work Session Agenda Discussion Items.** Work session agendas are set at the weekly agenda setting meetings by the Mayor, Council Representative(s), Manager, and Clerk. Any two Councilmembers may also add an item to the work session agenda. At the request of a citizen, the Mayor, a Councilmember, the City Manager, or the City Clerk, an item may be listed on the work session agenda under "To Be Scheduled."
- Section 4: Time Limits for Public Comments.** Unless the Mayor announces a different time limit for public comments, the Clerk shall set a timer for three minutes for public comments during regular and special meetings and work sessions.

- Section 5: Presiding Officer in the Absence of the Mayor and Deputy Mayor.** The most recent Deputy Mayor shall preside at meetings when both the Mayor and Deputy Mayor are absent.
- Section 6: Cell Phones.** Cell phones must be turned off or muted during regular and special meetings. A member cannot leave the chambers to answer a cell phone unless a recess has been called.
- Section 7: Certificates of Appreciation, Proclamations, Letters of Support, etc.** The Mayor is authorized to proclaim events, issue certificates of appreciation, and sign letters of support for various nonprofit agencies, etc.
- Section 8: City of Kodiak Membership in Organizations.** As a matter of policy, the City of Kodiak shall decline membership in organizations whose mission does not promote or support municipal government. Unless otherwise directed by the Council, the City shall maintain membership with the following: Alaska Municipal League, Southwest Alaska Municipal Conference, and National League of Cities.
- Section 9: Public Hearings/Amendments to Motions.** The following process shall be followed with respect to public hearings:
- The agenda item shall be read by the Mayor.
  - A staff report shall be given.
  - A main motion shall be made and seconded.
  - The public hearing shall be opened.
  - The public hearing shall be closed after public comments are made.
  - Amendments to the main motion may be made, if desired.
  - The public hearing shall be reopened **ONLY** if an amendment alters the substantive content of the ordinance.
  - The roll call vote shall be taken on any amendment(s).
  - The roll call vote shall be taken on the main motion.
- Section 10: Restatement of Motion.** Once made and seconded, a motion is considered to be before the Council and does not need to be restated by the Mayor.
- Section 11: Right of Motion Maker to Modify or Withdraw Motion.** The maker of a motion may modify or withdraw the motion before debate/discussion has begun. After debate/discussion has begun, the motion “belongs” to the entire Council and can only be withdrawn by Council consent or amended through the usual process of amendment.
- Section 12: Voting Order.** Unless a conflict has been determined in accordance with KCC 2.10.060(d), a Councilmember shall vote when his or her name is called and may not pass.

**Section 13: Change of Vote.** The Clerk shall inquire if anyone desires to change a vote before the result is announced.

**Section 14: Reintroduction of a Defeated Motion/Proposal.** A defeated motion/proposal may not be reintroduced for one year. However, a motion may be reintroduced following an election or appointment of new Councilmembers.

**Section 15: Postponed Motions.** A motion may be postponed until a specific future meeting. The Councilmember who moves to postpone a motion shall state in the motion when it will be reintroduced.

**Section 16: Vote on a Motion To Reconsider.** When a motion has been made to reconsider an action of the Council, the vote on the motion to reconsider shall be taken at the next regular meeting, unless otherwise stated in the motion.



CITY OF KODIAK

*Pat Braun*

MAYOR

ATTEST:

*Dulce Marie*

CITY CLERK

Adopted: February 23, 2012



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**AMENDMENT TO CITY OF KODIAK AND OCEAN BEAUTY  
SEAFOODS, LLC  
GIBSON COVE LEASE,  
TRACT C-1, ALASKA TIDELAND SURVEY 1408, PLAT NO. 92-41**

WHEREAS, Lessor and Lessee entered into a Lease Agreement effective as of November 1, 2006, for a term of five (5) years, ending on October 31, 2011; and

