

City of Kodiak Regular Council Meeting Agenda for January 26, 2017
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

I. Call to Order/Roll Call	
Invocation/Pledge of Allegiance	
II. Previous Minutes	
Approval of Minutes of the January 12, 2017, Regular Council Meeting.....	1
III. Persons to Be Heard	
a. Public Comments (limited to 3 minutes) (486-3231)	
IV. Unfinished Business	
None	
V. New Business	
a. Resolution No. 2017-02, Requesting the Alaska State Legislature to Approve and Allocate Funds Appropriated for Construction of a New Ocean Going Vessel to Replace the M/V Tustumena	8
b. Resolution No. 2017-03, Urging the Alaska State Legislature to Adopt a Sustainable Budget Plan For FY2018 and Beyond by Enacting a Complete Package of Initiatives to Provide a Balanced and Sustainable Budget.....	16
c. Authorization of Amendment No. 2 to Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough Building	20
d. Authorization of Professional Services Contract for Design of Pillar Mountain Quarry Reclamation Fill Site Project No. 13-09/5033	38
e. Acceptance of FY2016 Comprehensive Annual Financial Report (Audit)	52
f. Authorization to Cancel the February 23, 2017, Regular Meeting and Authorize the City Manager to Schedule a Special Meeting if Needed	56
VI. Staff Reports	
a. City Manager	
b. City Clerk	
VII. Mayor’s Comments	
VIII. Council Comments	
IX. Audience Comments (limited to 3 minutes) (486-3231)	
X. Executive Session	
a. Clerk’s Annual Evaluation.....	58
XI. Potential Action Following Executive Session	
a. Authorization of Potential Changes to City Clerk’s Employment Agreement.....	60
XII. Adjournment	

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**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, JANUARY 12, 2017
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Major Dave Davis gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the December 8, 2016, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Public Comments

Toby Sullivan, Executive Director, Kodiak Maritime Museum, thanked the Mayor and Council for their ongoing support. He said the Harbor Lights Festival was successful, stating 34 boats were decorated and 400 people voted on the boat decorations. He said the Harbor Lights Festival was partially funded by the City, and he thanked Manager Kniazowski, the individuals that made cookies, and the Filipino dancers. He thanked the Council for granting a lease for the Thelma C and stated they are awaiting some architectural drawings, and he hopes that construction will start this spring and be in place by Crab Festival.

IV. UNFINISHED BUSINESS

a. Resolution No. 2016–20(SUB), Amending Section 9, Harbor Fees, of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure

Mayor Branson read Resolution No. 2016–20(SUB) by title. The Council has received presentations and discussed various scenarios for adopting a five-year rate structure to increase moorage and other harbor services. Resolution No. 2016–20(SUB), which proposed a five-year rate plan to increase moorage and other harbor services 18.5 percent in FY2017 and implement an annual inflationary increase based on Producer Price Index (PPI) each year thereafter, was postponed at the June 23, 2016, meeting. Council voiced a consensus at work sessions to endorse the originally recommended rate structure before it was substituted. To accomplish that in a simple, straight forward manner, staff recommends Council postpone indefinitely Resolution No. 2016–

20(SUB). The most recently recommended five-year rate structure will be brought forward under New Business as a new resolution.

Councilmember Walker MOVED to postpone indefinitely Resolution No. 2016–20(SUB).

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

V. NEW BUSINESS

a. **Resolution 2017–01, Amending Section 9, Harbor Fees, of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure**

Mayor Branson read Resolution No. 2017–01 by title. Harbor rates have not been adjusted since July 2011. Resolution No. 2017–01 authorizes a five-year rate plan that increases moorage and other harbor services 18.5 percent in FY2018 and implements a 2.8 percent annual inflationary increase based on Producer Price Index (PPI) for four years thereafter. The proposed increase is recommended by the City’s consultant Northern Economics, the Port & Harbor Advisory Board (PHAB), and staff. If approved as recommended, the new rates would be effective July 1, 2017, which is the beginning of FY2018.

Councilmember Arboleda MOVED to adopt Resolution No. 2017–01.

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

b. **Authorization of Consent Agreement Dated October 31, 2016, Between Alaska Wireless Network LLC and AWN Tower Company LLC Pertaining to Pillar Mountain Communication Lease Site No. 9**

City Council and the City Manager approve communication site leases/subleases as required by Kodiak City Code 18.20.230. The existing five-year lease with GCI Communication Corporation (GCI) for Pillar Mountain Site No. 9 was adopted by Ordinance No. 1349 on September 8, 2016. This lease contained a sublease to Alaska Wireless Network LLC (AWN). Another assignment has been requested by AWN to AWN Tower Company LLC and requires Council approval.

Councilmember Bishop MOVED to approve the consent agreement dated October 31, 2016, between Alaska Wireless Network LLC and AWN Tower Company LLC pertaining to Pillar Mountain Lease Site No. 9.

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

c. **Authorization of Design and Bidding of Lift Station 3 and 4 Replacement Project No. 11-06/7509**

Beginning in 2011, staff started to evaluate the condition of the downtown sanitary sewer lift stations 1 and 2. The design to rehabilitate lift stations 1 and 2 was completed, and the project was constructed in late summer/fall of 2016. Lift station 3 (located near KEA downtown office) and

lift station 4 (on Father Herman Street) have the same serious corrosion, electrical, and pump problems as lift stations 1 and 2.

Councilmember Walker MOVED to authorize the professional service agreement with DOWL for the design and bidding support for lift stations 3 and 4 in the amount of \$244,195 with funds coming from the Sewer Capital Improvement Fund, Project No. 11-06/7509 and authorize the City Manager to execute the necessary documents for the City.

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

d. Advisory Board Appointments

Several advisory board seats expired at the end of December. Volunteers were solicited via newspaper advertisements, public service announcements, and City Clerk and department head recruitment efforts. Applications have been received for appointment to the Personnel Board, Building Code Board of Appeals, Parks and Recreation Advisory Board, and Port and Harbors Advisory Board. Except for the Personnel Board whose appointments are made by the Council, appointments to the other boards are made by the Mayor and confirmed by the Council.

Mayor Branson made the following appointments:

- Jerrol Friend to a seat on the Building Code Board of Appeals ending December 31, 2019
- Marcus Dunbar, John Glover, Jessica Horn, and Ryan Murdock to regular seats and Jessica Eanes to the alternate seat ending December 31, 2019, and Erica Kostelecky to the student ex-officio seat on the Parks and Recreation Advisory Board
- Norm Lenon and Stormy Stutes to regular seats on the Port and Harbors Advisory Board ending December 31, 2019

Councilmember Davidson MOVED to appoint Pat Szabo to a two-year seat on the Personnel Board and confirm the Mayoral advisory board appointments to the Building Code Board of Appeals, Parks and Recreation Advisory Board, and Port and Harbors Advisory Board as stated.

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

VI. STAFF REPORTS

a. City Manager

Manager Kniazowski commented that the plants were salvaged from the old library site and relocated to the Kodiak Police Department building. She said Bear Becker at the Wastewater Treatment Plant was named Wastewater Treatment Operator of the Year by Alaska Rural Water Association. She said the Incident Management Team met with scientists from the University of Fairbanks and the Tsunami Warning Center to discuss a draft Tsunami preparedness plan, which also changes mapping for inundation zones. She reminded the public the snow will be taken to the new site by the WWTP, which will take longer for snow removal, and she asked the public for their patience. She said Pillar Mountain remains closed due to the icy road and she commented the conditions make emergency response very difficult. She said the road is not maintained by

the City in the winter. She stated the City's insurance company Alaska Public Entity Insurance (APEI) is coming to provide staff training. She said the Tsunami sirens on Mission Road and Gibson Cove need repair because they have corroded, and Aksala is currently working on the repairs. She mentioned revenue is lower than normal in the fisheries industry and the effects on the water revenue for the City may be impacted. She informed the public there was a place on Selief Lane that had a drainage issue and clarified it was not a water leak. She shared that a Nixle Alert was sent informing customers to make sure their URL begins with www.city.kodiak.ak.us when making a utility payment online. The City's website is secure and has not been compromised, but KPD had been made aware of the website, www.doxo.com, which claims to process customers' monthly payment for utility services, which has no affiliation with the City of Kodiak.

b. City Clerk

City Clerk Marlar said the annual records management report was completed and submitted to Council per Kodiak City Code. She thanked the Deputy Clerk/Records Manager and the departmental Records Coordinators for their work on records management. She informed the public of the next scheduled Council work session and regular meeting.

VII. MAYOR'S COMMENTS

Mayor Branson congratulated Bear Becker for receiving the WWTP award. She thanked the residents that volunteered their services for the City's advisory boards. She said the Downtown Revitalization Committee continues to meet and said Sandy Solenberger, a subcommittee chair, will be working on the banners for the downtown area, and the safety subcommittee gave an update on the SB91 meetings. She said she is looking forward to the planning work session, and she wished the City Manager a happy birthday.

VIII. COUNCIL COMMENTS

Councilmember Walker thanked the Public Work Director and department staff for their work on all the projects. He said he enjoyed the presentation from Ms. Ayers regarding an economic development plan. He said boy's basketball is occurring Friday and Saturday, and he informed the public a storm in Kodiak is probable over the weekend and to be safe.

Councilmember Davidson said it will be a challenging year for the City financially, and he encouraged the public to attend the planning work session. He wished everyone a happy Russian New Year.

Councilmember Arboleda said she was excited for Ms. Ayers' report. She reminded the public to drive safely.

Councilmember Whiddon said he enjoyed his trip to England and stated it is always wonderful to return to Kodiak, which is a wonderful place to live.

Councilmember Saravia stated he appreciated the Clerk's Office and thanked them for the records management report. He wished Councilmember Davidson and Manager Kniazowski a happy birthday. He thanked Mr. Becker for his work, demonstrating excellence on the job, and congratulated him on his award. He thanked the Public Works department for dealing with road concerns.

Councilmember Bishop wished Councilmember Davidson and Manager Kniaziowski a happy birthday. He thanked the volunteers for serving on the advisory boards. He commented that it was helpful to have Senator Stevens at the work session. He commented the State is trying to make payroll; he said it is enlightening to have Ms. Ayers' services, and he has high hopes for the economy and the island.

IX. AUDIENCE COMMENTS

Major Dave Davis, Salvation Army, said they are a recipient of the City's nonprofit grant. He said the grant will help those that qualify to receive financial assistance for utilities and heat. He said the Salvation Army also received an additional grant from the Community Foundation, specifically for heat; he encouraged citizens to apply for assistance, if needed.

X. EXECUTIVE SESSION

a. Review City Manager's Contract

Councilmember Arboleda MOVED to enter into executive session as authorized by Kodiak City Code Section 2.04.100(b)(2) to review the City Manager's employment contract.

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

The Council entered into executive session at 8:15 p.m.

Mayor Branson reconvened the meeting at 8:55 p.m.

XI. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:55 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK


Minutes Approved:

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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: January 26, 2017

Agenda Item: V. a. **Resolution 2017-02, Requesting the Alaska State Legislature to Approve and Allocate Funds Appropriated for Construction of a New Ocean Going Vessel to Replace the M/V Tustumena**

SUMMARY: The Mayor and Council have requested staff to draft a resolution in support of the legislature approving and allocating funds to ensure a replacement vessel for the M/V Tustumena is built on schedule. Staff drafted the attached resolution which will, if adopted, be distributed to the appropriate elected officials.

PREVIOUS COUNCIL ACTION: Council has advocated for a replacement for the Tustumena with the State Department of Transportation and legislators when in Juneau. The Mayor and Council member Whiddon also serve on State's marine related committees.

