

**City of Kodiak Special Council Meeting Agenda for August 30, 2016,
11 a.m. at 710 Mill Bay Road, City Conference Room (Room 116)**

I. Call to Order

Roll Call

II. Public Comments on Agenda Items

III. Unfinished Business

- a. Second Reading and Public Hearing, Ordinance 1358, Authorizing the Expenditure of the \$25,000 Appropriated to Ballot Initiative Expense in the FY2017 Operating Budget to Inform the Public Regarding the Effects of the Collective Bargaining Ordinance Initiative Proposition and the Kodiak Island Borough Proposition to Consolidate the Kodiak Island Borough and the City of Kodiak Into a Single Unit of Government, Including Without Limitation Information That May Influence the Outcome of the Election on Either Proposition1

IV. Executive Session

- a. Discussion of the City’s Strategy, if any, in Response to the City Collective Bargaining and KIB Consolidation Ordinance Initiatives5

V. Adjournment

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: August 30, 2016

Agenda Item: III. Second Reading and Public Hearing, Ordinance 1358, Authorizing the Expenditure of the \$25,000 Appropriated to Ballot Initiative Expense in the FY2017 Operating Budget to Inform the Public Regarding the Effects of the Collective Bargaining Ordinance Initiative Proposition and the Kodiak Island Borough Proposition to Consolidate the Kodiak Island Borough and the City of Kodiak Into a Single Unit of Government, Including Without Limitation Information That May Influence the Outcome of the Election on Either Proposition

SUMMARY: For the past several years the Council has appropriated funds in the General Fund Legislative Budget Account No. 450.138 titled Ballot Initiative Expense that may be used to educate the public on ballot measures. \$25,000 was budgeted in the FY2017 budget for this purpose. This year there are two ballot questions for which the City may desire to provide public education. One is an initiative for collective bargaining for City employees under the Public Employment Relations Act, and the other is a Kodiak Island Borough Assembly advisory proposition to pursue the idea of consolidating the Borough and City of Kodiak into a single unit of government. While AS 15.13.145(c)(2) permits the City to provide the public with nonpartisan information about a ballot proposition, AS 15.13.145(b) prohibits the City from using public funds to influence the outcome of an election concerning a ballot proposition unless the City specifically appropriates funds for this purpose by ordinance. The Alaska Public Offices Commission (APOC), which enforces these State statutes, interprets the statutes very narrowly so that the City cannot inform the public fully about the effects of the ballot propositions without including information that APOC likely would categorize as influencing the outcome of the election on the ballot propositions. Ordinance No. 1358 conforms with APOC requirements and would permit the City to provide public information about these two initiatives if the Council desires to do so. Staff recommends Council pass Ordinance No. 1358 in the first reading and advance to second reading and public hearing at the next special or regular meeting.

PREVIOUS COUNCIL ACTION: From FY2010-FY2015 the Council budgeted \$50,000 annually for ballot initiative education, and increased that amount through the supplemental budget process, if needed. Unspent funds from this account were returned to the General Fund, fund balance at the end of the fiscal year. In FY2016 the annual budgeted amount was reduced to \$25,000, which is the amount included in the FY2017 budget for ballot initiative education. The Council passed Ordinance No. 1358 in the first reading at the August 11, 2016, regular meeting.

DISCUSSION: This ordinance is being brought forward to fully comply with APOC requirements by specifically naming the ballot initiatives for which the City of Kodiak may desire to provide public education. The collective bargaining initiative for City employees will have effects on the City and its residents, including higher legal expenses, City labor costs, limitations on City contracting and managerial discretion, and significant expenditure of City management time on labor relations issues. The Kodiak Island Borough's advisory initiative will also affect City residents if pursued. Past studies have shown that consolidating the Borough and City governments could result in a substantial increase in the tax burden on City residents. Our attorney has advised this ordinance is necessary to also allow use of administrative time or use of City equipment to produce informational flyers, opinion editorial articles for the newspaper, public service announcements, etc. The ordinance does not obligate the City to spend the \$25,000 already budgeted for this purpose; however, it provides the legal path necessary if the Council desires to educate voters about these two specific ballot initiatives in a manner that requires the use of City resources.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1358 in the second reading after the public hearing. This is staff's recommendation, because it will allow the City to provide information to voters about potential effects of either of these ballot propositions.
- 2) Do not adopt or postpone Ordinance No. 1358. This is not recommended.

FINANCIAL IMPLICATIONS: \$25,000 was budgeted in the FY2017 budget to provide public education about ballot initiatives.

LEGAL: The City's attorney drafted Ordinance No. 1358 and advised staff it is required to adhere to APOC requirements.