WHEREAS, pursuant to Recitals, Section 1 of the Lease Agreement, dated November 1, 2006, the Lease may be renewed for an additional five years at the discretion of the City of Kodiak; and

WHEREAS, the City Council of the City of Kodiak desires to extend the Lease Agreement with Ocean Beauty Seafoods, LLC for an additional five years: and

WHEREAS, the Lessor has requested and agrees to an extension of the Lease Agreement, including payment of the 1 percent annual rental rate increase as established in Recitals, Section 2 of the Lease Agreement; and

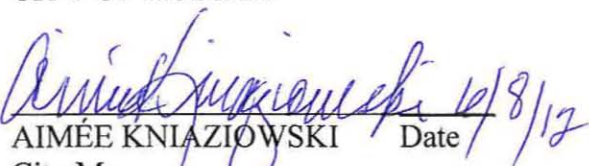
WHEREAS, all other terms and provisions of the Lease Agreement shall remain unchanged during the extended five year term of the Lease Agreement.

NOW THEREFORE, the City Council of the City of Kodiak agrees to extend the Lease Agreement with Ocean Beauty Seafoods, LLC for an additional five years ending on October 31, 2016.

IN WITNESS WHEREOF, the parties executed this instrument the day and month first above written.

CITY OF KODIAK

OCEAN BEAUTY SEAFOODS, LLC

  
AIMÉE KNIAZIOWSKI      Date 10/8/12  
City Manager  
710 Mill Bay Road  
Kodiak, AK 99615

  
TONY ROSS      Date 6/4/12  
1100 W. Ewing St.  
Seattle, WA 98107

ATTEST:

WITNESS:

  
DEBRA L. MARLAR  
City Clerk



## LEASE AGREEMENT

This Lease Agreement is made and entered into at Kodiak, Alaska, this 1st day of November 2006, between the City of Kodiak ("Lessor" or "the City"), and Ocean Beauty Seafoods, Inc., a Washington corporation ("Lessee").

### WITNESSETH

WHEREAS, the City is the owner of the following-described parcel of real property (the "Property"), consisting of approximately 5.0 acres, upon which are located certain improvements, including a crab/fish processing plant of approximately 14,080 square feet, a compressor equipment building of approximately 1,600 square feet, a dock with approximately 330 linear feet of docking space, and three hydraulic cranes, and a second dock ("ice house dock") with approximately 200 linear feet of docking space, and an ice house with one North Star Model 60 (30-ton) icemaker and one North Star Model 20 (7.5-ton) icemaker:

Tract C-1, Alaska Tideland Survey 1408, Plat No. 92-41

WHEREAS, Lessee desires to lease the Property for the purpose of operating a warehouse;

NOW, THEREFORE, in consideration of the mutual undertakings herein, the City hereby leases to Ocean Beauty, and Ocean Beauty hereby leases from the City, the above-described property on the following terms and conditions:

### RECITALS

1. Term. The term of this Lease Agreement shall be for five (5) years, beginning on November 1, 2006. The Lessee has the option to renew the lease for an additional five (5) years at the discretion of the Lessor.

2. Rental. Lessee agrees to pay as and for rent the sum of Seventy Eight Thousand Nine Hundred Dollars (\$ 78,900.00) the first year of the lease. Rental payments will increase by one (1) percent each subsequent year of the lease. Payment will be made in equal monthly installments. Rent shall be paid in advance monthly and the first rental payment shall be due and payable on the effective date of this Lease Agreement and monthly thereafter. If the effective date of this Lease Agreement shall be other than the first day of the month, the rent for the first and last months of this Lease Agreement shall be prorated accordingly.

3. Utilities. Lessee shall pay all costs of electricity, water and other utilities used on or associated with the Property.

4. Taxes. Lessee shall pay all real and personal property taxes associated with or attributed to Lessee's leasehold interest or personal property on the Property.