DISCUSSION: The City of Kodiak and 12 other communities from Homer to Unalaska are and have been served by the ocean going M/V Tustumena. This vessel is 53 years old and despite constant maintenance, must be retired. The communities that rely on ferry service support the replacement and depend upon the service as the only public transportation available.

The State received federal funding to build its replacement and must also provide a state match. Governor Walker has included the funds in his FY2018 budget. As stated in the resolution, the legislature must approve and allocate the funds to ensure the project stays on schedule.

The City of Kodiak is heavily dependent on ferry service and strongly supports all necessary efforts to provide a replacement vessel. The Kodiak Island Borough names the M/V Tustumena replacement as its number one priority in their FY2018 state capital CIP resolution.

ALTERNATIVES:

- 1) Adopt Resolution No. 2017-02, which is consistent with Council's request to send a message to the legislature to ensure approved funds are allocated for a replacement vessel for the Tustumena.
- 2) Amend or do not adopt the resolution, which is inconsistent with previous Council discussion.

CITY MANAGER’S COMMENTS: This is a project of major importance to the Kodiak community and to the other communities along the Peninsula and Aleutian Chain. I recommend Council adopt the resolution which may help spur the legislature to act on this during this session.

ATTACHMENT:

Attachment A: Resolution No. 2017-02

Attachment B: KIB Resolution FY2017-13

PROPOSED MOTION:

Move to adopt Resolution No. 2017-02.

**CITY OF KODIAK
RESOLUTION NUMBER 2017-02**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK,
REQUESTING THE ALASKA STATE LEGISLATURE TO APPROVE AND
ALLOCATE FUNDS APPROPRIATED FOR CONSTRUCTION OF A NEW OCEAN
GOING VESSEL TO REPLACE THE M/V TUSTUMENA**

WHEREAS, because of its size and design, the M/V Tustumena is the only Alaska Marine Highway System vessel that is capable of serving all 13 ports of call between Homer and Unalaska, including Kodiak and the outlying villages of Ouzinkie and Port Lions; and

WHEREAS, the M/V Tustumena was constructed in 1963 and is near the end of its design service life; and

WHEREAS, in the fall of 2012 the M/V Tustumena went into scheduled maintenance, and given the age of the vessel and her extended time in dry-dock, the State began to work on a design to replace the vessel; and

WHEREAS, the State of Alaska has received federal funds to construct a new ocean going vessel to replace the F/V Tustumena; and

WHEREAS, the Alaska State Legislature needs to approve the legislative authority for the State to use the federal funds for this project and authorize the State match funding; and

WHEREAS, both the federal funding and State match are included in the Governor’s FY2018 capital budget; and

WHEREAS, it is essential that the 13 ports of call served by the existing M/V Tustumena continued to be served by an ocean going vessel; and

WHEREAS, the plans for a new ocean going vessel to serve these communities will address the increasing demand for additional vehicle and van capacity, which will enhance economic development in the ports of call served by a new ocean going vessel.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, hereby formally requests that the Alaska State Legislature approve and allocate funds appropriated in the FY2018 budget for construction of a new ocean going vessel to replace the M/V Tustumena.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

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Introduced by: Borough Manager
Requested by: Borough Assembly
Drafted by: Special Projects Support
Introduced: 10/06/2016
Postponed: 10/06/2016
Postponed: 10/20/2016
Amended: 10/27/2016
Adopted: 10/27/2016

**KODIAK ISLAND BOROUGH
RESOLUTION NO. FY2017-13**

**A RESOLUTION OF THE ASSEMBLY OF THE KODIAK ISLAND
BOROUGH ADOPTING A STATE LEGISLATIVE CAPITAL
IMPROVEMENT PROJECTS PRIORITY LIST FOR THE 2017
LEGISLATIVE SESSION**

WHEREAS, the Kodiak Island Borough represents approximately 14,000 residents of the Kodiak Island Archipelago living in six incorporated cities and one community governed by a tribal council government; and

WHEREAS, a Borough-wide capital improvement program has been adopted by the Kodiak Island Borough Planning & Zoning Commission which identifies major needs of the island community for the next five years; and

WHEREAS, the Kodiak Island Borough Assembly has identified major projects to submit to the Alaska Governor and State Legislative Delegation for funding consideration;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT:

Section 1: The Kodiak Island Borough’s State Legislative capital improvement project priorities for the 2017 legislative session are as follows:

- 1. M/V Tustumena Replacement Vessel Construction**
Estimated Project Cost \$238,000,000

The M/V Tustumena was built in 1964 and serves the communities of South Central, Kodiak Island and Southwest Alaska. It is one of two ocean class vessels in the Alaska Marine Highway System (AMHS) fleet. Because of its size and design, it is the only AMHS vessel that is capable of serving all 13 ports of call between Homer and Unalaska. Retiring and replacing the M/V Tustumena with a vessel that is equally, if not more, versatile and seaworthy will provide reliable marine transportation service well into the future for the communities, residents and businesses in South Central, Kodiak Island and Southwest Alaska (from the Alaska Marine Highway System website).

The M/V Tustumena is an essential service to the communities of Kodiak Island. As such, the Kodiak Island Borough is requesting that the legislature concur with the funding plan for the construction of the replacement vessel as described in the 2016-2019 STIP Amendment 1.

52 **2. Safe Pathways to Schools**

53

54 **A. Safe Pedestrian Access to Kodiak Schools**

55 Estimated Project Cost \$1,300,000

56 State Funding Request \$1,300,000

57

58 Poor visibility of crosswalks in school zones is a safety hazard! Local weather and
59 traffic degrade the paint on crosswalks; and pedestrians waiting to cross are often
60 difficult to see due to the long season of dark days, inclement weather, and busy traffic
61 at popular intersections.

62

63 Rezanof Drive is a state owned roadway and is the main road through the City of
64 Kodiak. Pedestrians needing to cross this road to access schools that include Kodiak
65 Middle School, Main Elementary School, East Elementary School and Kodiak College
66 must wait for a break in traffic or for motorists to notice their intent to cross and stop to
67 allow the crossing. The Kodiak Island Borough is requesting funding for AKDOT to
68 purchase and install lighted automated crosswalks at intersections of Rezanof Drive
69 and Powell Street, and Rezanof Drive and Benny Benson Street to increase
70 pedestrian safety near schools located along Rezanof Drive.

71

72

73 **B. Safe Pathways to North Star Elementary School**

74 Estimated Project Cost \$1,500,000

75 State Funding Request \$1,500,000

76

77 Northstar Elementary School is located on a hill amongst several residential
78 neighborhoods. Many roads connecting those neighborhoods around the school are
79 narrow, steep, and winding dirt roads without sidewalks or separated pathways to
80 keep pedestrians safe from vehicular traffic. The Kodiak Safe Routes to Schools Plan
81 (2013) describes a need for separated pathways or trails to connect the residential
82 neighborhoods to the school.

83

84 **C. East Elementary Traffic Flow Improvements**

85 Estimated Project Cost \$2,000,000

86 State Funding Request \$2,000,000

87

88 There is a safety issue in the East Elementary School parking lot. The school was
89 constructed in 1966 with a substantial addition in 1988. The facility now totals 39,842
90 square feet with twenty-five teaching stations. Since the expansion, increased traffic
91 flows have created dangerous vehicle/student hazards when students are entering
92 and leaving school. Reconfiguration of the parking area will reduce risks by providing
93 for a safer separation of pedestrians, small vehicle traffic and bus loading/unloading.
94 The project will require an increase in the total area of the parking lot to allow
95 adequate parking to support increased building usage and occupant load.

96

97	3. Drainage Improvements to the Chiniak Highway at Sargent Creek	
98	Estimated Project Cost	\$54,000
99	State Funding Request	\$54,000

100

101 Heavy rains along with high tides consistently cause Sargent Creek to flood and diverge
 102 from its channel. This causes flooding at the intersection of the Chiniak Highway and
 103 Sargent Creek Road. Recent heavy rain events have necessitated intermittent closure of
 104 the intersection due to water on the roadway deep enough to disable vehicle engines.
 105 This intersection is the only roadway in and out of Bells Flats subdivision. The flooding
 106 occurring here impedes safe travel and often leaves motorists stranded and unable to
 107 reach homes or critical services located in town.

108

109 This request is to provide the DOT in Kodiak funding to construct spot improvements for
 110 bank stabilization, armoring, and rechanneling as needed to keep the Sargent Creek in its
 111 channel and stop the flooding of the roadway.

112

113	4. Anton Larsen Bay Road Extension to Ice Free Water	
114	Estimated Project Cost	\$8,450,000
115	Funding Acquired	450,000
116	State Funding Request	\$8,000,000

117

118 An extension of the Anton Larsen Bay Road to ice free waters will provide year around
 119 access to communities located in the Kupreanof Strait as well as those who use the
 120 island's west side for commercial and recreational purposes. Many times during the year
 121 travel by vessel to and from Kodiak is treacherous. Extending the road to ice free waters
 122 makes traveling safer, and provides safer access to critical services located in the City of
 123 Kodiak including hospitals and businesses. This route was identified in the Kodiak
 124 Transportation Plan as an important upland facility.

125

126 The Ouzinkie Native Corporation subsidiary, Spruce Island Development Corporation
 127 (SIDCO) received a \$450,000 legislative grant for planning and design to construct two
 128 miles of gravel road extending the Anton Larsen Road and to construct a parking area and
 129 boat launch ramp at the road's termination, a beach near Crag Point.

130

131 Funding is requested to the Department of Transportation and Public Facilities for
 132 construction of this road as it is an extension of an existing state roadway. The land
 133 owner, Ouzinkie Native Corporation, has agreed to donate ownership of the road right-of-
 134 way to the State when construction funding is obtained.

135

136

137	5. Monashka Bay Water and Sewer Project: Feasibility, Planning and Design	
138	Estimated Project Cost	\$500,000
139	State Funding Request	\$500,000

140

141 There are 256 residential parcels that lie outside the reach of the existing sanitary sewer
 142 and public water utilities in the Monashka Bay area. The soil and topography in this area
 143 are not ideal for septic systems and many are failing. The construction of a wastewater
 144 treatment facility at the Kodiak landfill provides an option for future expansion that could
 145 include sanitary sewer treatment for the residents of this area. Water in this neighborhood
 146 is provided by wells, cisterns and frequently by tank from a distant public source. Water
 147 quality and quantity are questionable in the Monashka Bay neighborhood. Extension of
 148 water service from the City of Kodiak will be needed. A feasibility study, planning and
 149 design is the first step in providing water and sewer services to the residents of the
 150 Monashka Bay area.

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6. Traffic Safety Lighting between Kodiak City Limits and Benny Benson State Airport


Estimated Project Cost	\$5,500,000
State funding request:	\$5,500,000

This request is to provide funding to the Department of Transportation for planning and design, and development of a plan of prioritized phased construction for the installation of street lighting along Rezanof Drive between the City of Kodiak and the Benny Benson State Airport. This section of roadway is approximately five miles of dark two lane road with an average speed limit of 45 miles per hour. It is a heavily travelled stretch of road used by those going to and from the state airport, working on the United States Coast Guard Base and commuting between outlying communities and the City of Kodiak.

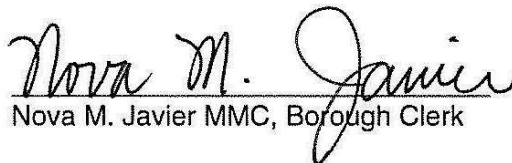
Section 2: The Kodiak Island Borough administration is hereby instructed to advise our State of Alaska Governor and Legislative Delegation of the Capital Improvement Projects Priority List adopted by the Kodiak Island Borough Assembly.

