

**CITY COUNCIL - BOROUGH ASSEMBLY
JOINT WORK SESSION AGENDA**

Wednesday, February 15, 2017
Kodiak Library Multi-Purpose Room
7:30 p.m.
(City Chairing)

Joint work sessions are informal meetings of the Borough Assembly and City Council where elected officials discuss issues that affect both Borough and City governments and residents. Although additional items not listed on the joint work session agenda are sometimes discussed when introduced by elected officials, staff, or members of the public, no formal action is taken at joint work sessions and items that require formal action are placed on a regular Borough Assembly and/or City Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular Borough Assembly or City Council meeting.

1. Public Comments (limited to 3 minutes)

2. Agenda Items
 - a. Economic Development Update
 - b. Fisheries Work Group Update
 - c. Marijuana Update
 - d. Consolidation Update 1
 - e. Juneau Lobbying Update 57

3. Future Discussion Items
 - a. Homeless Coalition Presentation
 - b. Killarney Hills Update
 - c. Discussion of Increase to the E-911 Surcharge to Cover Equipment Costs

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**CONSOLIDATION
REPORT**

MAY 15, 1989

Consolidation Committee:

Gary Stevens, Chair

Beverly Horn, Vice Chair

Chris Blackburn

Sven Haakanson

Joyce Healey

Tom Hendel

Jack McFarland

Wilton White

Helen Wise

with assistance from

Kodiak Island Borough Clerk's Office

Alaska Department of Community and Regional Affairs

I

INTRODUCTION

In October 1987 the Kodiak Island Borough Assembly placed on the ballot of the regular Borough election the following question:

"Shall a committee be established to investigate the advantages and disadvantages of consolidation and present these facts to the public at the 1988 Regular Election with the question of forming a Charter Commission to prepare a charter for the consolidation of the Kodiak Island Borough and the City of Kodiak as a single home rule government for submission to the voters for their approval or rejection?"

The question was passed by a vote of 1392 to 771.

The Borough Assembly and City Council appointed a Consolidation Committee of eleven members representing both the areas within and outside the city limits and also the villages. The committee commenced meeting in January 1988 and has met twice a month for over a year.

The following report on consolidation and local government reorganization is intended to be a focal point for public dialogue, which in turn will lead to a better system of local government for this community. This report is not intended to be the only answer to problems of efficiency, effectiveness or equity. It does, however, make a number of recommendations.

This report provides information regarding the consolidation of the Kodiak Island Borough and the City of Kodiak under the provisions of Alaska Statutes 29.06.090 through 29.06.170 and the creation, thereby, of a new

5/15/89

municipality - a home rule or first class borough. The new borough would essentially maintain the existing distinction of rural and urban service levels through utilization of the service district concept and reflect the differing service levels by different levels of taxation. The consolidated borough would eliminate duplication in the areas of the legislative body, the manager's office, the clerk's office and the finance office. Other City and Borough departments may be streamlined through consolidation.

A home rule municipality would allow residents of the borough to define the extent of governmental power they wish the new government to exercise by developing a charter or local government constitution. The charter form of government would have all the legislative powers that are not prohibited by state law or its charter. The City of Kodiak, for example, is a home rule municipality.

II
ASSUMPTIONS

This study is based on a number of assumptions:

1. Although the citizens of the Kodiak area could restructure their government through merger, consolidation or unification, the committee concentrated on the consolidation approach. Consolidation allows a fresh start, dissolving the existing city and borough and creating a new municipality, yet does not require the formation of a home rule or chartered form of government. The consolidation process does not require dissolution of all municipalities within the boundaries of the proposed new government. Hence, the villages of Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions could continue to exist as second class cities.
2. The future under Consolidation allows for service districts to adjust the level of non-areawide service by voter preference. No proposal should be made to restrict the ability of people to change the level of services currently provided. Any changes in the level of services can affect the tax burden required to support those services.
3. The consolidated government should not change the urban-rural mix of services at this time. Significant alteration of the level of services enjoyed, particularly by those living outside the existing city limits, would require large expenditures of funds.

4. The consolidated government should ensure that all services provided on an area-wide basis will be supported on an area-wide basis. This may mean some shift on the relative tax burden facing owners of property inside and outside the present city boundaries.
5. All cost projections are based on fiscal year 1989 municipal budgets and are stated in today's dollars.
6. All budget figures for personnel costs referenced here include fringe benefits.
7. Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions will not disincorporate; therefore, they will remain autonomous, general law, second-class cities.
8. All assumptions heretofore made are based upon the even more basic presumption that the projected costs of operating the departments of the consolidated borough will be based upon the existing level of services. If more services are subsequently required, the costs thereof would increase accordingly.

III
ALTERNATIVE FORMS OF GOVERNMENT

Political subdivisions of the State considering consolidation may choose from among the six different forms and classes of government provided for by Alaska Statutes.

The Options

The options include:

- a.) home rule borough
- b.) home rule city
- c.) first class general law borough
- d.) second class general law borough
- e.) first class general law city
- f.) second class general law city

Table 1 outlines the general classification and power of various municipal corporations is incorporated in this report as Appendix 2. A review of those options indicates the home rule or first class municipality is the form best suited for a consolidated government at this time.

The City Options

None of the city options appear to be acceptable forms of government for the consolidation effort in the Kodiak area. A number of factors make the city options appear unacceptable. First, the creation of a city the size of the present Borough is inconsistent to the concept of a city as a compact urban form. In addition, the cities of Akhiok, Larsen Bay, Old Harbor, Ouzinkie and Port Lions will probably not disincorporate. Therefore, the result would be a

city within a city. Because of these two factors, a proposal to create a city as the consolidated form of government would not and could not be viewed favorably by the Local Boundary Commission.

Finally, second class cities do not have the independent authority to exercise eminent domain. Under AS 29.35.030(a) second class cities must receive voter approval to exercise that power.

A review of all the city options for consolidation reveals that none are acceptable for the Kodiak area at this time. All the options result in a number of problems and no benefits.

The Borough Options

Among the borough options for a consolidated government, either home rule or first class appears to be a favorable option at this time.

The general law second class borough could not work for this community at this time since the city has a home rule charter. Actually, the second class option is a rather restricted form of government. It may exercise in the area outside cities, only those powers approved by ordinance as listed in AS 29.35.210(a) or added in accordance with AS 29.35.300 through 350, an election procedure. Furthermore, any exercise of powers in the service areas must be approved by the voters residing within that service area. In other words, the exercise of power or any change in exercise of power must first be approved through an election process.

The general law first class borough could be suitable for the Kodiak area. It does however have restrictions of

an unchartered form of government providing the legislative body with rest the necessary discretion and flexibility to adequately govern and provide services to an area as large and complex as the Kodiak Island. A first class borough may exercise outside cities any general law municipal power by ordinance - elections are not necessary. Furthermore, a first class borough may exercise within a service area, any power granted a first class city by general law. This exercise of powers is also permitted through the ordinance procedure and does not require an election.

This does not mean the people would lose control of their government under the first class borough option. The citizens retain a very significant, if somewhat indirect, degree of control over the legislative body through the ballot box during regular, special and recall elections, through the initiative and referendum procedures, and through the public hearing process associated with the adoption of any legislation. In the first class borough option, as in fact any other option, the citizens are ultimately in control of their government. They will always get precisely that level and quality of government which they desire and for which they are willing to pay.

Given a number of factors, the home rule or first class option appears best for this community. As a chartered form of government, the home rule borough retains all legislative powers not prohibited by law or charter, thereby maximizing local control. From that standpoint alone, the home rule borough option is highly desirable. Because of statutory limitations on sales tax levies which apply only to nonchartered forms of government, the home rule borough may be the only viable option if consolidation is to occur. The implication of the limitations on sales tax levies are discussed in the following section.

ANALYSIS OF THE FINANCIAL IMPACTS OF THE ALTERNATIVES

The most significant aspect of any government reformation is the level of impact it has upon the taxpayer's burden to financially support the cost of government. State residents are very fortunate to have a tax structure and tax revenue sharing system that requires large Alaskan corporate businesses to subsidize their contributions to operate State and local government. Excluding the non-local share cost for the operation of the educational facilities and services on the Kodiak Island, the amount necessary to operate the general functions of the city and borough would cost local taxpayers approximately three times more than the current tax effort.

The committee studied the financial impacts of each alternative form of government to the general operation of the city and borough. It compared the impacts as they related to the duplications of functions within both administrations, the cost efficiency in service delivery, and the level of equity for local taxpayers' contributions.

This fiscal year's approved general operating budgets for the city and borough are \$8,480,906 and \$5,525,100, respectively. These amounts pay for the duplications as well as the distinctions in services that each of the two municipalities are empowered to provide. The local tax effort to support each municipality's budget is equivalent to a millage rate of 15.067 in the city and 13.067 in the borough of the true value of all real and personal property (one mill equals one-tenth of one percent of one dollar in value).

Of course, this equivalency in the millage rate is not the actual or "effective" millage rate that taxpayers provide in their tax contributions. In the city, the

effective millage rate for its residents is 6.50 (4.50 for the borough and 2.0 for the city.) The net millage rate for borough residents living outside the city is 4.50 except for service areas which may be responsible for an additional milage rate from 0.25 to 3.50 depending on the costs and number of services being provided by the borough in a particular area.