5. Lessee's Acceptance of Property. Lessee acknowledges having inspected or

having been given the full opportunity to inspect the Property and the improvements, equipment and other personal property thereon, and hereby accepts the same in their present condition. No representation, statement or warranty, express or implied, has been made by or on behalf of Lessor as to the condition of the foregoing, or as to the use that may be made of it. In no event shall Lessor be liable for any defect or condition, present or future, in or on the Property or the improvements, equipment and other personal property thereon, for any claims or damages arising therefrom, or for any limitation, present or future, on the use thereof.

6. Use by Lessee. Lessee shall abide by all applicable federal, state and local statutes, regulations and ordinances, and shall not cause or permit any nuisance or similar offensive use on the Property.

7. Right to Enter and Inspect. Lessor shall have the right, at reasonable times and upon giving reasonable advance notice, to enter the Property to inspect the same.

8. Care of Property. Lessee will keep the Property neat and clean and in a sanitary condition, and will at all times preserve it, and upon termination of this Lease Agreement will surrender the Property, in as good a condition and repair as it is now or may hereafter be put into, reasonable use and wear and tear excepted. If Lessee fails to keep and preserve the property in said condition and state of repair, Lessor may, at its option, put or cause the same to be put into the condition and state of repair agreed upon, and in such case Lessee shall be liable for the full cost thereof. Nothing in this Lease Agreement shall be construed as requiring Lessee to repair, restore or reconstruct the Property if, through no fault of Lessee, it is damaged or destroyed by earthquake, tidal wave, mud or earth slide or other act of God, against which Lessee was not required to maintain casualty insurance for Lessor's benefit.

9. Alterations, Additions, Improvements and Fixtures. It is contemplated that in order to fully utilize the Property in accordance with this Lease Agreement, Lessee may find it prudent and necessary to construct improvements thereon or to make major alterations, additions or improvements. Lessee shall not make any such alterations, additions or improvement without the advance written consent of Lessor; however, Lessor shall not unreasonably refuse or delay such consent. All leasehold improvements, including alterations, additions and general improvements, shall become the property of Lessor upon termination or expiration of this Lease Agreement except removable trade fixtures. Lessee shall not be entitled to any credit against or abatement of rent or to any other consideration other than that which may be provided by Section 18.12.370 or 18.20.350 of the Kodiak City Code, as a consequence of constructing improvements on the Property. At the termination of this Lease Agreement, all structures associated with the Property shall be left in good and usable operating condition with all domestic heating and hot water remaining a part thereof.

10. Liens and Encumbrances. Lessee shall maintain the Property free and clear of all liens or encumbrances. If, at any time during or after the term of this Lease Agreement, alien or encumbrance is filed against the Property or any part thereof in connection with any activity, obligation or alleged obligation of Lessee, its officers, employees or other agents, Lessee shall, at its sole expense, obtain the release and

discharge of the same by payment, bonding in the name of and on behalf of Lessor, or otherwise within thirty (30) days after receipt of notice thereof. If Lessee fails to procure the discharge of any such lien or encumbrance, Lessor may, at its option, terminate this Lease Agreement without further notice to Lessee and without prejudice to any other remedies available to it under this Lease Agreement or by operation of law.

11. Assignment. This Lease Agreement may not be assigned, nor may the Property be sublet without the advance written consent of Lessor. Lessor may refuse its consent to any proposed sublease without the necessity of an explanation or statement of reasons, but will not unreasonably withhold consent to an assignment hereof, provided such assignment does not result in the release of any persons otherwise liable for or guaranteeing Lessee's obligations hereunder.