**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS TWENTY SEVENTH DAY OF OCTOBER, 2016**

KODIAK ISLAND BOROUGH


Daniel Rohrer, Borough Mayor


ATTEST:


Nova M. Javier MMC, Borough Clerk

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Thru: Mike Tvenge, Deputy City Manager
Date: January 26, 2017

Agenda Item: V. b. Resolution No. 2017-03, Urging the Alaska State Legislature to Adopt a Sustainable Budget Plan For FY2018 and Beyond by Enacting a Complete Package of Initiatives to Provide a Balanced and Sustainable Budget

SUMMARY: Governor Bill Walker and administration have created a fiscal plan towards a sustainable future for the State of Alaska. The administration has visited communities and held numerous conferences to explain the plan they produced. During the 29th Legislative Session and several special sessions, the legislature failed to enact a sustainable fiscal plan. Now Alaskans are concerned what actions the legislature will take during this current legislative session to protect Alaska's economy.

PREVIOUS COUNCIL ACTION: Governor Bill Walker and First Lady Donna Walker visited Kodiak on December 21, 2015. During a joint work session with the City Council and Borough Assembly, Governor Walker and staff addressed the state's current fiscal position due to the precipitous drop in oil prices and announced a plan towards a sustainable fiscal future. Deputy Chief of Staff John Hozey invited the City to adopt a resolution supporting the Governor and his administration's work towards a fiscal solution. The Mayor and Council expressed support for the adoption of such a resolution, supporting the Governor's efforts. City Council adopted Resolution No. 2016-03 during the January 14, 2016, regular meeting. The Council also adopted a similar sustainable budget resolution during the July 14, 2016, regular meeting.

DISCUSSION: Alaskan communities have been asked by the Governor's administration and Alaska Municipal League (AML) to let the legislature know we are concerned about our future and ask them to engage in more meaningful discussions of our State's fiscal options during the 30th First Legislative Session, which began January 17, 2017.

The Walker-Mallot administration's fiscal year 2018 budget reduces state spending while supporting vital services and protecting the permanent fund dividend. This fiscal plan is to continue cutting the size of government, re-tool the state's wealth through sustainable use of the Permanent Fund Earnings Reserve and to generate revenue through broad based taxes.

This resolution supports the Governor's plan of action and AML FY2018 Statewide Priorities, which will hopefully gain support of the Alaska Legislature during a time where lack of action is considered

irresponsible as dependence on oil has ruptured the State's financial base. The State of Alaska is by some estimates within one to two years of depleting budget reserves, leaving it in a position of reduced school funding, infrastructure deferment, capital project reductions, loss of the permanent fund dividend, and loss of jobs. Municipalities are tasked with providing basic and essential services without the past support by the legislature. Alaskans need a course correction from the legislature and Governor Walker, and this administration is proposing that action.

ALTERNATIVES:

- 1) Adopt Resolution No. 2017-03, which is recommended by staff.
- 2) Do not adopt the resolution, which is not recommended, because it would send a message that the City does not support the Governor's and AML's approach to fiscal sustainability.

FINANCIAL IMPLICATIONS: Adoption of this resolution will not result in direct financial impacts to the City. However, continued low oil prices and lack of operational funds at the State level will impact the City and the shared revenues it receives from the State.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council support Resolution No. 2017-03.

CITY MANAGER'S COMMENTS: The State of Alaska is facing a serious budget crisis. There are tough fiscal decisions that need to be made, and while not all decisions may be popular, we must encourage our legislators to act in the State's long-term best interest. Therefore, I recommend Council adopt the resolution, which we will provide to our lobbyist and legislators upon passage.

ATTACHMENT:

Attachment A: Resolution No. 2017-03

PROPOSED MOTION:

Move to adopt Resolution No. 2017-03.

**CITY OF KODIAK
RESOLUTION NUMBER 2017-03**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
URGING THE ALASKA STATE LEGISLATURE TO ADOPT A SUSTAINABLE
BUDGET PLAN FOR FY2018 AND BEYOND BY ENACTING A COMPLETE PACKAGE
OF INITIATIVES TO PROVIDE A BALANCED AND SUSTAINABLE BUDGET**

WHEREAS, Alaska has relied predominantly on the development of its vast oil reserves to fund the majority of state government expenditures over the past 35 years, yet production of Alaskan North Slope crude oil has steadily decreased over the past 25 years; and

WHEREAS, global oil prices have dropped significantly over the past two years and are projected to remain relatively low for the foreseeable future; and

WHEREAS, the combination of reduced oil production, reduced oil prices, and an overreliance on oil revenue as state government's primary source of funding has resulted in a massive state fiscal deficit; and

WHEREAS, the State of Alaska's credit rating has dropped due to the current fiscal imbalance, and will continue to be downgraded, if the Legislature fails to take appropriate action in 2017; and

WHEREAS, major business leaders in the state have warned they would be unlikely to continue making significant commercial investments in Alaska if the Legislature fails to address the fiscal deficit in 2017; and

WHEREAS, Governor Walker has introduced a fiscal plan to provide for a sustainable and predictable balanced budget, using the strength of our Permanent Fund Earnings Reserve, a balanced blend of spending reductions, and additional new revenues; and

WHEREAS, following adjournment of the 2016 regular session and fifth special session of the 29th Legislature, the Legislature failed to enact any component of any fiscal plan, and instead continued past practice of funding the FY2017 budget from dwindling cash reserves; and

WHEREAS, cash reserves typically used to cover budget deficits are now depleted such that they are insufficient to cover the current year's FY2018 budget, threatening the state's annual dividend program and potentially the state's Permanent Fund itself; and

WHEREAS, every dollar of cash reserves spent on one-time budget shortfalls, is then unavailable to continue working for the state as an ongoing income-producing asset in the future; and

WHEREAS, since spending down cash reserves reduces the amount of sustainable revenue we can generate from our financial assets in the future, increases in other sources of revenue, including taxes will become necessary to compensate; and

WHEREAS, without immediate enactment of a balanced sustainable fiscal plan, the Permanent Fund Dividend program will end and the inevitable dramatic state cost shift to municipalities will require significant local tax increases to provide essential services, endangering the viability of many Alaskan communities.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, calls upon the Alaska State Legislature to take immediate action during the First Session of the 30th Legislature to enact a comprehensive package of initiatives that will provide for a sustainable, balanced state budget for the foreseeable future.

BE IT FURTHER RESOLVED that the Council of the City of Kodiak urges the Alaska State Legislature to engage in meaningful discussions of all fiscal options without regard to perceived negative political fallout.

BE IT FURTHER RESOLVED that the Resolution will be distributed to the Governor, Legislators, and the City's lobbyist upon adoption.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Date: January 26, 2017

Agenda Item: V. c. **Authorization of Amendment No. 2 Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough Building**

SUMMARY: The City entered into a five-year lease for office space in 2015 that included new office space on the ground floor of the Borough Building for the City Manager's offices and a conference room. Staff worked with the KIB Resource Management Officer for a lease amendment in July 2016 to acquire two additional storage rooms for the City-wide records program. The City Manager is requesting a second lease amendment to obtain office space for the two new human resource positions for an additional 538 sf. Staff recommends Council approve the second amendment to lease No. 219595 for City Hall office space in the Kodiak Island Borough building for a new total rental space of 5,795 sf with an additional rental amount of \$1,183 per month.

PREVIOUS COUNCIL ACTION:

- July 28, 2011, Council authorized the City Manager to sign the most recent five-year lease for office space with the Borough
- June 23, 2015, work session, Council expressed support of leasing additional office space
- July 23, 2015, Council rescinded Lease No. 196508 and authorized Lease No. 219595 for City Hall office space in the Kodiak Island Borough building in the annual amount of \$124,766
- July 14, 2016, Council approved Amendment No. 1 to the lease to add two additional offices for records storage
- December 9, 2016, Council approved the addition of two human resource positions to the City Manager's Executive department and appropriated costs associated with the new positions including additional office space
- January 24, 2017, work session, Council reviewed the lease amendment for additional office space

DISCUSSION: The City and KIB have a five-year lease for office space in the Borough Building at a lease rate of \$2.20 sf from July 2015 through June 2020. (Attachment C). The first lease amendment (Attachment B) added two additional rooms for records storage for 530 sf and a total sf lease agreement of 5,257 sf. The second lease amendment includes the addition of two rooms at 538 sf and will remain at a rate of \$2.20 sf. The lease will include office space of 3,137 sf known as Suites 210 to 222 located on the second floor and office space of 1,878 sf known as Suites 112-115, 117-119, and a 553 sf conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a

JANUARY 26, 2017

Agenda Item V. c. Memo Page 1 of 2

proportional fifteen percent (15%) share or 227 sf of the common areas described as the Assembly Chambers (1,515 sf). This makes the total rental space 5,795 sf.

The lease will continue to provide efficient office space for the City Manager, City Clerk, and Finance departments. The City staff now has its own conference space for departmental, committee, and special Council meetings, and the room is heavily used. The additional lease will allow for needed space to locate the new human resource department and staff.

ALTERNATIVES:

- 1) Approve the second lease amendment and authorize the Manager to execute the agreement, which is staff's recommendation, because it guarantees the City continued use of the existing office, meeting space, records storage, and necessary human resource staff offices adjacent to the Manager's offices.
- 2) Do not approve the second amendment to the lease. This is not recommended, because there is no other known and accessible location for staff offices.

STAFF RECOMMENDATION: Staff recommends Council approve the amended office space lease in the Borough Building with the Kodiak Island Borough as agreed by both parties in the amount of \$12,749 per month.

CITY MANAGER'S COMMENTS: I recommend Council authorize the amended lease to provide for the two additional office spaces for human resource staff. It's necessary that they be located next to the Manager's offices as they will be part of this department and supervised by the Deputy City Manager. I recognize this is an additional expense, but we don't have any choice or another location to consider.

ATTACHMENTS:

- Attachment A: Second Amendment to the Office Lease Agreement No. 219595
- Attachment B: First Amendment to the Office Lease Agreement No. 219595
- Attachment C: Current Office Space Lease Agreement No. 219595

PROPOSED MOTION:

Move to authorize the second amendment to Lease No. 219595 for City Hall Office Space in the Kodiak Island Borough Building in the amount of \$12,749 per month from the General Fund Non-departmental Building Rental line item and authorize the City Manager to execute the lease amendment document on behalf of the City.

Second Amendment Between the City of Kodiak and Kodiak Island Borough

Second AMENDMENT, dated January 26, 2017, (the "Amendment") to the lease for Kodiak Island Borough Office Space (the "lease") between the CITY OF KODIAK (the "tenant") and Kodiak Island Borough (the "landlord"), dated July 24, 2015.

WHEREAS, the lease provides for the landlord to lease office space to the tenant for a term expiring on June 30, 2020; and

WHEREAS, the tenant would like to rent additional office space.

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

Terms of Section 1 and 4 are amended to read as follows:

Section 1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby let, lease and demise to Tenant the improved real estate described as follows:

Office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 1878 square feet known as Suites 112-115, 117-119 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square feet of the common area described as the Assembly Chambers (1,515 sq. ft.), resulting in 5795 square feet of total lease area. The Premises is located at 710 Mill Bay Rd., which is also the following described real property:

Lot Seven A (7A), USS 2538A, Township 27S, Range 19W, Seward Meridian, Kodiak Recording District, Third Judicial District, State of Alaska.

The aforesaid office space and common area, hereinafter referred to as the leased premises, is more specifically depicted or outlined on the floor plan attached hereto as Exhibit A.