Both municipalities use various sources of funding to reduce the equivalent milage rate of the local taxpayer. The city collects a general sales tax of five percent on the sales of goods and services not exceeding \$500 purchase. The city also collects a hotel room sales tax of 5 percent. The city uses a portion of the general sales tax collected to reduce the milage rate assessment that is placed on all private and business personal (inventory and equipment) property that is located within its boundaries. In addition, the city and borough use annual investment earnings and cost savings that have been carried over from one budget year to the next to lower the local tax effort.

Boats and vessels are not taxed based upon their assessed value. The borough charges a fee that is based upon their net tonnage. Vessels having a net weight of 5 tons or less are charged \$5 per year, those over 5 tons are charge \$15. All personal property within the city is exempted from any city property tax; however, the borough only exempts business inventories, all other personal property within the city and borough is taxable.

The city uses a portion of the general sales tax revenues to pay for the tax and vessels fees that is annually owed to the borough. In FY 89, the City used revenues from the general sales tax to reimburse the borough \$463,777 for taxable personal property.

It is interesting to note that the greatest majority of the taxable personal property located in the city is owned by large businesses such as Brechan Enterprises, O. Kraft & Sons, Inc., Safeway, seafood processors, Sea-Land Services, Inc., Shop Rite, and Telephone Utilities of the Northland. Everyone who pays for goods and services in the city essentially subsidizes all city businesses' personal property tax. If the sales tax was not used to subsidize the personal property in the city the owners of that property would be responsible for a mill rate levy of 4.5 mills¹.

The amount of the general sales tax revenue collected by the city is quite substantial in relationship to the budget. The city expects to collect \$3.9 million in FY 89. This represents almost half of the total revenues received by the city.

The city allocates twenty percent of the general sales tax collected to new road improvement and major contracted road maintenance. Another twenty percent is allocated to new boat harbor development and related support services. One-half percent of the hotel room sales tax is allocated to an account that is appropriated and utilized solely for increased development of the city's tourist industry.

When considering the alternatives of consolidation, merger, and unification the potential for loss of the current sales tax exists. If an areawide sales tax of at least 3 percent was not proposed along with the question of reforming the governments under the mentioned alternatives, the financial obligation to support services that are

¹Based on FY89 Assessed Value on Personal Property located in the City.

currently provided within the city limits would be sole responsibility of city (or the service district that was once the city) property owners. The effective mill rate to compensate for the loss of the sales tax revenue that supports those services would be an additional 17 mills².

As mentioned, the State plays a major role in reducing the local tax effort by sharing revenues received from aviation fuel taxes, auto license fees and taxes, corporate business taxes, electric and telephone utility taxes, gambling permits, liquor licenses and taxes, and raw fish resources taxes. The revenues are allocated to the many revenue sharing programs that municipalities are entitled by law to receive on an yearly basis.

In review of the alternatives when compared to the review criteria, the committee found that some cost savings and reductions in duplication of government services could be realized. Conversely, some of the alternatives could increase costs in service delivery in areas (Chiniak, villages, Woman's Bay) that are not obtaining basic municipal services even though the committee was not proposing an increase in the services presently provided in the city and the borough's service areas. Therefore, the alternative government form of unification was not considered a viable financial option.

Annexation did not receive a favorable review because it did not provide a sufficient reduction in administrative

²Based on FY89 Assessed Value on Real Property located in the City.

duplication and showed an actual increase in the cost of service delivery³.

The merger form of government was not given complete consideration since the option would diminish some of the city powers that are granted by home rule charter. Those powers could not be exercised by the borough because of its legal status as a general law municipality.

The consolidation and the combining of certain functions of the city and borough alternatives presented the best options for government. Combining certain services would decrease some costs in service delivery, but no reduction in staff. The committee estimated that by combining the services of engineering, fire protection, water and sewer, and roads the combined costs in providing these services by the city and borough could be reduced⁴. The city and borough did combine their building inspector's office, nonetheless, it did not demonstrate a reduction in cost.

Consolidation would combine all the administrative and legislative functions of the city and borough. Under this option it could be possible that a reduction in the cost of service delivery and staff complement would be achieved, if services did not increase or expand to serve a larger area. However, this would not occur until the transition phase was completed in two to three years. The reason for this is because existing staff would be required to perform their existing functions as well as incorporating them into a

³Appendices: City memo dated 10/23/88 extended police protection; 2/16/87 report on annexation.

⁴Table II Consolidated Government.

consolidated operation. The most liberal estimate in cost savings would be approximately \$369,000 with a reduction in staff of about five.

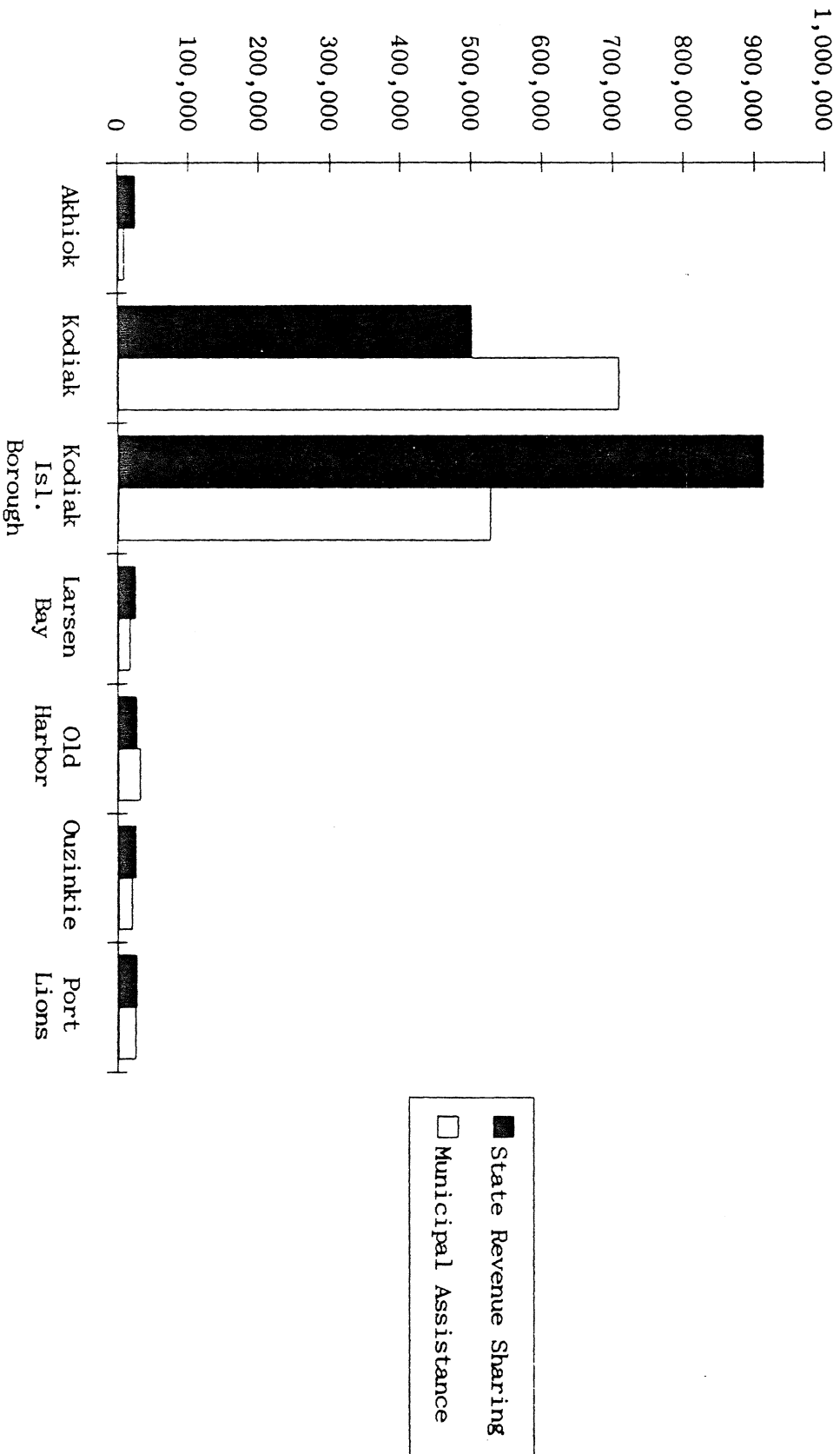
It is important to address potential losses or increases in revenues as a result of any reformation of government. A certain amount of loss of revenues to each island municipality from the state shared revenue program entitlements would occur. The reason for this is due to the method used in the program formulas to determine entitlements.

The primary programs effected by the alternatives are the Municipal Tax Resource Equalization Entitlement, State Aid for Miscellaneous Purposes, and Municipal Entitlement. Figures obtained from the Alaska Department of Community and Regional Affairs suggest that entitlements to each Island municipality would be reduced under the annexation, consolidation/merger and unification alternative⁴.

Although the greatest reductions in entitlements to the city and borough would occur under consolidation/merger, the reduction would only equal about six percent to the current levels of entitlements provided separately to the city and borough. The Unification form of government would increase the city and borough's entitlements for the one government by less than \$100,000, but reduce the other Island municipalities by one hundred percent.