12. Fire or Other Casualty. The risk of fire or other casualty affecting Lessee's intended use of the Property shall be borne solely by Lessee and in no event shall any such casualty result in the termination or abatement of rent under this Lease Agreement. Notwithstanding the foregoing, however, if the Property is destroyed by fire or other casualty or so substantially damaged as to preclude Lessee's normal operations for more than thirty (30) days, then Lessee may terminate this Lease Agreement by giving prompt written notice to Lessor, and Lessor may terminate this Lease Agreement by giving prompt written notice to Lessee. If the Property is damaged or destroyed by fire or other casualty with respect to which Lessee has procured and paid for casualty insurance for the benefit of Lessor, then upon reaffirming the Lease Agreement, Lessee may require the proceeds of such insurance to be devoted to the repair, reconstruction, or restoration of the Property. Any insurance proceeds not so used shall become the sole property of Lessee.

13. Insurance. (a) Lessee shall obtain and maintain in full force and effect during the term of this Lease Agreement, and any renewals or extensions hereof, adequate insurance to protect both Lessor and Lessee against comprehensive public liability, products liability and property damage. At a minimum, such policies of insurance shall cover the following risks:

(i) Commercial general liability insurance written on an occurrence (as opposed to a claims made) basis with minimum limits of liability in an amount of not less than One Million Dollars (\$1,000,000) general aggregate limit for personal injury or death, property damage (including water damage and sprinkler leakage) and premises liability, which insurance shall contain a contractual liability endorsement covering the matters set forth herein;

(ii) Workers' compensation insurance covering all of Lessee's employees, which insurance shall contain an express waiver of any right of subrogation against Lessor; and

(iii) Fire and comprehensive casualty insurance covering the Property and all improvements, equipment and other personal property belonging to Lessor and associated therewith, in the amount of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) (replacement cost).

(b) All policies of liability insurance to be obtained and furnished by

Lessee hereunder shall list Lessor as an additional insured. All such policies of insurance shall be issued by a financially responsible company or companies authorized to issue such policy or policies and licensed to do business in Alaska, and shall contain endorsements providing that any such insurance shall not be subject to cancellation, termination or material change except after ten (10) days' prior written notice by registered mail to Lessor by the insurance company.

(c) The original policy or policies, or duly-executed certificates for the same, stating that the insurance carrier shall give Lessor ten (10) days' written notice prior to cancellation, material alteration or failure to renew, together with satisfactory evidence of payment of the premium therefore, shall be delivered to Lessor on or before the occupancy date of this Lease Agreement and, upon renewal of such policies, not less than ten (10) days prior to the expiration of the term of any such coverage. The minimum limits of any insurance coverage required hereunder to be carried by Lessee shall not otherwise limit Lessee's liability under this Lease Agreement.

(d) Neither the provisions of this paragraph, nor any other provisions of this Lease Agreement shall be construed to require that Lessee obtain liability insurance as to either environmental matters or punitive damages or casualty insurance as to earthquakes, mudslides, earth slides or tidal waves.

14. Disclaimer of Warranties. Lessee acknowledges that the improvements, fixtures, equipment or any other personal property associated with the Property are of a size, design, capacity and manufacture satisfactory to Lessee's intended use and purposes. Lessee further acknowledges that Lessor is not a manufacturer of the Property or a dealer in similar property and has not made and does not make any representation, warranty or covenant, express or implied, with respect to the condition, quality, durability, suitability or merchantability of the Property. Lessee agrees that Lessor shall not be liable for any liability, loss or damage caused or alleged to be caused, directly or indirectly, by the Property, by any inadequacy thereof or defect therein, or by any incident in connection therewith.

15. Indemnification. Lessor shall not be liable for any injury or death to any person or for any loss or damage to any property or for any other loss or damage, including loss or damage resulting from business interruption, on or about the Property from any cause whatsoever, except for the negligence or willful misconduct of the Lessor. Lessee assumes liability for and agrees to indemnify, save and hold Lessor harmless from any and all claims arising out of its use of the Property, and any operations necessary or incidental thereto, including claims for damage, death or injury to any person, persons or property arising from any act or omission of, or the use, possession or occupancy of the Property by Lessee, its officers, employees, agents, invitees, visitors or other persons. Lessee's obligation of indemnification shall extend to and encompass costs and reasonable attorneys' fees associated with the defense of any such claim or action.