Tenant, upon paying the rents, and performing all of the terms and covenants on this part to be performed, shall peaceably and quietly enjoy the leased premises subject nevertheless, to the terms of this lease, and to any deed of trust or mortgage to which this lease is subordinated.

Section 4. Rental. In consideration of the demise and leasing of the premises aforesaid by Landlord, the Tenant covenants, stipulates and agrees to pay to the Landlord as rental for said premises hereinabove described, at the rate of two dollars and twenty cents (\$2.20) per square foot, the sum of twelve thousand seven hundred forty nine dollars \$12,749 the for office space, conference room and proportional common area use monthly in advance, on or before the first day of each month of the lease term.

**Second Amendment
Between the City of Kodiak and Kodiak Island Borough**

All rentals, unless and until otherwise directed in writing by Landlord, shall be paid to the Landlord at 710 Mill Bay Road, Kodiak, Alaska 99615, or at such other place as Landlord may designate from time to time in writing.

Landlord reserves the right to increase the rent cost per square foot based on utility cost increases on an annual basis. A ninety (90) day notice will be provided to tenant before the change is made.

All other terms and provisions of the Lease Agreement Between the City of Kodiak and Kodiak Island Borough, City Record No. 219595/Borough Contract #FY2016-14 effective July 24, 2015, including the first amendment dated July 24, 2016, shall remain unchanged.

Dated this _____ day of _____, 2017

City of Kodiak
"City"

By _____
Aimee Kniazowski,

Title: City Manager

Dated this _____ day of _____, 2017

Kodiak Island Borough
"Borough"

By _____
Michael Powers,

Title: Borough Manager

First Amendment Between the City of Kodiak and Kodiak Island Borough

First AMENDMENT, dated July 24, 2016, (the "Amendment") to the lease for Kodiak Island Borough Office Space (the "lease") between the CITY OF KODIAK (the "tenant") and Kodiak Island Borough (the "landlord"), dated July 24, 2015.

WHEREAS, the lease provides for the landlord to lease office space to the tenant for a term expiring on June 30, 2020; and

WHEREAS, the tenant would like to rent additional office space.

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

Terms of Section 1 and 4 are amended to read as follows:

Section 1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby let, lease and demise to Tenant the improved real estate described as follows:

Office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 1340 square feet known as Suites 113-115, 117-118 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square feet of the common area described as the Assembly Chambers (1,515 sq. ft.), resulting in 5257 square feet of total lease area. The Premises is located at 710 Mill Bay Rd., which is also the following described real property:

Lot Seven A (7A), USS 2538A, Township 27S, Range 19W, Seward Meridian, Kodiak Recording District, Third Judicial District, State of Alaska.

The aforesaid office space and common area, hereinafter referred to as the leased premises, is more specifically depicted or outlined on the floor plan attached hereto as Exhibit A.

Tenant, upon paying the rents, and performing all of the terms and covenants on this part to be performed, shall peaceably and quietly enjoy the leased premises subject nevertheless, to the terms of this lease, and to any deed of trust or mortgage to which this lease is subordinated.

Section 4. Rental. In consideration of the demise and leasing of the premises aforesaid by Landlord, the Tenant covenants, stipulates and agrees to pay to the Landlord as rental for said premises hereinabove described, at the rate of two dollars and twenty cents (\$2.20) per square foot, the sum of eleven thousand five hundred sixty five dollars and forty cents (\$11,565.40) the for office space, conference room and proportional common area use monthly in advance, on or before the first day of each month of the lease term.

**First Amendment
Between the City of Kodiak and Kodiak Island Borough**

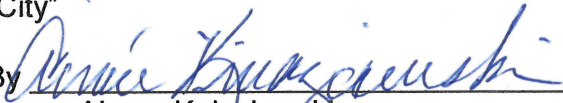
All rentals, unless and until otherwise directed in writing by Landlord, shall be paid to the Landlord at 710 Mill Bay Road, Kodiak, Alaska 99615, or at such other place as Landlord may designate from time to time in writing.

Landlord reserves the right to increase the rent cost per square foot based on utility cost increases on an annual basis. A ninety (90) day notice will be provided to tenant before the change is made.

All other terms and provisions of the Lease Agreement Between the City of Kodiak and Kodiak Island Borough, City Record No. 219595/Borough Contract #FY2016-14 effective July 24, 2015, shall remain unchanged.

Dated this 20TH day of July, 2016

City of Kodiak
"City"

By 
Aimee Kniazowski,

Title: City Manager


Dated this 20th day of July, 2016

Kodiak Island Borough
"Borough"

By 
Michael Powers,

Title: Borough Manager

ATTEST:


Nova M. Javier, MMC, Borough Clerk
Kodiak Island Borough



Contract # PV2016-14

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 24th day of July, 2015, by and between THE KODIAK ISLAND BOROUGH, a borough organized under the laws of the state of Alaska, hereinafter called Landlord, and City of Kodiak, hereinafter called Tenant.

For and in consideration of the covenants, rents and demises, and upon the terms and conditions hereinafter set forth, the parties agree as follows:

1. Premises. Landlord, for and in consideration of the rents, covenants and conditions hereinafter specified to be paid, performed and observed by Tenant, does hereby let, lease and demise to Tenant the improved real estate described as follows:

Office space of 3,137 square feet known as Suites 210 to 222 located on the second floor, and office space of 810 square feet known as Suites 113-115 and a 553 square foot conference room (Room 116) all located on the first floor of the Kodiak Island Borough Building and, in addition, a proportional fifteen percent (15%) share or 227 square feet of the common areas described as the Assembly Chambers (1,515 sq. ft.), resulting in 4,727 square feet of total lease area. The Premises is located at 710 Mill Bay Rd., which is also the following described real property:

Lot Seven A (7A), USS 2538A, Township 27S, Range 19W, Seward Meridian, Kodiak Recording District, Third Judicial District, State of Alaska.

The aforesaid office space and common area, hereinafter referred to as the leased premises, is more specifically depicted or outlined on the floor plan attached hereto as Exhibit A.

Tenant, upon paying the rents, and performing all of the terms and covenants on this part to be performed, shall peaceably and quietly enjoy the leased premises subject nevertheless, to the terms of this lease, and to any deed of trust or mortgage to which this lease is subordinated.

2. Term of Lease. The term of the lease shall be for the period of five (5) years following the commencement of the term, unless sooner terminated as hereinafter provided. The term of the lease shall commence on July 24, 2015, and shall expire at 5:00 P.M., Alaska Standard Time on June 30, 2020.

In the event the foregoing commencement provision results in a commencement date other than on the first day of a calendar month, the rent shall be immediately paid for such initial fractional month prorated on the basis of a thirty (30) day month.

3. Termination of Lease. Both parties have the right to terminate this lease with ninety (90) days written notification.

4. Rental. In consideration of the demise and leasing of the premises aforesaid by Landlord, the Tenant covenants, stipulates and agrees to pay to the Landlord as rental for said premises hereinabove described, at the rate of two dollars and twenty cents (\$2.20) per square foot, the sum of ten thousand three hundred and ninety –seven dollars and twenty cents

(\$10,397.20) for office space, conference and proportional common area use monthly in advance, on or before the first day of each month of the lease term.

All rentals, unless and until otherwise directed in writing by Landlord, shall be paid to the Landlord at 710 Mill Bay Road, Kodiak, Alaska 99615, or at such other place as Landlord may designate from time to time in writing.

Landlord reserves the right to increase the rent cost per square foot based on utility cost increases on an annual basis. A ninety (90) day notice will be provided to tenant before the change is made.

5. Alteration of Premises. Tenant shall not make any alterations, additions, or improvements in or to the leased premises without first obtaining the written consent of Landlord. Any such alterations, additions and improvements consented to by Landlord shall be made at Tenant's expense. Tenant shall secure all governmental permits required in connection with such work, and shall hold Landlord harmless from all liability and liens resulting therefrom. All alterations, additions and improvements, except trade fixtures and appliance and equipment which do not become attached to the building, shall immediately become a part of the realty and the property of the Landlord without obligation to pay therefore, except that Landlord may require removal of all or part thereof by Tenant at the termination of the lease, at Tenant's expense, and Tenant shall pay for or repair any damages to the leased premises, including, without limitation, any necessary patching, repainting, and repairing caused by such removal. Upon removal of the trade fixtures and appliances and equipment which do not become attached to the building, Tenant shall restore the leased premises to the same condition that they were in prior to the installation of said items, including, without limitation, any necessary patching, repainting and repairing. Any trade fixtures, appliances, equipment or other property not removed from the leased premises by Tenant upon termination of the lease shall be deemed abandoned by Tenant, provided that Tenant shall save Landlord harmless from any loss, cost, or damage arising from Tenant's failure to remove such items.

6. Use of Premises. The leased premises shall be used for general office space and meetings, and for no other purpose, without the prior written consent of Landlord. Tenant shall not use or permit the leased premises or any part thereof to be used for any purpose in violation of any municipal, borough, state, federal or other governmental law, ordinance, rule or regulation. Tenant agrees that Tenant, together with all other persons entering and/or occupying the leased premises at Tenant's request or with Tenant's permission, will abide by, keep and observe all reasonable rules and regulations which Landlord may make from time to time for the management, safety, care and cleanliness of the building, and the preservation of good order therein, as well as for the convenience of other occupants and tenants of the building, and for the use of any parking areas adjacent to the building. The violation of any such rules and regulations shall be deemed a material breach of the lease by the Tenant. Tenant shall not, without Landlord's prior written consent, use, operate or install any electrical or mechanical equipment, machinery, or mechanical devices in the leased premises, except in compliance with the highest standards applicable to the leased premises, except in compliance with the highest standards applicable to the use, operation, or installation of such equipment, machinery or devices, generally recognized by the profession or industry in which Tenant is engaged, nor shall Tenant use the leased premises, or any machinery or equipment therein, in such a manner as to cause substantial noise or vibration, or unreasonable disturbance to other tenants in the building.

In the event Tenant's use of the leased premises causes an increase in Landlord's fire or hazard insurance premiums; Tenant shall reimburse Landlord for the amount of such increase.

7. Taxes. Tenant shall pay any and all taxes levied on personal property and trade or other fixtures in the leased premises, and any license and excise fees and occupation taxes covering business conducted on the leased premises, and as additional rent, an amount equal to any sales taxes on rentals payable hereunder.

8. Utilities. Landlord shall furnish, at its expense, the following utilities and services for normal office use of the leased premises:

(a) Electricity for normal lighting, air conditioning, and office use. Special or additional electrical requirements shall be paid by Tenant.

(b) Heat, snow removal for common areas, and sewer and water based on normal office use.

(c) Janitorial service for the leased premises on a five-day-a-week basis, and periodic exterior window washing.

(d) Refuse collection based on normal office use. Tenant shall provide at his expense all other utilities and services used at the leased premises.

Landlord shall not be liable for any loss or damage caused by or resulting from any variation, interruption or failure of said utilities or services, arising from any cause, condition or event; and no variation, interruption or failure of such utilities and services incident to the making of repairs, alterations, or improvements, or arising from any accident, strike, condition, cause or event in whole or in part beyond the reasonable control of Landlord shall be deemed an eviction of Tenant or relieve Tenant from any obligation hereunder.