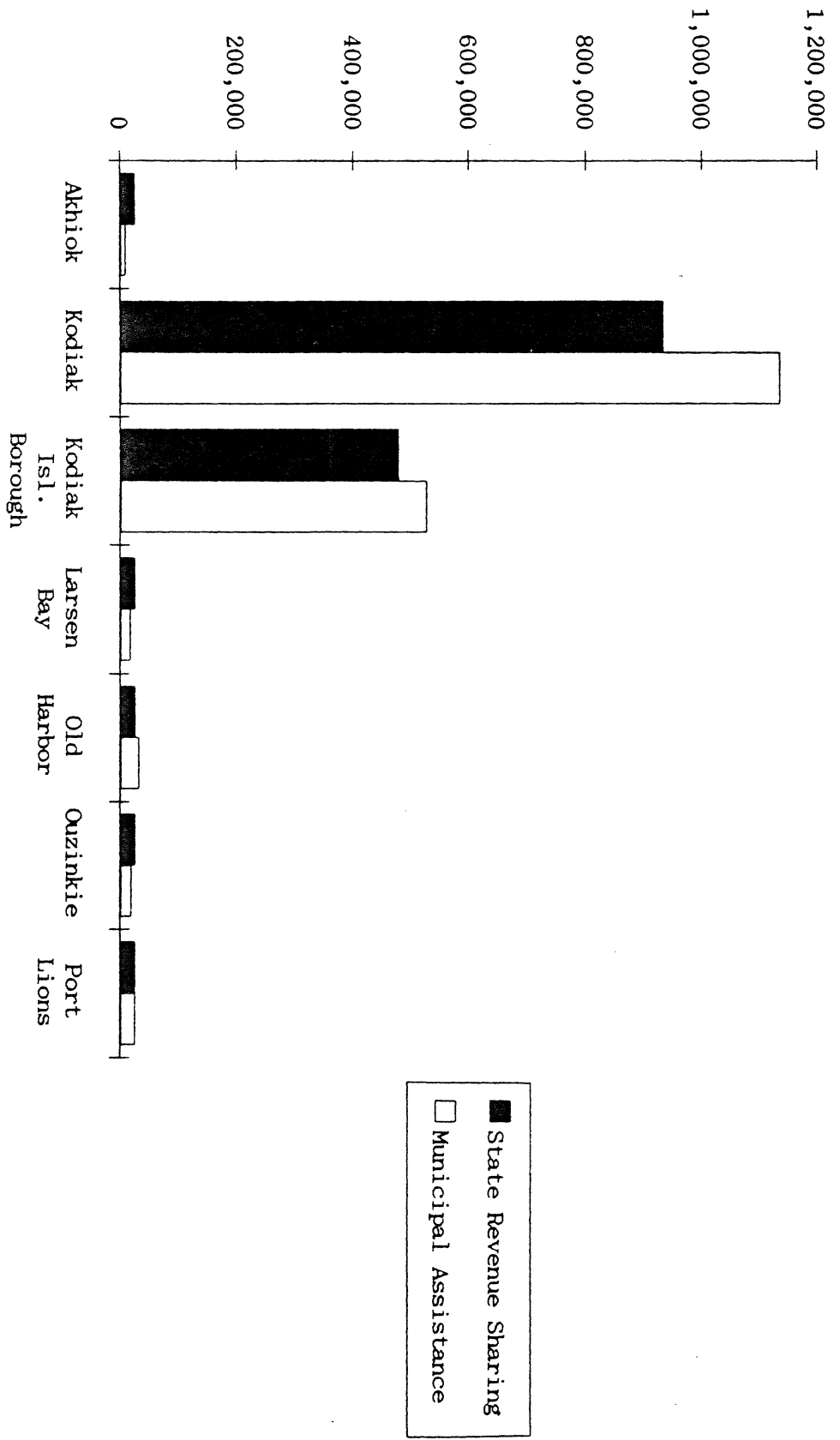
⁴Graphs 1.1, 1.2, 1.3, 1.4, 1.5

Existing/Combining Services
FY 1988 Funding Levels



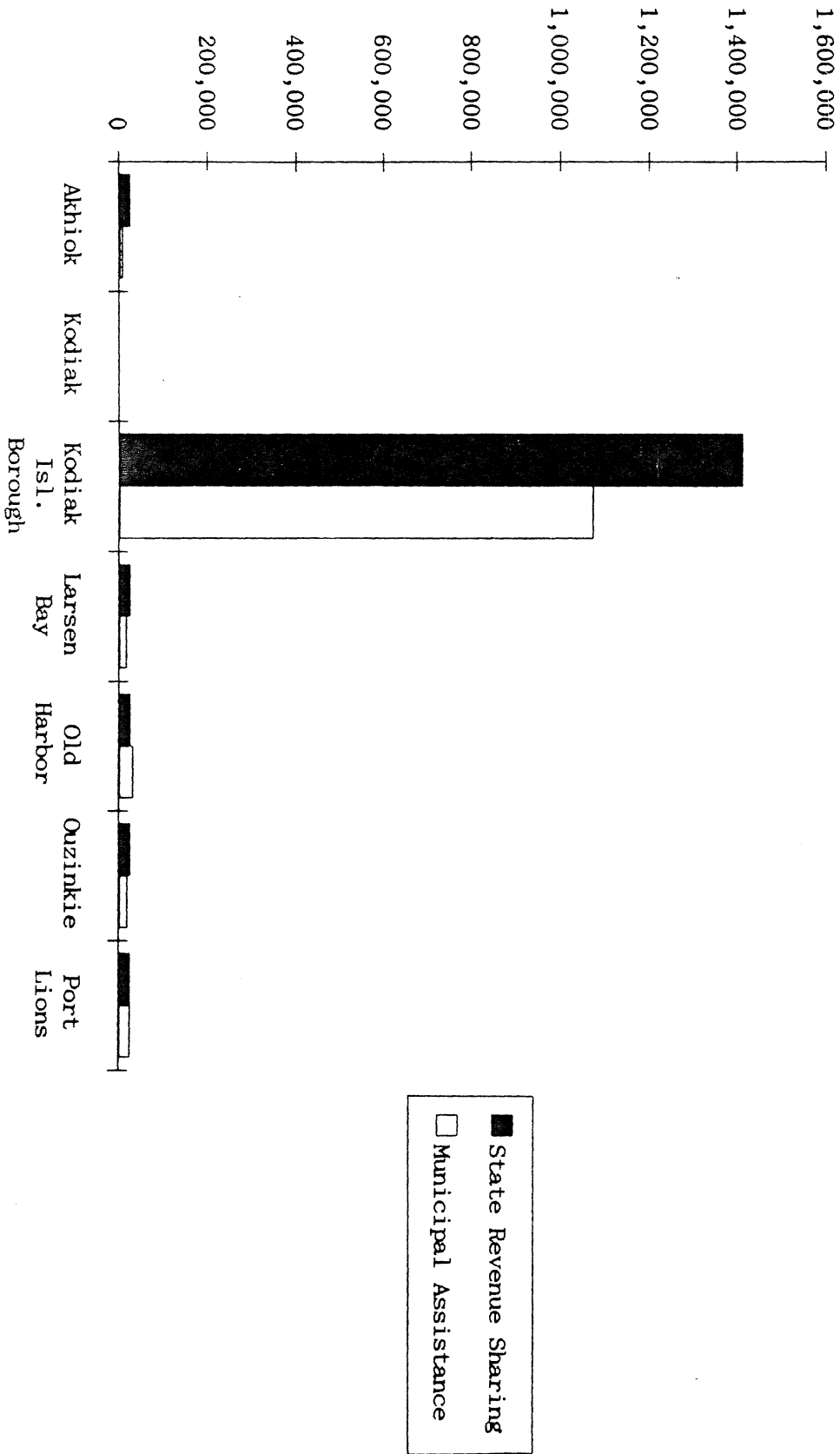
Source: DCRA.