16. Termination. Notwithstanding the provisions of Lease Section 1, should Lessee fail to perform any of Lessee's obligations hereunder, Lessor may terminate this Lease Agreement upon thirty (30) days' notice to Lessee unless the default is cured to the reasonable satisfaction of Lessor within said 30-day period or, in the case of a default

which cannot with due diligence be cured within a 30-day period, Lessee promptly commences within said 30-day period and diligently and continuously prosecutes to completion all steps necessary to cure the default to the reasonable satisfaction of Lessor. Lessee shall have a period of sixty (60) days after termination or expiration of this Lease Agreement to remove its trade fixtures, personal property or fish processing equipment from the Property; rent shall be prorated to the date of removal. Any of Lessee's property remaining on the Property sixty (60) days after termination or expiration may be disposed of by Lessor and Lessee hereby expressly waives any claims, damages or causes of action arising out of such disposal, and agrees to indemnify and hold Lessor harmless from any and all such claims asserted by third parties. Notwithstanding such termination, Lessor shall be entitled to rent for the full calendar month in which the termination takes effect. Notices shall be effective when received.

17. Condemnation. If all or any part of the Property is taken under the power of eminent domain, or if Lessor sells or transfers all or any part of the Property under threat of condemnation, and the taking, sale or transfer renders the Property totally or partially inaccessible or unusable, this Lease Agreement shall terminate on the date of the taking, sale or transfer. Lessor may retain the condemnation award or consideration for sale or transfer.

18. Non-Authorized Use of Abutting Property. The substantial amount of City-owned property abutting the Property is not available for use by Lessee. Should Lessee utilize any part of this abutting property for any purpose, Lessor may, at its discretion, assess an additional charge for such unapproved use, equal to the greater of One Thousand Dollars (\$1,000) or Two Dollars (\$2) per square foot per month, times the duration of the encroachment. The assessment of such an additional charge shall not, however, authorize a continuation of the encroachment. Furthermore, if the duration of the encroachment cannot otherwise be determined, it shall be deemed to have begun three (3) months prior to its discovery by Lessor.

19. Nonwaiver. The failure of Lessor to insist upon the strict performance of any of the provisions of this Lease Agreement shall not be construed as a waiver or relinquishment of any such breach, or any other provision of this Lease Agreement, and the same shall remain in full force and effect.

20. Notices. Notice shall be sufficiently given according to the terms of this Lease Agreement when mailed via first class mail, postage prepaid, to the parties at the addresses set forth below, or at such other address as a party designates in writing:

City of Kodiak  
Post Office Box 1397  
Kodiak, AK 99615

Ocean Beauty Seafoods, Inc.  
1100 W. Ewing St.  
Seattle, WA 98107

ATTN: City Manager

ATTN: Tony Ross

21. Modification. No modification or amendment of this Lease Agreement shall be binding unless made in writing and signed by the parties.



22. Binding Effect. This Lease Agreement shall be binding upon the parties and their respective successors and assigns.

23. Severability. If a court of competent jurisdiction finds any provision of this Lease Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other person(s) or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Lease Agreement in all other respects shall remain valid and enforceable.

24. Entire Agreement. This Lease Agreement contains the entire agreement between the parties as of this date, and supersedes all prior written or oral agreements regarding this subject matter.

25. Governing Law. This Lease Agreement shall be governed and construed by the laws of the State of Alaska.

26. Attorneys' Fees and Costs. If either party commences an action against the other party arising out of or in connection with this Lease Agreement, the prevailing party shall be entitled to have and recover from the losing party its reasonable attorneys' fees and costs of suit.