9. Maintenance and Repairs. Landlord shall, at its expense, maintain and keep in good repair the foundations, exterior walls, roof and other structural portions of the building. Tenant shall, at its expense, maintain the interior of the leased premises at all times in good condition and repair, all in accordance with the laws of the State of Alaska and all directions and regulations of governmental agencies having jurisdiction hereof. Tenant shall commit no waste of any kind in or about the leased premises, and Tenant shall pay for all damage to the building, as well as damage to tenants or occupants hereof, caused by Tenant's misuse or neglect of the leased premises, its apparatus or appurtenances. At the expiration of the term hereof, or on the termination of this lease, Tenant shall surrender the leased premises, its apparatus or appurtenances. At the expiration of the term hereof, or on the termination of this lease, Tenant shall surrender the leased premises in good and clean condition, normal wear and tear excepted.

Landlord shall maintain and repair all plumbing, lines and equipment installed for the general supply of hot and cold water, heat, ventilation and electricity, except that Tenant shall be responsible for any and all maintenance and repairs attributable to obstruction or objects deliberately or inadvertently introduced or placed in the fixtures, lines or equipment by Tenant, his employees, agents, licensees or invitees.

Landlord shall not be responsible or liable at any time for any loss or damages to Tenant's equipment, fixtures or other personal property of Tenant or to Tenant's business except to the extent attributable to Landlord's negligence.

Landlord shall not be responsible or liable to Tenant or to those claiming by, through or under Tenant for any loss or damages to either the person or property of Tenant that may be

occasioned by or through the acts or omissions of persons occupying other portions of the building.

Landlord shall not be responsible or liable for any defect, latent or otherwise, in the building in which the leased premises is situated, or any of the equipment, machinery, utilities, appliances or apparatus therein nor shall it be responsible or liable for any injury, loss or damage to any person or to any property of Tenant or other person caused by or resulting from bursting, breakage or by or from leakage, stream or snow or ice, running or the overflow of water or sewerage in any part of said leased premises, the building, or the surrounding area, or for any injury or damage caused by or resulting from acts of nature or the elements, or for any injury or damage caused by or resulting from any defect in the occupancy, construction, operation or use of any of said leased premises, building, machinery, apparatus or equipment by any person or by or from the acts or negligence of any occupant of the premises, unless Landlord itself is negligent.

10. Fire and Other Casualty. Should the leased premises be damaged by fire or other casualty, and if the damage is repairable within four (4) weeks from the date of occurrence (with the repair work and the preparations therefore to be done during regular working hours on regular work days), the damages shall be repaired with due diligence by Landlord, and in the meantime the monthly rental shall be abated in the same proportion that the untenable portion of the leased premises bears to the whole thereof. Should the leased premises be completely destroyed by fire or other casualty, or should they be damaged to such an extent that the damage cannot be repaired within the four (4) weeks of the occurrence, Landlord shall have the option to terminate this lease, and Landlord shall advise Tenant within thirty (30) days after the happening of any such damage whether Landlord has elected to continue this lease in effect or to terminate it. If Landlord shall elect to continue this lease in effect, it shall commence and prosecute with reasonable diligence any work necessary to restore or repair the leased premises. If Landlord shall fail to notify Tenant of its election within said thirty-day period, Landlord shall be deemed to have elected to terminate this lease, and the lease shall thereafter automatically terminate. The commencement by Landlord of repair work shall be deemed to constitute notice that Landlord has elected to restore or repair the leased premises. For the period from the occurrence of any damage to the leased premises to the date of completion of the repairs (or to the date of termination of the lease if Landlord shall elect not to restore the leased premises), the monthly rental shall be abated in the same proportion as the portion of the leased premises bears to the whole thereof.

In the event restoration or repair is delayed by acts or omissions of Tenant, there shall be no abatement of rental during the period of such delay. If the fire or damage is caused by the carelessness, negligence or improper conduct of Tenant, then notwithstanding other provisions of this lease, Tenant shall remain liable for the rent, without abatement, during any period of repair or restoration.

If the Landlord, in its discretion, shall decide within thirty (30) days after the occurrence of any fire or other casualty in the building, even though the leased premises may not have been affected by such fire or other casualty, to demolish, rebuild or otherwise replace or alter the building containing the leased premises, then upon written notice given by Landlord to Tenant, this lease shall terminate on a date specified in such notice, but no sooner than thirty (30) days from the date of such notice, as if that date had been originally fixed as the expiration date of the term herein leased. Tenant and Landlord hereby mutually release each other from liability and

waive all right of recovery against each other for any loss from perils insured against under their respective fire insurance policies, including any extended coverage and endorsements thereto; provided, however, that this paragraph shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Landlord or Tenant.

Restoration or repair work conducted in the common areas, in areas of the building unleased, or leased to other tenants, or the noise or interference arising therefrom, shall not be deemed an eviction of Tenant, or a breach of this lease, but Tenant's obligation to pay rent shall be abated during such period of time as Tenant is unable to conduct business at the leased premises by reason of actual physical interference with use of the leased premises as a result of such restoration or repair work.

11. Subletting and Assignment. Tenant shall not sublet the leased premises, or any part thereof, or assign this lease or any part thereof, nor shall this lease be assigned in whole or in part by operation of law or through any court proceedings, without the prior written consent of Landlord to such subletting or assigning; any such assignment or sublease without Landlord's written consent shall be void.

If Tenant is a corporation, any merger, consolidation, or dissolution to which it is a party, or any change in ownership of a majority of its voting stock outstanding, shall constitute an assignment of this lease for purposes of this paragraph.

12. Indemnification. Tenant agrees to protect, defend, indemnify and save harmless Landlord from and against any and all claims (no matter how meritless) demands, and causes of action of any nature whatsoever, and any expenses incident to defense of and by Landlord therefrom, for injury to or death of persons or loss of or damage to property occurring on the leased premises, or in any manner arising out of Tenant's use and occupation of said premises, or the condition thereof, during the term of this lease. Tenant shall procure and maintain public liability insurance coverage, naming Landlord as an insured, which coverage, pertaining to the leased premises, shall not be less than \$250,000 per person for bodily injury or death, \$500,000 per occurrence for bodily injury or death, and \$100,000 for property damage. Landlord shall be an additional named insured in such policy or policies. Such policy or policies shall be written by a responsible insurance company or companies satisfactory to Landlord. Upon the signing of this Agreement, certificates of insurance showing compliance with the foregoing requirements shall be furnished by Tenant to Landlord for approval. Certificates shall state that the policy or policies will not be canceled or altered without at least thirty (30) days, prior written notice to Landlord. Maintenance of such insurance and the performance by Tenant of the obligation under this paragraph shall not relieve Tenant of liability under this indemnity agreement.

13. Common Areas and Facilities. Designated common areas for which Tenant will pay based on proportional use of fifteen percent (15%) are the Assembly Chambers, as indicated in Section 1. All common areas and common facilities in or about the leased premises and the building shall be subject to the exclusive control, scheduling and management of Landlord, with the understanding that the proportional use of the Assembly Chambers by the City Council based on a schedule submitted to the Borough Clerk will take priority over any other use except use by the Kodiak Island Borough. Landlord shall have the right to construct, maintain and operate lighting and other improvements on all said areas; to change the area, level, location and

arrangement for common areas and other facilities and temporarily to close the common areas to effect such changes.

All common areas and facilities which Tenant may be permitted to use and occupy are to be used and unoccupied under a revocable license, which shall not be unreasonably revoked, and if any such license be revoked or if the amount of such areas be changed or diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent nor shall revocation or diminution of such areas be deemed constructive or actual eviction.

14. Liens. Tenant will not permit any mechanics', laborers' or material men's liens to stand against the leased premises or improvements for any labor materials furnished to Tenant or claimed to have been furnished to Tenant, or to Tenant's agents, contractors, or sublessee, in connection with work of any character performed or claimed to have been performed on said premises or improvements by or at the direction of sufferance of Tenant; provided, however, Tenant shall have the right to contest the validity or amount of any such lien or claimed lien. In the event of such contest, Tenant shall give to Landlord such reasonable security as may be demanded by Landlord to insure payment of such lien or such claim of lien. Tenant will immediately pay any judgment rendered with all proper costs and changes and shall have such lien released or judgment satisfied at Tenant's own expense.

The foregoing provisions respecting liens shall apply to all liens, of any kind or nature asserted against the leased premises or improvements thereon, including liens arising out of, incident to, or connected with the use and occupation of the leased premises by Tenant.

15. Default. If Tenant at any time during the term of this lease (and regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency, or other proceedings, in law, in equity, or before any administrative tribunal, which have or might have the effect of preventing Tenant from complying with the terms of this lease) shall:

(a) Fail to make payment of any installment of rent or of any other sum herein specified to be paid by Tenant, and Tenant fails to cure such default within ten (10) days after such failure to make payment; or

(b) Fail to observe or perform any of Tenant's other covenants, agreements, or obligations hereunder, and if within thirty (30) days after Landlord shall have given to Tenant written notice specifying such default or defaults, Tenant shall not have commenced to cure such default and proceed diligently to cure the same; or

(c) If Tenant has filed a Petition under Chapter 11 of Bankruptcy Act, 11 O.S.C. 701 et seq., or a voluntary petition under any other provision of said Bankruptcy Act, or if Tenant finally and without further possibility to appeal or review:

(1) is adjudicated as bankrupt or insolvent; or

(2) has a receiver appointed for all or substantially all of its business or assets on the ground of Tenant's insolvency; or

(3) has itself appointed as a debtor-in-possession; or

(4) has a trustee appointed for it after a petition has been filed for Tenant's reorganization under the Bankruptcy Act of the United States known as the Chandler Act or any future law of the United States having the same general purpose; or

(5) if Tenant shall make an assignment for the benefit of creditors, then in any such event Landlord shall have the right at its election, then or at any time thereafter, and while such default, defaults or events shall continue, to give Tenant notice of Landlord's intention to terminate this lease and all Tenant's rights hereunder, on a date specified in such notice, which date shall not be less than ten (10) days after the date of giving of such notice, and on the date specified in such notice, the term of this lease and all rights granted Tenant hereunder shall come to an end as fully as if the lease then expired by its own terms, and Tenant hereby covenants peaceable and quietly to yield up and surrender to Landlord said leased premises and all structures, buildings, improvements and equipment located thereon, and to execute and deliver to Landlord such instrument or instruments as shall be required by Landlord as will properly evidence termination of Tenant's rights hereunder or its interest therein. In the event of termination of this lease as in this paragraph above provided, Landlord shall have the right to repossess the leased premises and such structures, buildings, improvements and equipment, either with process of law or through any form of suit or proceeding, as well as the right to sue for and recover all rents and other sums accrued up to the time of such termination, and damages for rent not then accrued. Landlord shall also have the right, without resuming possession of the premises or terminating this lease, to sue for and recover all rents and other sums, including damages, at any time and from time to time accruing hereunder.

16. Notices. Any and all notices required or permitted under this lease, unless otherwise specified in writing by the party whose address is changed, shall be mailed, certified or registered mail, or delivered, to the following addresses:

LANDLORD:
Kodiak Island Borough
710 Mill Bay Road
Kodiak, Alaska 99615

TENANT:
City of Kodiak
PO Box 1397
Kodiak, Alaska 99615

Any such notices shall be deemed effective on the date of mailing or delivery.

17. Costs Upon Default. In the event either party shall be in default in the performance of any of its obligations under this lease or an action shall be brought for the enforcement thereof, the defaulting party shall pay to the other all the expenses incurred therefor, including a reasonable attorney's fee.

In the event either party shall without fault on its part be made a party to any litigation commenced by or against the other, then such other party shall pay all costs and reasonable attorney's fees incurred or paid by such party in connection with such litigation.

18. Rights or Remedies. Except insofar as this is inconsistent with or contrary to any provision of this lease, no right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder, or now or hereafter existing at law or in equity or by statute.