Annexation
FY 1988 Funding Levels



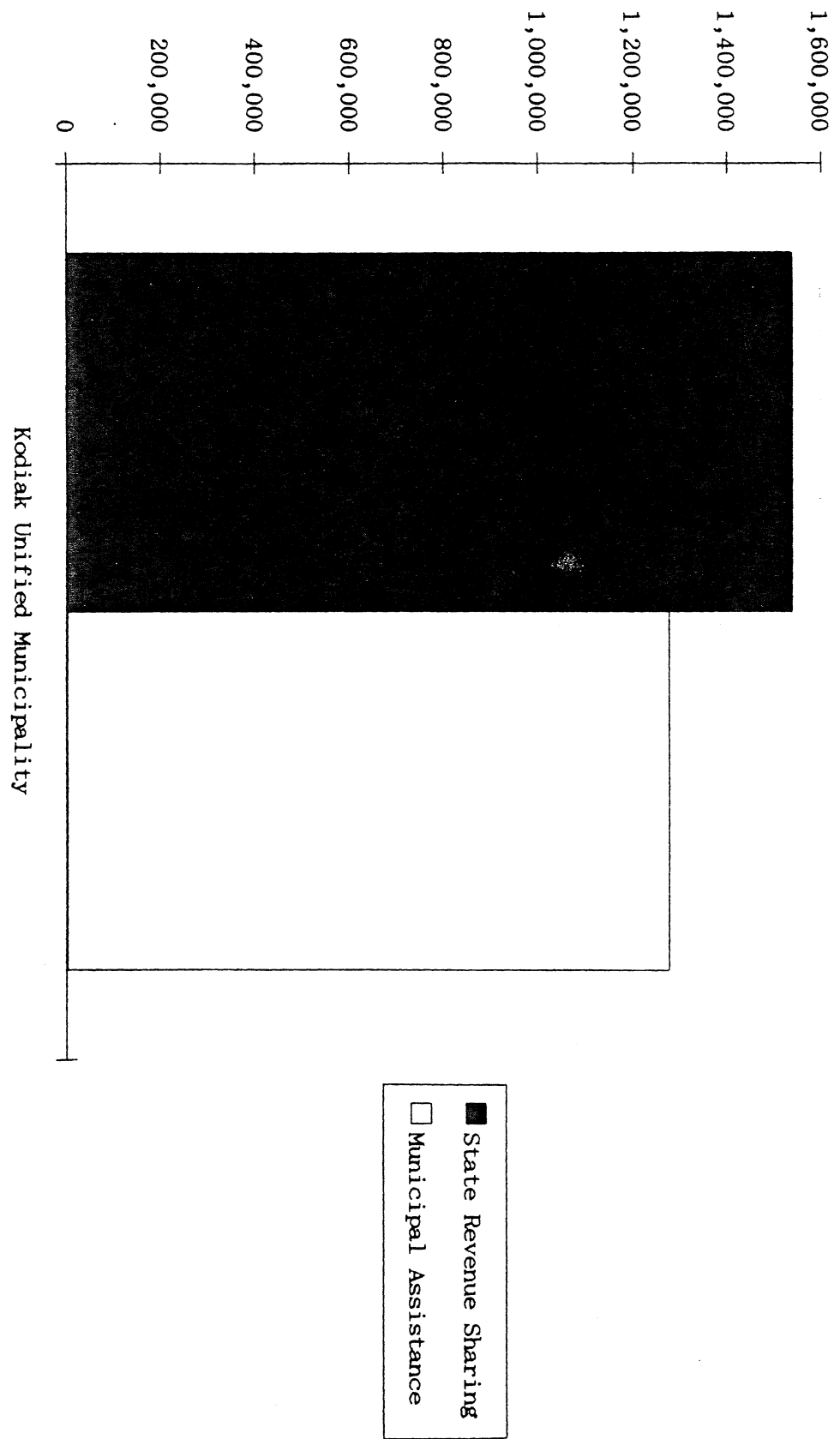
Source: ICRA.

Consolidation/Merger
FY 1988 Funding Levels



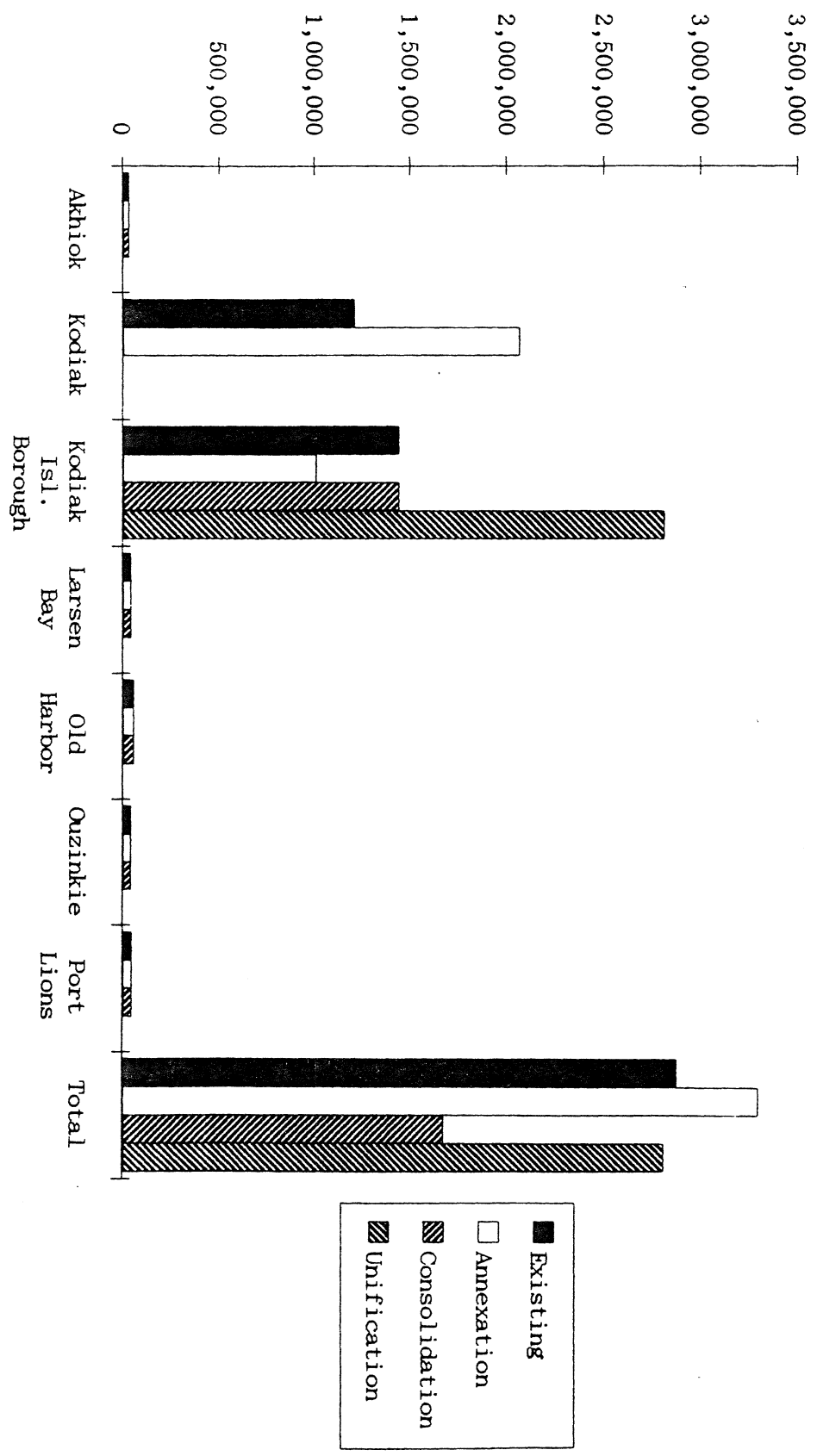
Source: DCRA.

Unification
FY 1988 Funding Levels



Source: DCRA.

Total State Revenue Sharing and Municipal Assistance
by Municipality
FY 1988 Funding Levels



Source: DCRA

Raw fish tax revenue would not be impacted as a result of adopting the alternatives except for unification. Village municipalities that have received that shared tax would no longer be able to under this option.

A positive view regarding revenues is that should the consolidated government impose an areawide sales tax that equals the existing city sales tax of 5% the consolidated government could receive up to \$1.5 million dollars in additional local revenues than the amount of current sales tax revenue the city collects.

POSSIBLE EFFECTS TO GOVERNMENT PROGRAMS BY THE ALTERNATIVE FORMS OF GOVERNMENT

The reformation alternatives to the existing forms of government for Kodiak Island were given to federal and state agencies administering programs in the area. The purpose of which was to determine what effect, if any, the alternatives would have on these programs. Of the twenty-two agencies contacted, ten responded.

The ten respondents consist of:

- Alaska Area Native Health Service
- Alaska Department of Education
- Alaska Department of Commerce and Economic Development
- Alaska Department of Community and Regional Affairs, Division of Rural Development (Housing Assistance Section)
- Alaska Department of Labor, Division of Income and Excise Audit
- Alaska Department of Natural Resources
- Alaska Power Authority
- Alaska State Building Authority
- Bureau of Indian Affairs
- The Farmers Home Administration

The respondents did not indicate any real adverse effects to their respective programs or legislative mandates resulting from any of the alternatives⁵. The Division of Income and Excise Audit did indicate that the amounts in certain shared state revenues, permit and license fees would be altered to conform with the appropriate municipal entity described by one of the alternatives.

Other than one Alaska state agency, the remaining agencies reported that their programs would not be affected. The Housing Assistance Section of the Alaska Department of Community and Regional Affairs which administers the Rural Housing Assistance Program did state that some of the alternatives would have a significant impact on the program's eligibility requirements.

The committee had serious concern regarding the effects the alternative forms of government would have on the eligibility requirements for those currently receiving the benefits from the program. The committee was reluctant to suggest any recommendation on a particular alternative without first obtaining a position from the Department on the anticipated impacts.

The Annexation alternative would eliminate potential homebuyers in the Spruce Cape and Monashka Bay areas from the program since the program's "Rural" definition for the Kodiak Region requires that a community of 4,500 or less is eligible. The City of Kodiak is currently ineligible and the areas included in the annexation would be part of the "Urban" community of Kodiak.

Consolidation of the City and the Borough would sustain the existing eligibility requirements for homebuyers outside the current city limits. The Department's position is that, historically, the City has always been considered "Urban" for the purposes of the program. The outlying areas along the State road system has always been considered "Rural."

The Merger alternative would make the road system communities ineligible for the program. The reason being that the Department could not distinguish the rural and urban areas under a merged municipality.

Unification would have the most detrimental impact to the community by making all areas of the Island "Urban" by the formation of a unified municipality. This would also make the villages ineligible for the program.

⁵Bibliography; correspondence from state agencies.

IV
CONSOLIDATION: THE PROCESS

Option 1
Home Rule Borough

As previously discussed, one viable form of government available to this community through the consolidation process is the home rule borough. Therefore, if consolidation is to take place in the near future, a petition for reorganization should be initiated which will request formation of a home rule borough with a legislative body of nine assembly representatives.

Furthermore, the petition should provide that the assembly be elected from districts whose boundaries are drawn in a manner which will equitably and evenly divide the population. The object, of course, is to abide by the principle of one-person one-vote.