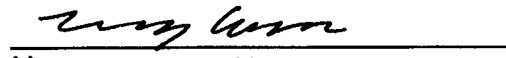
27. Construction of Agreement. The rule of construction that an instrument shall be construed more strictly against the party who drafted the same shall not apply to this Lease Agreement since both parties have had legal counsel available or have had the opportunity to seek independent advice.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals, the day and year first above written.


LESSOR:  
CITY OF KODIAK

LESSEE:  
OCEAN BEAUTY SEAFOODS, INC.

  
Name: Linda L. Freed  
Title: City Manager

  
Name: Tony Ross  
Title: Secretary

Attest:

  
Debra L. Marlar  
City Clerk

LEASE AGREEMENT

THIS INDENTURE, made and entered into this 21<sup>st</sup> day of January, 1973 by and between the CITY OF KODIAK, a municipal corporation, hereinafter called the Lessor, and the UNITED FISHERMEN'S MARKETING ASSOCIATION, hereinafter called the Lessee,

W I T N E S S E T H :

The Lessor, for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained on behalf of the Lessee, to be paid, kept and performed, does by these presents, grant, demise, lease and let unto the said Lessee, and the said Lessee does hereby hire and take these ceertain premises located in the Kodiak Recording Precinct, Third Judicial District, State of Alaska, described as follows, to-wit:

The exclusive use of that portion of Exhibit "A" attached hereto and by reference hereto made a part hereof, entitled Harbormaster Building, City of Kodiak, which portion is marked in green, indentified as "Fishermen's Association and Toilet No. One", together with the use of the public area marked in red on Exhibit "A", for their meetings on a preferential basis, The balance of the building, other than the area given over to the exclusive use of Lessee, is retained by the City of Kodiak for its use and benefit, including a lounge area above the public area. Both parties agree that the women's rest room shown on the diagram will be removed and made into a gear locker to comply with the Fire and Coast Guard Regulations, the management for which shall be retained by the City.

TO HAVE AND TO HOLD, the premises for a term of fifty (50) years, from the 1st day of April, 1966 to March 31st in the year 2016, at and for an annual rental of ONE and No/100ths (\$1.00) DOLLARS, payable annually in advance on or before the 1st day of each year of said term, together with the further sum of

FORTY THOUSAND and No/100ths (\$40,000.00) DOLLARS in cash, heretofore paid by Lessee, and which was used and applied to the costs of construction of said building, receipt of which is hereby acknowledged and receipted for.

This Lease Agreement is subject to the following terms and conditions, which the parties hereto agree to fully observe, keep and perform:

1. Use: That said premises shall be used by the Lessee for the purpose of office and meeting space for the UNITED FISHERMEN'S MARKETING ASSOCIATION; and the lounge for the comfort and convenience of Lessee's members.

2. Utilities: Lessor shall cover the costs of all utilities for the whole building, with the exception of telephone for the Lessee, which shall be at Lessee's own expense, and Lessee will provide its own janitorial service for the area used by it, including the public area, and Lessor will provide janitorial service for the area retained by it.

3. Lessor agrees to maintain the lawn area outside the building, and both parties agree that the City shall remove the spiral staircase to the second floor and provide an outside entrance to the building, and thereafter the City may rent the second floor for office space to underwrite the cost of utilities for the premises.

4. Inspection: It is agreed that Lessor, its agents or assigns shall have the right to enter upon the leased premises at all reasonable hours to examine the same.

5. Illegal Use: Lessee further agrees not to use said premises herein leased, or permit the same to be used, contrary to the Laws of the United States of America, the State of Alaska,

the Kodiak Island Borough or the City of Kodiak.

6. Liability Insurance: Lessee agrees that at its own expense and cost, it will carry liability insurance which will protect the Lessor from the loss or damage by reason of injuries which may occur in the building, arising out of its use of the same, and agrees that at its own expense and without liability to Lessor therefore, it will defend any suit that may be commenced against the Lessee or against the Lessor, or against both such parties, with reference to such injuries, that may occur in the portion of the building leased, arising from or through Lessee's use of said premises, that it will from its own funds and without cost or liability therefore, on the part of the Lessor, pay any judgment that may be granted against the Lessor as the result of any such injury arising on or adjacent to the premises by reason of the use of the premises by Lessee.