19. Waiver and Forbearance. Except to the extent that Landlord may have otherwise agreed in writing, no waiver by Landlord of any breach by Tenant of any of its obligations, agreements or covenants hereunder shall be deemed to be a waiver of any subsequent breach of the same or any other covenant, agreement or obligation. Nor shall any forbearance by Landlord to seek a remedy for any breach of Tenant be deemed a waiver by Landlord of its rights or remedies with respect to such breach.

20. Inspection. Landlord shall at all reasonable times during Tenant's business hours have access to the premises for the purpose of inspection. Landlord shall also be entitled to put "to lease" or "for lease" signs in and about the leased premises, and to show the leased premises to prospective tenants, during the last sixty (60) days of the lease term and any extended term, and during any period of time after Landlord has given Tenant a notice of intention to terminate under paragraphs 15 and 3 of this lease.

21. Notices of Nonresponsibility. Landlord may enter the demised premises at any time for the purpose of posting notices of nonresponsibility.

22. Successors in Interest. This lease shall be binding upon and inure to the benefit of the respective heirs, successors and assigns of the parties hereto.

23. Holding Over. In the event that the Tenant holds over at or after the end of the term, the tenancy shall be needed a month-to-month tenancy commencing on the first day of the holdover period.

24. Signs. Landlord shall provide one sign for the Tenant. Tenant agrees that any other sign or signs installed on the demised premises shall be with the consent of the Landlord.

25. Memorandum of Lease. Tenant agrees that Tenant will not record this lease. At the request of either Landlord or Tenant, the parties shall execute a memorandum lease for recording purposes in lieu of recording this lease, in such form as may be satisfactory to their respective attorneys.

26. Estoppel Certificates. Tenant shall, at any time and from time to time upon not less than fifteen (15) days' prior request by Landlord execute, acknowledge and deliver to Landlord a statement in writing certifying that this lease is in full force and effect and unmodified (or in full force and effect and modified and stating the modifications), the dates to which the rent(s) and any other charges have been paid in advance, the date Tenant entered into occupancy of the leased premises and the date the lease term expires, the nature and amount of any claims of Tenant against Landlord arising as a result of this lease, and the existence and nature of any defenses or offsets claimed by Tenant against enforcement of this lease by Landlord; it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser or encumbrancer (including assignees) of the premises. In the event Tenant fails so to certify within such fifteen (15) day period, Tenant shall be deemed to have certified and admitted the accuracy of information submitted by Landlord in good faith to any prospective purchaser or encumbrancer in respect to this lease.

27. Excuse for Nonperformance. Either party hereto shall be excused from performing any or all of its obligations hereunder with respect to any repair and construction work required under the terms of this lease for such times the performance of any such obligation is prevented or delayed by an act of God, floods, explosion the elements, war, invasion, insurrection, riot, mob violence, sabotage, terrorist activity, inability to procure labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes, lockouts, action by labor unions, or laws or order of governmental agencies, or any other cause whether similar or dissimilar to the foregoing which is not within the reasonable control of such party.

28. Construction of Lease. This lease shall be governed by and construed in accordance with the laws of the State of Alaska.

Words of gender used in this lease shall mean and include any other gender, and singular shall mean and include the plural and the plural the singular, where applicable, and when the sense requires.

29. Security Deposit. An essential inducement to Landlord from Tenant for this lease is a security deposit by Tenant in the amount of No Dollars (\$0.00). Said deposit for security is for the full and faithful performance by the Tenant of all the covenants and terms of this lease required to be performed by Tenant. Such security deposit shall be applied to the last month's rental after the expiration of this lease if Tenant has fully and faithfully carried out all of its covenants and terms. If Tenant does not fully and faithfully perform the covenants and terms of this lease, Landlord may apply the aforementioned security deposit against damages resulting from breaches of Tenant. In the event all or part of the security deposit is so applied, Tenant shall, upon demand, promptly pay to Landlord such amount as may be necessary to replenish the security deposit to its original amount.

In the event of a bona fide sale of the property of which the leased premises are a part, the Landlord shall have the right to transfer such security deposit to purchaser to be held under the terms of this lease, and, in that event, the Landlord shall be released from all liability for the return of such security deposit to the Tenant.

The Tenant may not assign or encumber the money deposited as security, and neither the Landlord nor its successors or assigns shall be bound by any such assignment or encumbrances.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 24 day of July, 2015.

TENANT:

ATTEST:

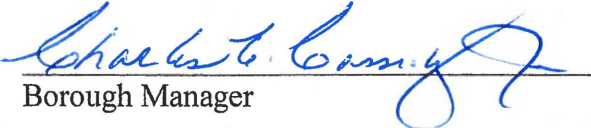

City Clerk


City Manager

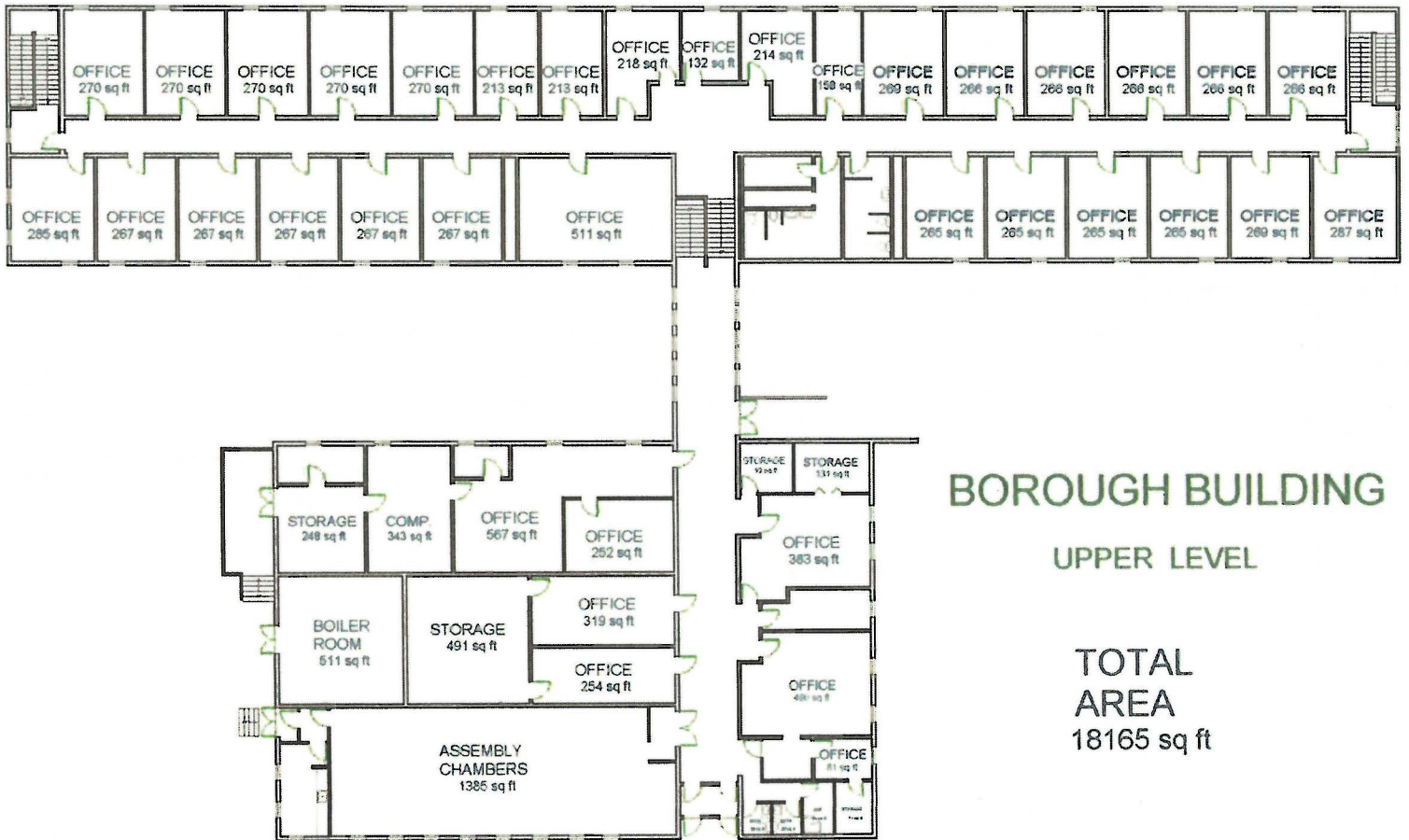
LANDLORD:
THE KODIAK ISLAND BOROUGH

ATTEST:


Borough Clerk


Borough Manager

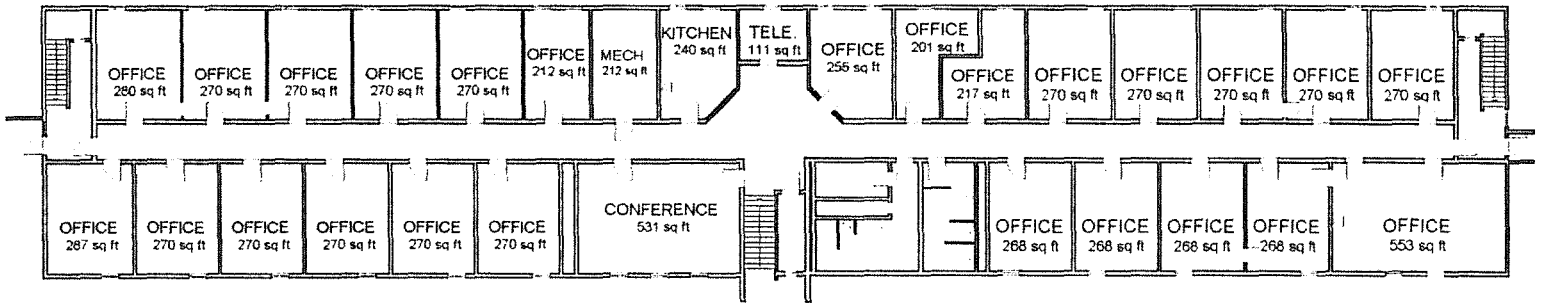




BOROUGH BUILDING

UPPER LEVEL

TOTAL
AREA
18165 sq ft



BOROUGH BUILDING LOWER LEVEL

TOTAL AREA: 9,106 SQ. FT.

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager
Thru: Glenn Melvin, City Engineer, and Mark Kozak, Public Works Director
Date: January 26, 2017

Agenda Item: V. d. Authorization of Professional Services Contract for Design of Pillar Mountain Quarry Reclamation Fill Site Project No. 13-09/5033

SUMMARY: The City has used the area next to the Water Treatment Plant at the foot of Pillar Mountain for the disposal of clean soil products from City construction projects for many years. The site is now full and staff needs to identify another disposal site. Staff requested a proposal from DOWL to design the large area fill and provide a Stormwater Pollution Prevention Plan (SWPPP) for the old City rock quarry located one third of the way up Pillar Mountain. Staff recommends that Council authorize a professional services contract to DOWL to complete the design of Quarry Reclamation Fill Site in the amount not to exceed of \$46,655.

PREVIOUS COUNCIL ACTION:

- February 2013, Council authorized the budget for this project, the Pillar Mountain Quarry Reclamation Fill Site, in the FY2013 Supplemental No. 1 budget.
- April 11, 2013, Council approved the design of the quarry soil disposal site with DOWL.
- January 23, 2014, Council approved an amendment to the DOWL snow dump project to continue with the design of the snow dump. Part of that approval included stopping work on the Pillar Mountain Quarry Reclamation Fill Site Project No. 13-09/5033.
- August 2014, Council was updated on final snow dump site selection based on environmental and permitting site assessment of the old Lower Bettinger reservoir. Because of the designated wetland and salmon stream, it was recommended to use the fill site behind the WTP because of permitting complication and limited space due to the stream location. Once that selection was finalized we could no longer combine soil disposal and snow dump into on location.