CITY MANAGER'S COMMENTS: I recommend Council adopt this ordinance in the second reading after the public hearing. The adoption of Ordinance No. 1358 will allow the City to correct false information and, upon direction of the Council, would allow City staff to educate the public about the potential effects of collective bargaining and consolidation of government.

NOTES/ATTACHMENTS:

Attachment A: Ordinance No. 1358

PROPOSED MOTION:

Move to adopt Ordinance No. 1358.

**CITY OF KODIAK
ORDINANCE NUMBER 1358**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AUTHORIZING THE EXPENDITURE OF THE \$25,000 APPROPRIATED TO BALLOT INITIATIVE EXPENSE IN THE FY2017 OPERATING BUDGET TO INFORM THE PUBLIC REGARDING THE EFFECTS OF THE COLLECTIVE BARGAINING ORDINANCE INITIATIVE PROPOSITION AND THE KODIAK ISLAND BOROUGH PROPOSITION TO CONSOLIDATE THE KODIAK ISLAND BOROUGH AND THE CITY OF KODIAK INTO A SINGLE UNIT OF GOVERNMENT, INCLUDING WITHOUT LIMITATION INFORMATION THAT MAY INFLUENCE THE OUTCOME OF THE ELECTION ON EITHER PROPOSITION

WHEREAS, in the Fiscal Year 2017 budget for the City of Kodiak, the Council appropriated \$25,000 from the General Fund to Account No. 450.138, Ballot Initiative Expense, for education of the public on ballot measures; and

WHEREAS, the City Clerk has certified a petition for an initiative to enact an ordinance providing for collective bargaining for City employees under the Public Employment Relations Act, which will appear on the ballot for the regular City election to be held on October 4, 2016; and

WHEREAS, instituting collective bargaining for City employees will have substantial effects on the City and its residents, including higher City labor costs, limitations on City contracting and managerial discretion, and significant expenditure of City management time on labor relations issues; and

WHEREAS, the Kodiak Island Borough (“Borough”) Assembly is considering an ordinance that would place an advisory proposition to pursue the idea of consolidating the Borough and the City of Kodiak into a single unit of government on the ballot for the regular Borough election to be held on October 4, 2016; and

WHEREAS, past studies have shown that consolidating the Borough and City governments could result in a substantial increase in the tax burden on City residents; and

WHEREAS, it is the Council’s duty and desire to ensure that all City voters are aware of the impact the institution of collective bargaining for City employees and consolidating the Borough and the City of Kodiak into a single unit of government would have on the City and its residents; and

WHEREAS, AS 15.13.145(c)(2) permits the City to provide the public with nonpartisan information about a ballot proposition, but AS 15.13.145(b) prohibits the City from using public funds to influence the outcome of an election concerning a ballot proposition unless the City specifically appropriates the funds for that purpose by ordinance; and

WHEREAS, the Alaska Public Offices Commission (“APOC”), which enforces AS 15.13.145, has interpreted nonpartisan information permitted under AS 15.13.145(c)(2) very narrowly, so that the City cannot inform the public fully about the effects of the ballot propositions described above without including information that APOC likely would categorize as influencing the outcome of the election on the ballot propositions.

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

Section 1: The expenditure of the \$25,000 appropriation in the Fiscal Year 2017 Budget from the General Fund to Account No. 450.138, Ballot Initiative Expense, is authorized to inform the voters regarding the effects on the City and its residents of the initiative proposition to enact an ordinance providing for collective bargaining for City employees under the Public Employment Relations Act, which will appear on the ballot for the regular City election to be held on October 4, 2016, and the Borough ballot proposition to pursue the idea of consolidating the Borough and the City of Kodiak into a single unit of government, which is proposed to appear on the ballot for the regular Borough election to be held on October 4, 2016, including without limitation the provision of information that may influence the outcome of the election on either proposition.

Section 2: This ordinance shall become effective immediately upon final passage in accordance with Kodiak Charter Section 2-13.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: August 11, 2016

Second Reading:

Effective Date:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager

Date: August 30, 2016

Agenda Item: IV. Discussion of the City's Strategy, if any, in Response to the City Collective Bargaining and KIB Consolidation Ordinance Initiatives

SUMMARY: It is necessary for the Council to convene into an executive session to discuss strategy, if any, in response to the City collective bargaining and KIB Consolidation ordinance initiatives. The Council will not take formal action during the executive session. If action is to be taken based on executive session discussions, the Council will do so when it reconvenes back into the regular meeting.

Staff recommends Council enter into executive discussion to discuss strategies in response to the City collective bargaining and KIB consolidation ordinance initiatives.

PROPOSED MOTION:

Move to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically the City's strategy in response to the City collective bargaining and KIB consolidation ordinance initiatives.