7. Garbage: Lessee shall remove and dispose of and cause to be removed and disposed of, all garbage and other waste from that portion of the premises used by it at its own cost and expense, and shall comply with the health ordinances of the City of Kodiak and Kodiak Island Borough, and the Laws of the State of Alaska, governing the removal and disposal of garbage.

8. Fire Insurance: Lessor shall procure and maintain a policy of fire and extended coverage, covering the premises, and if the premises should be partially damaged by fire or other casualty, but not rendered untenable, the same shall be repaired with due diligence by the Lessor, and at its expense. In the event of the total destruction by fire or other casualty, Lessee shall be entitled to receive a pro rata refund of its contribution to the cost of the building, if Lessor does not

elect to rebuild or restore such premises, which refund shall be based upon the sum of FORTY THOUSAND and No/100ths (\$40,000.00) DOLLARS received as contributions toward the total cost of the building, less the sum of EIGHT HUNDRED and No/100ths (\$800.00) DOLLARS per year for each year the premises have been used by Lessee, up to the time of the destruction, less the cost of any maintenance and repairs expended on the premises by Lessor, and insurance premiums prorated to adequately reflect the contribution of the parties to the total cost of said premises.

9. Assignment: This Lease shall not be assignable by the Lessee herein without the express written consent of the Lessor being first obtained.

10. Quiet Enjoyment: That upon the payment of the rents above specified, and the performance of the covenants to be kept and performed by the said Lessee, the shall peaceably and quietly hold and enjoy the leased premises until the termination of this Lease, but if default be made in the keeping of any covenant and agreement to be kept by Lessee, or in case the said premises shall become vacant or shall be abandoned or deserted by Lessee, then it shall be lawful for the Lessor at its option to terminate this Lease and re-enter upon said leased premises and remove all persons therefrom. Provided however, that before any termination of this Lease, or any extension thereof, the Lessor shall give fifteen (15) days written notice to the Lessee, specifying wherein it claims that there has been a default by the Lessee in the performance of the terms and conditions of this Lease, and the Lessee shall have fifteen (15) days thereafter in which to correct said default, and notice shall be deemed to be given when deposited in the United States

mail, postage prepaid, and registered to the Lessee at its address, United Fishermen's Marketing Association, Post Office Box 1035, Kodiak, Alaska, or such other address as the Lessee may leave with the agent of the Lessor from time to time.

11.  Holding Over : That any holding over after the expiration of the term hereof, with the consent of the Lessor, shall be construed to be a month-to-month tenancy, at the same rental as above described.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in duplicate, this the day and year first above written.

CITY OF KODIAK

By Blake M. McKinley  
Mayor

ATTEST:

Libby Presnall  
Acting City Clerk

UNITED FISHERMEN'S  
MARKETING ASSOCIATION

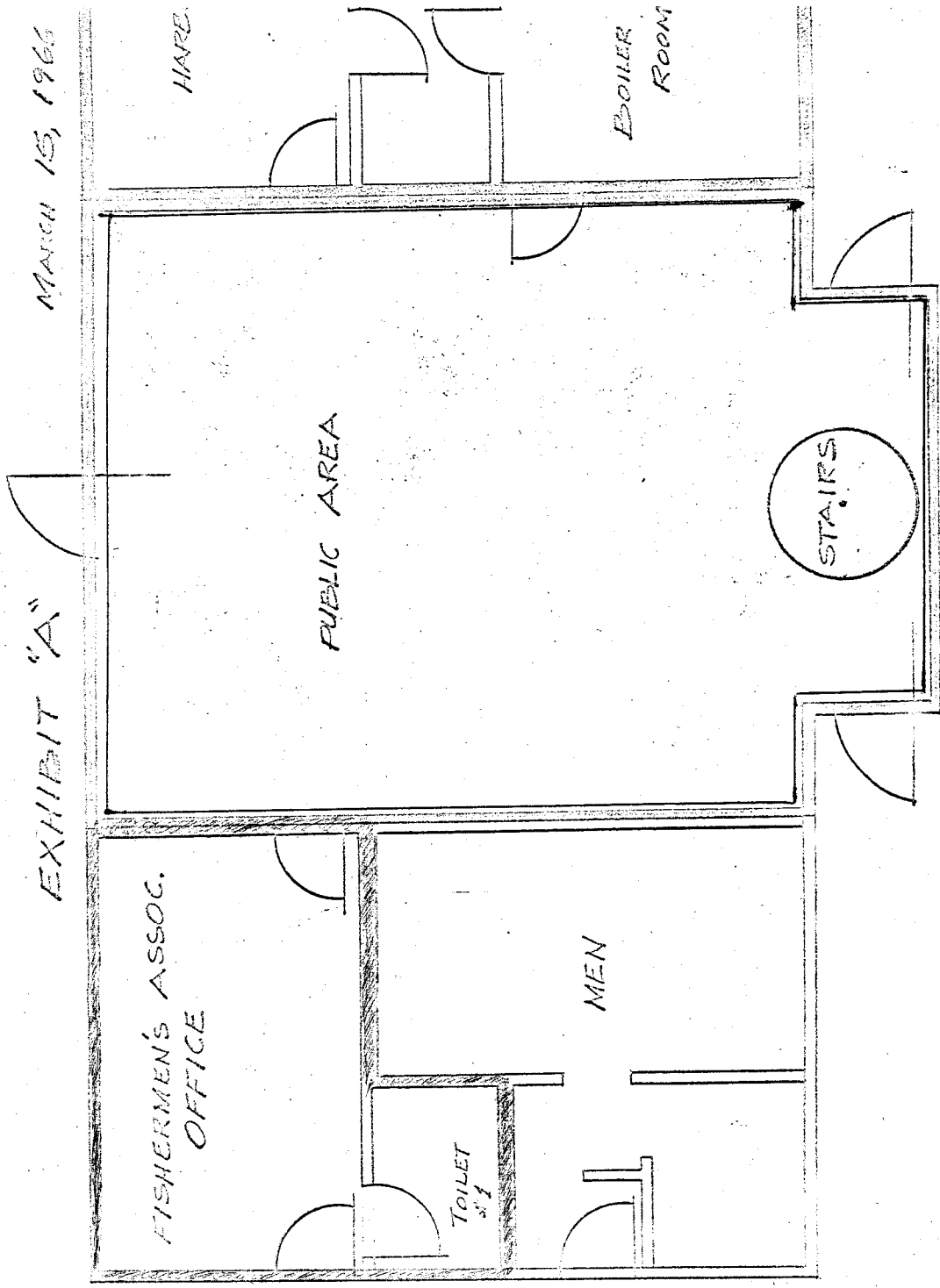
By Sam J. Selvoog

By Jan J. Beckert

STATE OF ALASKA            )  
  ) ss.  
THIRD JUDICIAL DISTRICT )

THIS IS TO CERTIFY that before me, the undersigned, a Notary Public in and for the State of Alaska, duly commissioned and sworn as such, personally I. BLAKE MCKINLEY, Mayor, and LIBBY PRESNALL, Acting City Clerk, both officers of the City of Kodiak, a municipal corporation, who severally acknowledged that as such Mayor and as such City Clerk and for and on behalf of the City of Kodiak, they each signed and delivered the foregoing instrument on the day and year therein written, pursuant to the authority granted to them by the Common Council of the City of Kodiak.





HARBORMASTER BUILDING  
CITY OF KODIAK