Finally, the petition should propose the creation of a service district whose boundaries shall be coincident with the current city limits and propose continuation of the two existing major service areas. Within the service district which replaces the City, residents will continue to receive essentially the same level of services currently provided by the City. Outside the service districts, residents will receive only those services provided on an area-wide basis.

Consolidating into a home rule borough is a time-consuming task; because, among other things, it involves the formation of a charter commission and the development of a charter. A conservative estimate indicates the process cannot take place in less than two and a half years from the date of a joint adoption of the consolidation

study. Thus, if the Borough Assembly and the City Council jointly adopt by June 1, 1989 the recommendation to form a home rule borough, consolidation cannot occur before January 1, 1992. Table I sets forth a timetable for consolidation. This table assumes reasonable and statutory minimum periods for each of the required steps which precede consolidation.

TABLE I
A TIMETABLE FOR CONSOLIDATION
HOME RULE

<u>Time</u>	<u>Activity</u>
1. Begin	Joint adoption of consolidation study.
2. + 1 month	Nominate charter commission candidates.
3. + 1 month	Elect charter commission.
4. + 12-18 months	Prepare charter.
5. + 3 months	Solicit consolidation petition. According to AS 29.06.100, the petition must be signed by a number of voters of both the City and Borough equal to at least 25 percent of the number of votes cast in its last regular election. During the last regular election, 1,459 Borough residents cast votes; 659 City residents cast votes. Thus, if the petition were to be circulated today must have 200 signatures of Borough voters and 165 signatures of City voters. The petition must include: <ol style="list-style-type: none"> 1. the name and class of the existing City and Borough; 2. the name and class of the proposed municipality; 3. the proposed composition and apportionment of the assembly or council;
6. + 14 days	Governing body must conduct hearing.

7. + 14 days
- Once completed, the petition must be filed with the Department of Community and Regional Affairs accompanied by maps, documents, and other information which show that the proposed municipality meets the following standards for municipal incorporation (AS 29.05.030[a]):
- a. the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;
 - b. the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of municipal services;
 - c. the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;
 - d. land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.
8. + 6 weeks
- Department of Community and Regional Affairs reviews petition for content and signature and investigate proposal and reports its findings to Local Boundary Commission with its recommendations.
9. + 1 month
- The Local Boundary Commission shall hold at least one public hearing in each of the municipalities included in the consolidation petition, unless the officials of the municipalities agree to a single hearing. The Local Boundary Commission immediately notifies the Director of Elections of its acceptance of the petition.

- | | |
|------------------|--|
| 10. + 1 month | The Director of Elections orders election to determine whether voters desire consolidation. |
| 11. + 1-3 months | Election is held. A single majority within the proposed municipality carries the election. The State pays all election costs. |
| 12. + 2-3 months | If consolidation is approved, election of offices for the new municipality is held. Election date is effective date for consolidation. |
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From a practical standpoint, the Borough and City may desire to work with the Department of Community and Regional Affairs to cause the final election to be held on either January 1 or July 1, thereby creating the new government on the first day of a new fiscal year.

Option 2

First Class Borough

In order to avoid the conflicts which arise over writing and adopting a home rule charter, the assembly and council may choose to consolidate as a first class, general law, municipality. Doing so would eliminate the need for a immediate charter commission. After the consolidation into a first class borough, a charter commission could be elected and the charter process initiated.

The process for forming a first class borough could take place in ten to twelve months from the date of a joint adoption of the consolidation study. Table II sets forth a timetable for consolidation to a first class borough.

TABLE II
A TIMETABLE FOR CONSOLIDATION
FIRST CLASS MUNICIPALITY

<u>Time</u>	<u>Activity</u>
1. Begin	Joint adoption of consolidation study.
2. + 2 months	Public information, involvement and process. The process will be developed by the staff and approved by the Assembly and Council. It will involve a specially selected representative sample of residents. The sessions should be lead by professional facilitators. Other techniques involving the media will be used to broaden the input.
3. + 3 months	Solicit consolidation petition. Same as procedure outlined for "Home Rule", Page 16.
4. + 14 days	Governing body must conduct hearing.
5. + 14 days	Once completed, the petition must be filed with the Department of Community and Regional Affairs accompanied by maps, documents, and other information which show that the proposed municipality meets the following standards for municipal incorporation (AS 29.05.030[a]):
	a. the population of the area is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support borough government;
	b. the boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of municipal services;
	c. the economy of the area includes the human and financial resources capable of providing municipal services; evaluation of an area's economy includes land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, expenses, and income of the proposed borough;

- d. land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated borough government.
6. + 6 weeks Department of Community and Regional Affairs reviews petition for content and signature and investigate proposal and reports its findings to Local Boundary Commission with its recommendations.
7. + 1 month The Local Boundary Commission shall hold at least one public hearing in each of the municipalities included in the consolidation petition, unless the officials of the municipalities agree to a single hearing. The Local Boundary Commission immediately notifies the Director of Elections of its acceptance of the petition.
8. + 1 month The Director of Elections orders election to determine whether voters desire consolidation.
9. + 1-3 months Election is held. A single majority within the proposed municipality carries the election. The State pays all election costs.
10. + 2-3 months If consolidation is approved, election of offices for the new municipality is held. Election date is effective date for consolidation.
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V

CONSOLIDATION: THE RESULT

The statutes define consolidation as the "dissolution of two or more municipalities and their incorporation as a new municipality." [AS 29.71.800(6)] Because the Kodiak Island Borough and the City of Kodiak duplicate few of the other's functional areas, consolidation alone cannot produce a very large savings for the local taxpayer. Obviously, a consolidated government requires only one legislative body, one manager's office, one clerk's office and one finance office. The remainder of the two governments' functional areas could continue to operate without substantial change. However, further reorganization, a subject to be discussed in a following section, could result in even greater savings to the community. The following discussion focuses only on those areas which will necessarily change as a result of consolidation. Those areas are the legislative body, the manager's office, the clerk's office and the finance office.

Legislative Function

One effect of consolidation is the reduction in the number of legislative bodies and mayors serving essentially the same population. Under consolidation the existing Borough Assembly and City Council would be dissolved. The new borough assembly should be comprised of nine members to be elected from equally apportioned districts. The borough mayor will be elected at large. Because the proposed assembly is comparable in size to the existing Borough Assembly, the resulting savings from consolidation should approximate that amount currently budgeted for the City

Council. Therefore, the savings relating to this adjustment, only, could be in the neighborhood of \$40,000 per year. Because unified governments in Alaska have experienced increased costs in this area due to increased workloads, perhaps the savings for Kodiak should be adjusted downward to \$20,000.

From both a practical and legal standpoint, the community is required to maintain a school board which is largely independent of the assembly. AS 14.14.060 defines the relationship between the borough and the borough school district in the areas of a centralized treasury; centralized accounting; budget preparation and adoption; location and design of school buildings; construction, major rehabilitation and major repair of school buildings; custodial services for and routine maintenance of school buildings; personnel functions; and purchasing policy.

Executive Function

In the process of forming the new municipality, a review should be given to management forms. However, a full-time professional manager is essential to the successful operation of the proposed consolidated government. AS 29.20.460 through 29.20.520 allows that a municipality may adopt the manager plan of government and further provide the petition and election process which must precede actual adoption of the plan. The petition and election process appears to complement the consolidation process and therefore should be made a part of that process.

Consolidating the chief administrative offices of the existing City and Borough into a single borough manager's office should result in dollar savings.

The Borough Manager's office is proposed to consist of the Borough Manager, an Assistant Borough Manager and an Executive Secretary.

Legal Services

The cost of the consolidated legal service department is based on three assumptions. First, a consolidated government will not have the same need for legal services as the separate governments. Second, a single staff attorney assisted on a year-round basis by interns can provide a reasonable level of legal services which can be readily and inexpensively adjusted to meet the current demand. Third, innovative options should be explored to keep costs as low as possible.

Interns can provide excellent legal research services. They are enthusiastic and hard working. They are willing to spend the time necessary to assist the municipality's enforcement officers prepare cases. In addition, by using interns, the Attorney can more quickly and economically adjust the level of legal services available to meet the need than he or she could if the option was limited to adding or not adding a full-time attorney.

Obviously utilizing interns does not preclude adding an additional, full-time staff attorney if and when the demand justifies such action. Nor does it preclude a contractual services agreement for legal services if such action appears to be in the community's best interest. It does, however, provide a low-cost approach with maximum flexibility to adjust to new circumstances.

Administrative Services

Within the Administrative Services Department, of the proposed consolidated government, elements of the City and Borough finance departments, and borough assessment and taxation would be blended. An initial review of this type of organization indicates a reasonable potential for savings in personnel and operating costs. The savings could be accomplished by reducing personnel costs and by consolidating various record keeping and reporting functions on the Borough's IBM System 38 computer. Furthermore, once the transition is made, the new borough should enjoy growing savings because, as efficiency increases, the future need for additional staff will be less.

Finance Function

A number of similar functions are being performed by each of the finance departments. In addition, each department performs certain functions that are unique to itself that are not performed by the other departments. Examples of functions that are now being performed by both agencies are cashiering, bank deposit preparation, utility billing, payroll processing, accounts payable processing and recording transactions which involve maintaining journals, ledgers, and other accounting documents, plus the making of budget comparisons and the preparation of financial statements.