DISCUSSION: For over 30 years the City has provided a disposal site for most of the unsuitable soil materials coming from City construction projects. This helps provide a known cost as contractors evaluate hauling and disposal costs during project bidding, and in the long run, tends to help reduce the cost of City projects. The area by the Water Treatment Plant is now the completed snow dump. With the future list of City projects, staff proposes that the old City rock quarry, located one third of the way up Pillar Mountain, be used for disposal of soil materials for City construction projects (Attachment A, photo of the rock quarry area on Pillar).

Because of the size of the area and the eventual height of the material slopes, this fill area needs to be designed with safety in mind so slopes will not slip or slide when material is being disposed of. In addition, regulations require all such sites have a Stormwater Pollution Prevention Plan (SWPPP) and require monitoring to assure water quality is not effected by runoff from the site.

As part of the original contract for the design of the disposal site, the survey work has been completed and some preliminary design work was started.

The intention is to fill the area in a manner that allows full utilization of the area. By using this site for the disposal of clean soil products not suitable to be used within new construction, the City can slowly cover and replant the old rock quarry, and basically return the area to natural appearance. As an example, various locations within the community have been used for the disposal of soils from construction projects. The new Kodiak Police Station is built on one such site as well as the large area between Larch Street and Mill Bay and south of Lilly Lake. These areas, once finished, tend to blend into the surround area and generally improve the area when completed.

The old quarry site on Pillar Mountain is heavily used by recreation enthusiasts all summer for parking and other activities, as well as during winter for snow recreation. The final plan will attempt to keep land contours to allow such activities to continue while improving the finished look of the area. The site will require limited access during the active summer construction season for safety reasons, but should be able to allow public use of the area at the end of the construction season.

Staff consulted with the Kodiak Island Borough Community Development Department on how best to initiate the plans. Because the City owns the property, a fill and grading plan is required, and the plan must be submitted to the Building Department. The City will be required to get a zoning compliance permit from the Community Development Department.

ALTERNATIVES:

- 1) Authorize the professional services contract with DOWL to complete the design of the old rock quarry site on Pillar Mountain to dispose of environmental clean unsuitable soils such as organics and oversaturated soils removed from City projects. This is staff's recommendation, because it will provide a safe engineered site to dispose of the materials and lower costs of City projects requiring excavation.
- 2) Do not authorize the contract. This is not recommended, because there will not be a site available for the disposal of soils from future City projects and is likely to increase project costs as contractors pass on the cost to dispose of excavated materials on other sites.

FINANCIAL IMPLICATIONS: Funding for the establishment of this soil disposal site was added in FY2013. Some funds were later transferred to the Snow Dump Storage Yard Project No. 13-07/5030. The approximate balance remaining in the Pillar Mountain Quarry Reclamation Fill Site Project No. 13-

09/5033 is \$9,262. In order to award the design of the waste soil disposal project, funds need to be reassigned from the Snow Dump Project No. 13-07/5030 project remaining fund balance in the amount of \$50,000 to the Pillar Mountain Quarry Reclamation Fill Site Project No. 13-09/5033.

Although, it is difficult to determine the cost impact to each project by providing a location for unsuitable soils, this will prevent cost impacts to City projects if contractors can dispose of spoils at a City site. The larger projects generate large quantities, and suitable places for disposal are quite limited.

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends Council authorize a professional services contract with DOWL to complete the design of the Pillar Mountain Quarry Reclamation Fill Site in an amount not to exceed \$46,655 with funds coming from the Street Capital Improvement Fund, Project No. 13-09/5033 and authorize the transfer of unused funds from the Snow Dump Project, Project No, 13-07/5030, also from the Street Capital Improvement Fund, in the amount of \$50,000.

CITY MANAGER'S COMMENTS: It can be problematic when the City undertakes a large project that requires a site to dispose of excavated materials. For example, the contractor removed in excess of 5,000 cubic yards of poor grade soils from the Aleutian Homes Phase IV project, and the contractor removed 6,500 cubic yards just on the excavation of the football field area at the Baranof Park. The materials have to be relocated to a spot like the now closed City site by the Water Treatment Plant. A new and fully designed site at the old quarry site will continue to provide us with a place to put clean materials and reduce or eliminate soil disposal costs for our projects. I support staff's recommendation and ask Council to approve this contract with DOWL so we can have an active site for this coming construction season.

ATTACHMENTS:

Attachment A: Photo Pillar Mountain Quarry Area

Attachment B: DOWL proposal letter for design services dated August 24, 2016.

PROPOSED MOTION:

Move to authorize a professional services contract with DOWL to complete the design of the Pillar Mountain Quarry Reclamation Fill Site in an amount not to exceed \$46,655 with funds coming from the Street Capital Improvement Fund, Project No. 13-09/5033 and authorize the transfer of unused funds from the Street Capital Improvement Fund, Snow Dump Project, Project No. 13-07/5030 in the amount of \$50,000, and approve and include transfer of capital project funds in the City's FY2017 supplemental budget amendment.





August 24, 2016
W.O. 01100

Mr. Mark Kozak
Director, Public Works
City of Kodiak
2410 Mill Bay Road
Kodiak, Alaska 99615

Subject: City of Kodiak Pillar Mountain Quarry Reclamation Fill Site
Scope and Fee for Design Services

Dear Mr. Kozak:

DOWL is pleased to submit this updated scope of services and cost proposal to the City of Kodiak (City) for the Pillar Mountain Quarry Reclamation Fill Site. The remaining design effort shall include the completion of the topographical survey and basemap; geotechnical research, analysis and reporting; concept design and grading plan; and Stormwater Pollution Prevention Plan (SWPPP) and associated inspection services during construction.

SCOPE OF WORK

Based on our understanding of the City's goals for this project and the assumptions provided, we propose to complete the following tasks:

TASK 1 – TOPOGRAPHIC SURVEY AND BASE MAP

Prior to the project being temporarily suspended in February 2014, St. Denny Surveying, Inc. completed a topographic survey and provided all data and AutoCAD files to DOWL. A basemap, for use in design drawings, was prepared by DOWL and was in the processing of internal QA/QC. Following notice to proceed from the City, DOWL shall complete the QA/QC process and preform any necessary edits and finalize the basemap.

Deliverables

- Topographical Survey and Basemap

TASK 2 – GEOTECHNICAL RESEARCH, ANALYSIS, AND REPORTING

The geotechnical effort shall include designing permanent fill slopes that are stable and maximizes the fill quantity. DOWL will assist in developing a fill plan that will allow up to two separate contractors to place fill at the same time. We will prepare a standard construction agreement between the City and the construction contractor tailored for this quarry reclamation site.

Deliverables

- Permanent Fill Slope Design to be incorporated into Concept Design
- Standard Owner/Contractor Construction Agreement

TASK 3 – CONCEPT DESIGN AND GRADING PLAN

DOWL will revisit the concept design developed prior to project suspension. After internal review and any necessary revisions DOWL will present the concept to the City for an over the shoulder review. Upon approval of the concepts, we will prepare design plans to include final grading, details, and other proposed features such as drainage swales, sediment basins, culvert locations and fencing. Cost estimating and special provisions have not been included as we believe they will not be necessary.

Deliverables

- Concept Design Exhibit
- Grading Plans and Details

Sheet Count (11" X 17")	Estimated Number of Sheets
Cover Sheet	1
Index, Notes, Key Map, Legend, and Abbreviations	1
Typical Sections	1
Typical Profiles	1
Grading Plan	1
<u>Details Sheets</u>	<u>1- 2</u>
Total	6-7

TASK 4 – STORM WATER POLLUTION PREVENTION PLAN (SWPPP)

A SWPPP is required because the project site is equal to or greater than one acre. DOWL will assist both the City and the Contractor in complying with the local, state and Federal National Pollutant Discharge Elimination System (NPDES) requirements for construction activities. We will prepare a Notice-of-Intent (NOI) form and contact the appropriate agencies for concurrence on endangered species and historic properties as required. We will propose measures to reduce degradation of water quality from construction runoff in both our design and the SWPPP.

We will submit copies of the SWPPP and NOI to the City to comply with review requirements and to the State of Alaska Department of Environmental Conservation, as required.

You, the Owner, and the Contractor are responsible for implementing the SWPPP in accordance with local, state and federal NPDES requirements for construction activities. You, the Owner, and the Contractor are responsible for any violations.

Deliverables

- SWPPP and NOI for Owner and Contractor

TASK 5 – SWPPP INSPECTION SERVICES

DOWL will participate in SWPPP inspections of the areas disturbed by construction activity, vehicle entry and exist points, points of storm water discharge from the site, stabilization measures and best management measures (BMPs) with the Contractor’s and City’s representative. During active filling of the site the SWPPP will require that inspection occur at least once every 14 calendar days and within 24 hours of the end of a storm event of 0.5 inches or greater. Inspection frequency can be reduced to once a month once the site has been temporarily stabilized or during winter shutdown. DOWL will also prepare inspection reports after each inspection. The inspection reports will be submitted to the City.

Deliverables

- SWPPP Inspection Services and Reports

FEE PROPOSAL

We propose to complete the above described services for a total sum of **\$46,655**. This total fee consists of the following components, which is covered in detail on the attached estimates:

Pillar Mountain Quarry Reclamation Fill Site (Lump Sum)	Fee
Task 1 – Topographical Survey and Basemap	\$1,030
Task 2 – Geotechnical Research, Analysis, and Reporting	\$13,840
Task 3 – Concept Design and Grading Plan	\$20,710
Task 4 - SWPPP	\$5,465
Lump Sum Subtotal	\$41,045
SWPPP Inspection (Additional Services)	
Task 5 – SWPPP Inspection Services (T&M)	\$5,610
GRAND TOTAL	\$46,655

Services performed by DOWL under this agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this agreement, or in any report, opinion, document, or otherwise.

Mr. Mark Kozak
Director, Public Works
City of Kodiak
August 24, 2016
Page 4

Thank you again for considering DOWL for this project. We look forward to working with you and will be happy to answer any questions you may have.

Sincerely,
DOWL



Aaron R. Christie, P.E.
Senior Project Manager

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Attachment(s): Detailed Fee Estimate

This proposal/agreement and the Standard Contract Terms and Conditions are accepted, and DOWL is authorized to proceed with this work.

Signature

Date

DOWL
ESTIMATE FOR PROFESSIONAL SERVICES

PROJECT:	City of Kodiak Pillar Mountain Quarry Reclamation Fill Site	WO#:	
		DATE:	August 22, 2016
		Prepared by:	MDK/ARC
CLIENT:	City of Kodiak		

Task	Basic Services (Lump Sum)	Total Fees
Task 1	Topographic Survey and Basemap	\$1,030
Task 2	Geotechnical Research, Analysis, and Reporting	\$13,840
Task 3	Concept Design and Grading Plan	\$20,710
Task 4	SWPPP	\$5,465
	<i>Total For Basic Services</i>	\$41,045
	Additional Services (Time & Materials)	
AS 1	SWPPP Inspection	\$5,610
	<i>Total for Additional Services</i>	\$5,610
	<i>Grand Total for All Services</i>	\$46,655

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Aimée Kniazowski, City Manager 

Thru: Kelly Mayes, Finance Director

Date: January 26, 2017

Agenda Item: V. e. Acceptance of the FY2016 Comprehensive Annual Financial Report (Audit)

SUMMARY: Each year the City Council retains a qualified accounting firm to perform an annual audit of the City's financial records and accounting practices. The City Charter and the City Code require the Council to accept the comprehensive annual financial report. Council typically accepts the report and results of the audit by motion. Staff recommends Council approve the results of the financial statement audit for Fiscal Year 2016 in accordance with KCC 3.24.020 and accept the Fiscal Year 2016 Comprehensive Annual Financial Report.