The current staffing of the Borough office has a staff of five people which includes a Finance Director, Chief Accountant, Accounting Clerk, Cashier and Secretary. The City Finance Department consists of six people of which one is involved in purchasing, three in general accounting, one in utility related customer service functions and one Finance Director. An obvious area for savings in personnel

costs is the reduction from two finance directors to one. That could result in annual savings in this functional area of approximately \$75,000.

Another area where possible savings could be achieved is through complete consolidation of functions such as payroll, cashiering, accounts payable and accounting records. These functions all involve similar tasks that are now being performed by each of the entities. Some time savings could result if these were performed on a completely consolidated basis in one department but the savings that would result would not be substantial because these functions are largely complementary rather than duplicate functions. They require approximately the same amount of processing time whether done separately or by one agency. For example, the same number of accounts payable invoices would have to be processed in a similar manner and that would require approximately the same total amount of processing time under either system. Although the total amount of immediate dollar savings if these functions are completely consolidated will not be substantial, these functions could be performed somewhat more efficiently as part of a single finance department. Certain other functions such as cashiering and bank deposit preparation can also be consolidated for greater efficiency.

The first area of consolidation of finance functions that should be pursued is the processing of all accounting and tax information on the one data processing system. This will eliminate the duplication equipment and resulting maintenance and other equipment replacement costs. An additional advantage is increased efficiency - the staff will have some additional time available to perform jobs and should be able to handle a considerable amount of increased volume without the need to increase the number of personnel. Most of the other departmental functions are complementary

rather than duplicate and as such, will not result in a substantial cost savings under complete consolidation. These tasks, however, could be performed somewhat more efficiently under one department if complete consolidation of the two entities occurred.

Borough Clerk

In a consolidated government, the number of personnel performing clerk functions could be reduced from the present five to four full-time positions. Currently, clerk functions for the Borough are performed by a Clerk, a Deputy Clerk, and a Records Coordinator; whereas for the City those functions are performed by a Clerk and a Deputy. Two separate offices are being maintained. Obviously, in a consolidated government, only one office would be necessary. The staff for this function should be limited to a maximum of four positions - a Clerk, a Deputy Clerk, Records Coordinator and Secretary. Although the workload facing the clerk's office immediately after consolidation will be heavy, it would decrease considerably after the second year and succeeding years after consolidation.

Taxation

To maintain the existing level of services that are being provided and support the administrative and legislative functions of the consolidated government, and to retire pre-obligated indebtedness, the rates for taxes and user fees must be adjusted on both an areawide and non-areawide (service district) basis to create an equitable system of taxation. Services that are areawide and the functionary aspect of the government will need to be supported by all taxpayers, including resident and

non-resident alike. Non-areawide services will have to be burdened by those taxpayers residing in the area receiving the services.

The most equitable type of tax to be imposed by the new consolidated government would be a sales tax. As mentioned in the financial analysis section of this report, there must be a similar tax to replace the current city sales tax and its specified uses, otherwise, the newly formed service district that once was the city would have a very inproportionate real and personal property tax milage rate than any other district.

If the sales tax is used to lower the local tax effort of the property owners and maintains the same uses for its revenue, as is currently being done in the city, the milage rate in the consolidated borough is not expected to be any greater than the highest mill rate that is currently assessed in the existing borough (8.5 mills). Of course, any non-areawide power or service would incur additional tax support.

IV
SUMMARY

This Consolidation Committee was established by a vote of the people and appointed to investigate the advantages and disadvantages of consolidation. What follows is a summary of the facts and recommendations of the committee.

Kodiak area is served by two municipalities - the Kodiak Island Borough and the City of Kodiak. In some cases, both governments perform similar functions. In other cases, complementary functions are unnaturally divided by bureaucratic boundaries which reduce efficiency and effectiveness.

The effect of consolidation on efficiency of government, delivery of services, and the added convenience to the public is difficult to quantify at this time. As long as the two municipalities continue their separate ways, there will be less chance for major improvements in efficiency.

Although this report does identify certain savings through consolidation, the committee does not expect a substantial reduction in the cost of government during the initial transition. Real reductions can only be achieved through the political philosophy of our leaders, local and state revenue support, and the level of managerial austerity.

The committee recommends that the Kodiak Island Borough put to a vote of the people three questions: 1.) Consolidate by Home Rule. 2.) Consolidate by General Law. 3.) Maintain the Status Quo.

State law does not specifically provide for a charter commission for consolidation. Consequently, this committee recommends the commission be comprised of nine members with three seats from the City of Kodiak; one seat each from the Mission Road and Flats precincts; one seat representing the village precincts of Akhiok, Old Harbor, Larsen Bay, Karluk, Port Lions, Ouzinkie and Chiniak; and three at-large seats.

Under consolidation, the village municipalities would retain their autonomy, while the current City of Kodiak would become the major service district within the newly formed municipality. It is assumed that all existing provided services would be retained. It is recommended that the name of the new consolidated government would be the "Municipality of Kodiak."

The Assembly and Council should initiate the steps outlined in this report for consolidating the two governments into a single, newly incorporated government. Done correctly, this process would take considerable time, possibly up to three years.

UNIFIED CITY/, HOME RULE, FIRST CLASS, AND SECOND CLASS BOROUGH
COMPARISON SUMMARY

Type of Borough

CHARACTERISTIC	SECOND CLASS	FIRST CLASS	HOME RULE	UNIFIED CITY/BOROUGH
Upgrade to Home Rule status	Yes	Yes	Not applicable	Not applicable
Mandatory Areawide Powers	Tax Assessment/Collection Education Planning, Platting and Land Use Control	Tax Assessment/Collection Education Planning, Platting and Land Use Control	Tax Assessment/Collection Education Planning, Platting and Land Use Control	Tax Assessment/Collection Education Planning, Platting and Land Use Control
Adds Areawide Powers	By Transfer by all cities or by areawide referendum	By Transfer by all cities or by areawide referendum Transportation systems, air & water pollution control, day care licensing, and animal control may be assumed by ordinance	Charter Provision	Charter Provision
Nonareawide Powers	None Mandatory By transfer by a city Limited powers may be assumed by ordinance Remainder of powers must be assumed by referendum vote of residents outside city limits	None Mandatory May be assumed by ordinance	Charter Provision	Not Applicable
Service Areas	Established, operated, altered, or abolished by assembly	Established, operated, altered, or abolished by assembly	Established, operated, altered, or abolished by assembly	Established, operated, altered, or abolished by assembly
Borough Executive	Mayor, with veto power	Mayor, with veto power	Mayor, with veto power	Mayor, with veto power
Legislative Body	Assembly	Assembly	Assembly	Assembly
Educational Body	School Board	School Board	School Board	School Board

APPENDIX B

TABLES

FY 89 City and Borough budget information on the administrative support and personnel services cost by comparison of duplicative services between existing and the consolidated alternative government form.

TABLE I - EXISTING

<u>Function</u>	<u>City</u>	<u>Borough</u>	<u>Total</u>
LEGISLATIVE, LEGAL	\$ 87,380	\$ 135,720	\$ 223,100
EXECUTIVE	164,625	125,370	289,995
CLERK	145,825	189,830	335,655
FINANCE	399,785	122,120	521,905
FIRE PROTECTION	938,235	199,140*	1,137,375
PUBLIC WORKS	<u>927,355</u>	<u>108,990*</u>	<u>1,036,345</u>
TOTAL	\$2,663,205	\$ 881,170	\$3,544,375

*Combined budgets for the Borough Service Districts

TABLE II - CONSOLIDATED:

<u>Function</u>	<u>Totals from Table I</u>	<u>Consolidated Borough</u>	<u>Variance greater ()</u>
LEGISLATIVE, LEGAL	\$ 223,100	\$ 195,240	\$ 27,860
EXECUTIVE	289,995	147,670	142,325
CLERK	335,655	271,902	63,753
FINANCE	521,905	406,103	115,802
FIRE PROTECTION	1,137,375	1,118,586	18,789
PUBLIC WORKS	<u>1,036,345</u>	<u>1,036,345</u>	<u>-0-</u>
TOTAL	\$3,544,375	\$3,175,846	\$368,529**

** Upon completion of the consolidation transition.

SOURCE: DCRA

GRAPHS

The State Revenue Sharing Program is comprised of two entitlement programs; (1) Municipal Tax Resource Equalization Entitlement, and (2) State Aid for Miscellaneous Purposes.

(Graph 1), Existing/Combining Services:

<u>Municipality</u>	<u>State Revenue Sharing*</u>	<u>Municipal Assistance*</u>
Akhiok	\$ 25,798	\$ 9,434
Kodiak	499,591	708,448
Kodiak Isl. Boro.	912,410	527,690
Larsen Bay	25,559	17,732
Old Harbor	25,947	31,404
Ouzinkie	25,798	19,533
Port Lions	25,891	25,010

(Graph 2) Annexation:

<u>Municipality</u>	<u>State Revenue Sharing*</u>	<u>Municipal Assistance*</u>
Akhiok	\$ 25,798	\$ 9,434
Kodiak	932,710	1,134,514
Kodiak Isl. Boro.	479,021	527,690
Larsen Bay	25,559	17,732
Old Harbor	25,947	31,404
Ouzinkie	25,798	19,533
Port Lions	25,891	25,010

(Graph 3) Consolidation/Merger:

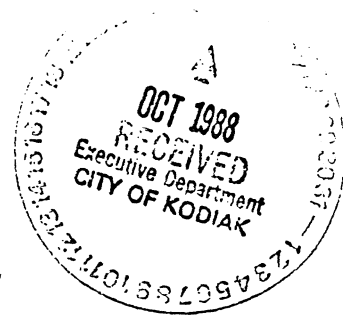
<u>Municipality</u>	<u>State Revenue Sharing*</u>	<u>Municipal Assistance*</u>
Akhiok	\$ 25,798	\$ 9,434
Kodiak Isl. Boro.	1,411,731	1,073,567
Larsen Bay	25,559	17,732
Old Harbor	25,947	31,404
Ouzinkie	25,798	19,533
Port Lions	25,891	25,010

(Graph 4) Unification:

<u>Municipality</u>	<u>State Revenue Sharing*</u>	<u>Municipal Assistance*</u>
Kodiak Unified Municipality	\$1,536,302	1,275,297

*State Fiscal Year 1988 Entitlements

MEMORANDUM



TO: Mr. Gordon Gould, City Manager
City of Kodiak

FM: John R. Marshall, Chief of Police *J.R. Marshall*

DATE: October 23, 1988

SUBJ: Costs associated with City/Borough consolidation

At your direction, I have prepared a preliminary cost estimate which sets forth what I consider would be the minimum additional funding which the Kodiak Police Department would require in order to provide its services to the Woman's Bay and Monashka Bay areas. My estimate, which as I will discuss later in this memo is very conservative and may in fact be unrealistically low, is based on a "best case" consideration of resource allocation.

At minimum, the amount of additional allocation which would be required without diminishing services in other areas is \$395,500.00.

As will be shown by the detail breakdown which follows, the major portion of these costs (89.6%) is salaries and benefits. The remaining 10.4% is in equipment and support.

In order to extend our services outside of Kodiak, it is absolutely necessary that we be able to maintain three patrol officers on each of three shifts every day of the year. To do so requires that we have in our employ (as opposed to positions allocated but not filled) a minimum of 17 patrol officers. We currently have 12 allocated patrol positions. Further, we would require an additional investigator who would work primarily on cases originating outside of the City limits, and in order to free the investigators and patrol officers from the time-consuming job of serving court documents, a Warrant Officer who would concentrate on such service would be necessary. This means that the total increase in sworn officer positions would be seven, for a direct cost in salaries and benefits of \$319,967. The following workday breakdown details this requirement:

AVERAGE NUMBER OF OFFICERS AVAILABLE
FOR PATROL DUTY AT ANY ONE TIME

TOTAL WORKDAYS AVAILABLE 365 X 24 AUTHORIZED STRENGTH = 8760
(WORKDAYS ON MATTERS OTHER THAN PATROL)

ADMINISTRATION:	2 OFFICERS X 365 = 730
(1 Chief, 1 Lieutenant)	
DETECTIVES AND SPECIALISTS:	5 OFFICERS X 365 = 1825
(3 Investigators, 1 Juvenile Officer, 1 Warrant Officer)	
DAYS OFF:	104 X 17 OFFICERS = 1768
HOLIDAYS:	11 X 17 OFFICERS = 187
VACATIONS:	20 X 17 OFFICERS = 340
SICK LEAVE:	7 X 17 OFFICERS = 119
COURT:	10 X 17 OFFICERS = 170
TRAINING:	15 X 17 OFFICERS = 255
SPECIAL ASSIGNMENTS:	3 X 17 OFFICERS = 51

TOTAL WORKDAYS OTHER THAN PATROL = 5445

TOTAL WORKDAYS AVAILABLE FOR PATROL = 3315

1. Divide by 365 to get the number of officers = 9
2. Divide by 3 to get the average on one shift = 3

It would also be necessary to employ one additional clerical/communications person, who would handle the increase in workload engendered by the expansion. At current pay rates, this position would cost the City \$34,780 in salary and benefits.

In order to allow officer response in all weather to all areas under the expanded jurisdiction it would be necessary to purchase at least one additional patrol car, which would be a 4-wheel drive, heavy duty vehicle. This vehicle, equipped with emergency lights, radio, and other equipment required, would have a cost that I estimate at a minimum of \$22,300.

Other indirect costs I have estimated by using the percentage increase in total staffing as an increment to the existing budgetary allocations in various line items which would be impacted by the increase.

In the area of staffing, as I mentioned earlier, I am relying on a "best case" situation to arrive at a minimum

necessary figure. Because of the vagaries of resignations, the vacancy factor resulting from same, and the necessity for field training of new hires, it would be very reasonable to allocate an additional six, rather than five, patrol positions. This would increase the direct costs by approximately \$45,000.00 and also cause a slight increase in indirect costs, and bring the grand total to \$441,000.00 or slightly more. It would, however, provide a margin of safety to insure that we could provide the full range of police services to the increased service area with less chance of being forced to curtail services due to personnel shortages. I would strongly recommend this higher figure as the more reasonable one.

These figures, while only a first approximation, are in my estimation a reasonable working hypothesis as to the costs of providing police services to Woman's Bay/Monashka Bay. If you wish me to do so, I will work to refine these figures and present you with a more detailed breakdown at a later date.

Please advise me of your wishes in this matter.

REPORT ON ANNEXATION
OF
TERRITORY NORTHERLY OF CITY LIMITS

RECEIVED

FB 20 1987

Dept. of Comm. & Reg. Affairs
Municipal & Reg. Asst.

(ORDINANCE NUMBER 809)

I.

INTRODUCTION

At the October 9, 1986, regular meeting, the City Council unanimously directed the staff to prepare the necessary ordinance and supporting documentation to annex that territory lying northerly of the City limits to the end of the road system. Councilmember Ramaglia, who initiated the action, said his objectives were to address the service districts' concern over "piecemeal annexations" eroding their tax base and to stimulate discussion in the community. Councilmember Davidson felt this was an excellent opportunity to get garbage collection, police and fire protection, and utilities under one governmental unit. Councilmember Woodruff thought the entire road system should be under one government enabling that government to better provide services to all the people. Councilmember Cratty felt it was appropriate for the City to take the lead in solving the problem of reducing the number of levels of government in the area. Councilmember Stephan said he was normally not in favor of large annexations because of the high cost of providing services, however, he was in favor of the idea being considered. Mayor Pugh suggested the annexation might be accomplished in stages ("step annexation"). The Council asked the staff to prepare a report on the annexation's effects on City services.

Ordinance Number 809, initiating a "Legislative Review" annexation, was prepared and approved in the first reading at the October 23, 1986, regular meeting after amending it to reflect annexation of only that territory northerly of the present City limits out to and including the VFW property. The second reading and public hearing was postponed to the December 2 regular meeting to allow the Council an opportunity to meet with the affected service district boards.

An advertised worksession was held November 20, 1986, in the Auditorium Lecture Pod. While approximately 18 citizens spoke, mainly in opposition to the annexation, more questions were raised than answered. At the December 2, 1986, regular meeting Ordinance Number 809 was amended to correct an oversight in the legal description and the

advertised public hearing was held. Seven individuals testified in opposition. One of the individuals indicated she halfway supported the annexation but was waiting for a timetable from the City for extending services. Councilmember Stephan voted against the further tabling of final action, saying he felt the issue should be put to rest. The public hearing was to be continued to the February 12, 1987, regular meeting. This postponement guaranteed the annexation would not be considered by the Legislature until the 1988 session.

Due to a variety of reasons, no worksessions with the Council and the affected Service District Boards were held between December 2, 1986, and February 12, 1987. At the reopening of the public hearing at the February 12 meeting, only one person testified, and only with a request to continue final action until after the promised meeting with the Service Districts. Ordinance Number 809 was again postponed to the March 26 regular meeting at which time the public hearing would be reopened. A worksession with the Service Districts was scheduled for Tuesday, February 17.

II. FORMS OF ANNEXATION

There are four types of annexation: Local Action - petition by all property owners and registered voters; Local Action by Election - initiated by the governing body of the municipality or by 25% or more of the registered voters of the territory; Legislative Review - initiated by the governing body of the municipality or by at least 10% of the registered voters residing in the area or by the Commissioner of Community and Regional Affairs; and Step Annexation which may take effect over a period of not more than five years.

Ordinance Number 809 was prepared following 19 AAC 10.450 - .620 Procedures for Boundary Changes Requiring Legislative Review. This procedure, under the current scheduling and provided it was approved by the Local Boundary Commission, would reach the Legislature during its 1988 session.

III. CONCERNS RAISED BY PREVIOUS TESTIMONY

1. Representation on the City Council. Upon annexation all otherwise qualified residents of the newly annexed area become qualified to vote in all City

elections. The fact that they have not had an opportunity to vote for the City Council then in existence in no way invalidates the annexation. Indeed, if this argument had any validity whatsoever, then every annexation of a populated area would have to be accompanied by a dissolution and re-election of the governing body of the annexing jurisdiction. Every October two Council positions are open for election. Within two years the voters of the annexed area would have the opportunity to vote for a majority of the Council and the Mayor.

2. Abandonment of the City's Home Rule Status. Several members of the public had expressed the opinion that it would be preferable for the City of Kodiak to abandon Home Rule status and revert to a First Class City, apparently under the theory that certain recent actions of the City Council, including the purchase of Gibson Cove and the proposing of the pending annexation ordinance, could not have been initiated if the City were not a Home Rule municipality.