PREVIOUS COUNCIL ACTION: The Fiscal Year 2016 budget was adopted by the City Council on June 11, 2015, via Ordinance No. 1334. The annual audit expense was budgeted in the General Fund, Finance Administration Department, Professional Services. The budget amount for the Fiscal Year 2016 audit was \$65,000. On March 28, 2013, the Council approved the professional services agreement with Mikunda Cottrell & Co. at a fee of \$46,120 for fiscal year 2013, \$48,426 for fiscal year 2014, and \$50,363 for fiscal year 2015, plus out of pocket expenses. Mikunda Cottrell and Co. has since changed their name to BDO. On June 23, 2016, the Council authorized a one-year extension to BDO, Inc. for the Fiscal Year 2016 audit in the amount of \$66,500. The audited Comprehensive Annual Financial Report for Fiscal Year 2016 was presented to Council at the January 24 work session.

DISCUSSION: Article V, Section 21 of the City Charter requires an annual audit of the accounting and financial records of the City by independent certified public accountants. This charter section requires the auditor to examine all funds of the City in accordance with generally accepted auditing standards and the standards set forth in the Government Accountability Office's Government Auditing Standards. In addition, the auditor must conduct the compliance examinations required by the Single Audit Act Amendments of 1996, the related U.S. Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit of Requirements for Federal Awards ("Uniform Guidance") (formerly known as Circular A-133), and the State of Alaska Audit Guide and Compliance Supplement for State Single Audits. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of grants.

The City of Kodiak solicited the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2013, 2014, and 2015. The Council authorized a one year extension for BDO, Inc. to perform these services for Fiscal Year 2016. The City contracted with BDO (formerly Mikunda, Cottrell, & Co.) for auditing services. Per the contract, the fees for services, not including travel expenses, were \$46,120 for 2013, \$48,426 for 2014, \$50,363 for 2015, and \$61,461 for 2016.

The auditors from BDO worked with City staff during the summer and into the fall of 2016 to plan and perform their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. As in past years, staff recommends Council review and then approve the final FY2016 audited comprehensive financial report by motion at this meeting.

ALTERNATIVES: N/A

FINANCIAL IMPLICATIONS: Compliance with Kodiak City Code Section 3.24.020 is required. It states that “upon council’s acceptance of the annual financial report, necessary budgetary/accounting entries shall be recorded in the succeeding fiscal year for all outstanding encumbrances and incurred obligations, as disclosed in the prior fiscal year’s annual financial report.”

LEGAL: N/A

STAFF RECOMMENDATION: Staff recommends that the City Council accept the Fiscal Year 2016 audited comprehensive annual financial report by motion.

CITY MANAGER’S COMMENTS: The annual audit is a financial requirement of the City. Staff prepared for and worked closely with the auditors as they gathered information during the summer and fall to prepare the final report. Council will have had the presentation at the January 24 work session, and I recommend that Council accept the FY2016 audited comprehensive financial report by motion at this meeting. I want to thank Finance Director Kelly Mayes for overseeing the audit process and working with staff and our auditors to navigate auditing requirements and make our audit process a success. Of course her years as an auditor made this a good process so we are lucky in that respect. I also want to thank the Finance Department staff for their work during the audit and for their ongoing professionalism and attention to detail.

NOTE:


The Mayor and City Council were issued copies of the Fiscal Year 2016 Comprehensive Financial Annual Report (CAFR). These reports should be brought to the 1/24 work session and the 1/26 regular meetings for review and discussion.

PROPOSED MOTION:

Move to accept the City's Fiscal Year 2016 audited Comprehensive Annual Financial Report.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Aimée Kniazowski, City Manager 
Date: January 26, 2017

Agenda Item: V. f. **Authorization to Cancel the February 23, 2017, Regular Meeting and Authorize the City Manager to Schedule a Special Meeting if Needed**

SUMMARY: The regularly scheduled Council meeting for February 23, 2017, may be cancelled to reflect elected official and staff travel schedules. Elected officials and staff attend the annual winter Alaska Municipal League Conference February 20-23 and meet with Juneau officials on February 24. At a recent work session, the Council voiced a consensus to cancel the February 23 regular meeting and authorize the City Manager to schedule a special meeting if needed.

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

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

PROPOSED MOTION:

Move to cancel the February 23, 2017, regular meeting and authorize the City Manager to schedule a special meeting if needed.

EXECUTIVE SESSION

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Debra Marlar, City Clerk

Date: January 26, 2017 DM

Agenda Item: X. a. Clerk's Annual Evaluation

SUMMARY: Annually, the City Council reviews the performance of the City Clerk. In accordance with the Open Meetings Act, the City Clerk does not object to the evaluation being done in executive session.

PROPOSED MOTION:

Move to enter into executive session, as authorized by Kodiak City Code Section 2.04.100(b)(2), to conduct the City Clerk's annual performance evaluation.

JANUARY 26, 2017
Agenda Item X. a. Memo Page 1 of 1

**POTENTIAL ACTION FOLLOWING
EXECUTIVE SESSION**

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Debra Marlar, City Clerk *DM*

Date: January 26, 2017

Agenda Item: XI. a. Authorization of Potential Changes to City Clerk's Employment Agreement

SUMMARY: This agenda item will allow the Council to make changes to the City Clerk's employment agreement, if desired.

PREVIOUS COUNCIL ACTION:

- November 6, 1999, Council authorized the City Clerk's employment agreement
- January 16, 2014, Council authorized a revised City Clerk's employment agreement
- January 26, 2017, Mayor, Council, and City Clerk met in executive session to discuss the Clerk's annual performance and employment agreement review

CITY CLERK'S COMMENTS: It is my privilege to work for the City of Kodiak for the past 23 years and for the Mayor and Council specifically for the past 17+ years. I appreciate the Council's continuing support and look forward to continuing to serve the Council and public.

ATTACHMENTS:

Attachment A: City Clerk's Employment Agreement

Clerk's Note: It is up to the Council to make a motion to make any changes to the City Clerk's employment agreement, if desired.

PROPOSED MOTION:

CITY CLERK EMPLOYMENT AGREEMENT NO. 211898

THIS AGREEMENT is made and entered into this 16 day of January 2014, between the CITY OF KODIAK (hereinafter called "City") and DEBRA L. MARLAR (hereinafter called "Clerk").

SECTION 1: DUTIES

Employer hereby agrees to employ Employee as City Clerk of the City of Kodiak to perform the functions and duties as specified in Alaska State Statutes Titles 15, 29, and 44; City Charter Articles I, II, IV, V, VIII, X, XI, and XIII; Kodiak City Code Chapters 2, 3, 5, 7, 8, 13, 14, and 18; City Personnel Rules and Regulations Chapters 1, 2, 3, 5, 6, 7, 8, 9, 13, 14; and to perform such other legally permissible and proper duties and functions as the City Council may prescribe.

SECTION 2: TERM

A. The salary under Section 4 shall be retroactive to April 29, 2013, when the new classification and compensation was implemented for all City employees, and shall remain in effect until terminated.

B. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, paragraph A, of this Agreement.

C. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from her position with Employer, subject only to the provisions set forth in Section 3, paragraph B, of this Agreement.

SECTION 3: TERMINATION AND SEVERANCE PAY

A. In the event Employee is terminated by Employer before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform the duties of City Clerk, Employer agrees to pay Employee a lump sum cash payment equal to three (3) months' aggregate salary plus accrued and unused annual leave in lieu of any and all other damages or monies that Employee might claim. Provided, however, that in the event Employee is terminated because of any illegal act involving personal gain to her, then Employer shall have no obligation to pay the aggregate severance sum designated in this paragraph.

B. In the event Employee voluntarily resigns her position with Employer before expiration of the aforesaid term of employment, then Employee shall give Employer three (3) months' notice in advance, and Employer agrees to pay Employee

any accrued and unused annual leave. Provided that such notice is given, there will be no breach of this Agreement by reason of said resignation, and Employee shall not be responsible for any damages hereunder.

SECTION 4: SALARY

Employer agrees to pay Employee for services rendered hereunder an annual base hourly salary of \$51.04 payable in installments at the same time as other employees of the City are paid. Effective on the anniversary date during the term of this Agreement, Employer agrees to increase said base salary on the basis of a favorable annual review of Employee, the increase in an amount equal to the total percentage increase (if any) in the Anchorage Consumer Price Index Urban (CPI-U) for the previous year as is regularly published by the U.S. Bureau of Labor Statistics, San Francisco, California.

SECTION 5: HOURS OF WORK

Employee shall work however many hours necessary to perform the duties in Section 1. It is recognized Employee must devote time outside normal office hours to the business of Employer.

SECTION 6: PROFESSIONAL DEVELOPMENT

Employer recognizes that the duties of Employee require a certain amount of travel by Employee including travel to IIMC, AML, Records Management, and other professional development training. The City shall pay travel costs for professional development training that are authorized in the budget and shall pay the City's daily per diem rate.

SECTION 7: DUES AND SUBSCRIPTIONS

Employer agrees to pay the following dues and expenses on behalf of Employee: membership dues for the Alaska Association of Municipal Clerks, International Institute of Municipal Clerks, Association of Records Managers and Administrators, and any additional dues and subscriptions that are approved in the budget.

SECTION 8: LEAVE

Employee shall accrue annual leave (vacation leave) at the rate of 8.31 hours per pay period, accrued in equal installments during each pay period, as provided in Section 1002 of the City's Personnel Rules and Regulations. Employee shall accrue sick leave at the same rate as other City employees as identified in Chapter 11, Section 1102 of the City's Personnel Rules and Regulations and may use sick leave in

accordance with Chapter 11, Section 1016, when approved by the Mayor, and Section 1104. Employee shall be paid holiday pay at the same rate as other City employees as identified in Chapter 12.

SECTION 9: RETIREMENT SYSTEM

Employee shall remain covered by the Public Employees Retirement System.

SECTION 11: PERSONNEL RULES

Except to the extent specifically referenced in this Agreement, provisions of the City's Personnel Rules and Regulations are not applicable to Clerk's personnel status as a City employee.

SECTION 12: INSURANCE/MEDICAL BENEFITS

Employee shall be entitled to insurance and medical benefits as specified in Section 415 of the City of Kodiak's Personnel Rules and Regulations.

SECTION 13: EVALUATIONS

As meeting scheduling allows, Employee shall be given a performance evaluation thirty (30) days before the Employee's anniversary date of November 5th.

SECTION 14: INTEGRATION AND MODIFICATION

This Agreement is the fully integrated Agreement of Employer and Employee and supersedes all prior Agreements between the parties relating to the subject matter herein. This Agreement shall remain in force and shall be binding upon the successors, assigns, and heirs of each of the parties and shall not be changed orally but only by mutual agreement in writing by both parties.

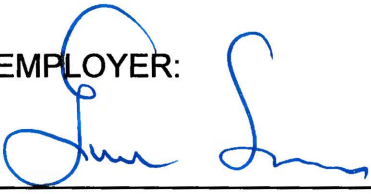
IN WITNESS WHEREOF, the City of Kodiak (Employer) and Debra Marlar (Employee) hereby accept the above conditions, set their hand and seal to execute this Agreement, this 16 day of January 2014.

EMPLOYEE:



Debra L. Marlar, City Clerk

EMPLOYER:



Gabriel Saravia, Deputy Mayor