All municipalities have the power "to acquire, manage, control, use, and dispose of real and personal property, whether the property is situated inside or outside the municipal boundaries," AS 29.35.010(8). No State Statute or regulation on annexation draws important distinctions between Home Rule and First Class cities.

3. Creating a Fire Board. Establishment of a fire board to manage the activities of the merged fire service was a suggestion made by the Bayside Volunteer Fire Department. Under the present City Code any such board would have to be purely advisory. Section 2.12.030 of the City Code provides that the Fire Chief "shall be held accountable to the city manager only" and Section 2(2) of Article III of the City Charter provides that the City Manager shall "super-vise and control all administrative departments...".

IV. IMPACTS ON EXISTING CITY SERVICES, COSTS AND TAXES

1. The Kodiak Island Borough Assessor states that assessed valuations for the City and the three (3) service districts are as listed below (real property only):

	<u>Original Roll</u>	<u>Supplemental</u>	<u>Total</u>
City	\$ 225,050,429	\$ 897,410	\$ 226,947,839
TCA 6	9,401,935	-0-	9,401,935
TCA 7	64,148,293	23,000	64,171,293
TCA 8	12,198,365	-0-	12,198,365
			<u>\$ 312,719,432</u>

2. The Assessor also provided the following tabulation of prevailing mill rates for the City, the Kodiak Island Borough, and the four service districts (Monashka Bay Road Service District will probably be in a separate TCA in May when the mill rate is set):

1986 MILL RATE

	<u>Borough Fund 010</u>	<u>City of Kodiak</u>	<u>Road Fund 70</u>	<u>Road Fund 80</u>	<u>Road Fund 81</u>	<u>Fire Fund 91</u>	<u>Fire Fund 92</u>	<u>Total</u>
TCA 1 City of Kodiak	3.75	2.00						5.75
TCA 5 Entire Borough (excluding special Assessment areas)	3.75							3.75
TCA 6 Road Service District, Monashka Bay Fire Protection Area One	3.75				2.00	1.50		7.25
TCA 7 Fire Protection Area One	3.75			.25		1.50		5.50
TCA 8 Fire Protection Area One	3.75					1.50		5.25

3. Several City operating departments would have additional needs in manpower and equipment to serve the expanded area. These are listed below, together with the cost for providing the listed items.

Police

Six police officers (@\$42,137 w/ben) ..	\$ 252,822	
Premium for three officers	6,375	\$ 259,197
One humane officer (@\$36,283 w/ben) (?)		
Two 4-wheel drive vehicles	30,000	30,000

Public Works

One Grader	\$ 100,000	
One Backhoe	50,000	
One 5-yard truck	35,000	
One pickup	15,000	200,000

Public Works (Continued)

One Equip. Oper. (@\$48,900 w/ben).....	48,900	
One Laborer (@\$41,093 w/ben).....	41,093	89,993
One add. Laborer to be paid by Water & Sewer Acct.		

Fire

Existing Bayside budget.....	150,000
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Finance

Expenses.....	18,789
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<u>Total (for 1st year).....</u>	<u>\$ 747,979</u>
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4. The Finance Department estimates additional revenues from the expanded City as follows:

<u>Source</u>	<u>Estimated Annual Revenue</u>
Real Property Tax - \$85,771,593 @ 2 mills....	\$ 171,543
Sales Tax.....	110,000
State Revenue Sharing \$65 x 2,500 population.	162,500
Mun. Asst. Funds \$84 x 2,500 population.....	210,000
Building, electrical and plumbing permits....	7,500
<u>Total estimated revenues.....</u>	<u>\$ 661,543</u>

Comparing the first year's additional costs..	\$ 747,979
with first year revenues.....	661,543

results in excess (deficit) of.....\$(86,436)

If property taxes were levied throughout the entire expanded City, an increase of (\$86,436 divided by \$312,719) 0.28 mill would be necessary to make up the deficit for the first year. Second (and several successive) year costs would be \$200,000 less, reflecting the initial outlay for Public Works equipment. Hence, for the second year:

Additional expenses.....	\$ 547,979
Revenues.....	661,543

<u>Excess (deficit).....</u>	<u>\$ 113,564</u>
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In view of the "dry-up" of State funding for capital purchases and projects, it would be well to maintain the tax rate at or near the first year level, to establish an Equipment Replacement Fund.

5. For the first year, then, the property tax levies would appear as tabulated below, IF the .28 mill indicated above were applied to the City and the three Tax Code Areas involved.

YEAR NUMBER 1

<u>District</u>	<u>Present Millage</u>	<u>Revised Millage</u>	<u>Increase/ Decrease</u>
TCA 1 (City)	5.75	6.03	+.28
TCA 6	7.25	6.03	-1.22
TCA 7	5.50	6.03	+.53
TCA 8	5.25	6.03	+.78

YEAR NUMBER 2

<u>District</u>	<u>Present Millage</u>	<u>Revised Millage</u>	<u>Increase/ Decrease</u>
TCA 1 (City)	6.03	5.83	-.20
TCA 6	6.03	5.83	-.20
TCA 7	6.03	5.83	-.20
TCA 8	6.03	5.83	-.20

The reduction in millage would allow a Reserve for Equipment Replacement of \$50,000.

NOTE: The financial impact of one mill on a valuation of \$100,000 is \$100.

Listed below is a comparison of water, sewer and garbage charges for the City and TCA residents:

	<u>City</u>	<u>TCA</u>	<u>Annual Savings/(Loss)</u>
Water	\$17.50	\$20.63	\$ 37.46
Sewer	20.00	27.50	90.00
Garbage (Ind. PU)	14.00	14.00	<u>-0-</u>
TOTAL ANNUAL UTILITY SAVINGS (LOSS) PER HOUSEHOLD UNIT			<u>\$127.46</u>

V. OBSERVATIONS, COMMENTS, OR CONCLUSIONS

At this point several observations, comments, or conclusions can be made which would affect future discussions and the course of the proposed annexation.

The above tabulation of additional departmental costs depicts only one scenario. Perhaps it is the most realistic, but it is still only one example. It is based on an assumption that, as of a certain date, the City of Kodiak would consist of not only the area within the present City limits, but also the area presently encompassed by Tax Code Areas 6, 7, and 8 as well. From and after that date, the Kodiak Police Department would provide crime prevention and law enforcement services throughout the expanded area. The Kodiak Fire Department would consist of the main station downtown, and a district or battalion station on Monashka Bay Road. The Bayside Fire Chief will become the Department's Training Officer, and all volunteers from both former departments will be encouraged to remain on the rolls. The Public Works Department will assume year-round maintenance of the roads, as well as of the water mains, sewers, and lift stations.

The State Statutes also provide for a (no-more-than) five-year phase-in for provision of City services. This procedure provides for a gradually increasing millage from the area to be annexed, with the funds being "escrowed" for the eventual provision of manpower and equipment to serve the new area. Full services actually do not occur until the end of the phase-in period, at which time the core area and the area to be annexed are both at the same millage level.

VI. MISCELLANEOUS INFORMATION

1. Whether the property remains in the Borough or is annexed into the City, planning and zoning remain the same as the Borough has area-wide planning powers.
2. Building construction regulations have been standardized by the two municipalities and so no change would result.
3. As City residents you would continue to vote in Borough elections.
5. Property annexed into the City becomes subject to City ordinances. However, any use of the property currently not conforming to City regulations would be "grandfathered" and the nonconforming use would be allowed

until discontinued. Once annexed, a nonconforming use that is discontinued for any reason loses its grandfather status.

VII. TAX EXAMPLES

1. Suppose you own property in Tax Code Area 6, with an assessed value of \$100,000. Presently a total of 7.25 mills is levied against your property. Whatever the present dollar amount of your tax bill, the levy would be reduced (in the first year) to 6.03 mills. This represents a dollar savings of \$122.00. Coupled with the reduction in utility (water, sewer, and garbage) charges (see table above) of \$127.00 per year, this property would have a net savings of \$249.00 for the first year. Savings the second year would be \$269.00.
2. A property owner in TCA 7 currently has a levy of 5.50 mills, which would be increased to 6.03 mills. This would represent an increase of \$53.00 in the tax bill on property assessed at \$100,000. Offsetting that would be the reduction in utility charges of \$127.00 for a net savings of \$74.00 the first year. Savings the second year would be \$94.00.
3. A property owner in TCA 8 currently has a levy of 5.25 mills, which would be increased to 6.03 mills. This would represent an increase of \$78.00 in the tax bill on property assessed at \$100,000. Offsetting that would be the reduction in utility charges of \$127.00 for a net savings of \$49.00 the first year. Savings the second year would be \$69.00.

CONSOLIDATION COMMITTEE
BIBLIOGRAPHY

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6. Memorandum from Gaye Vaughan, Borough Clerk, to KIB Assembly, re: Definitions of Alterations to Municipalities, dated 21 October 1987. D-1.
7. Letter to Jerome Selby, KIB Mayor, from Pat Poland for Marty Rutherford, CRA, re: Local Government Options for Kodiak Island Borough, dated 2 November, 1987. C-1.
8. KIB Resolution No. 87-69-R Relating to Formation of a Consolidation Committee to Study the Single Unit of Local Government Concept, adopted 5 November, 1987. B-4.
9. KIB Annual Report, 1987, dated 8 April 1988. F-2.
10. Charge to the Consolidation Committee, dated 12 January 1988. B-6.
11. Memorandum from Gaye Vaughan, Borough Clerk, to Sam Gesko, COK City Manager, re: Consolidation Committee - Request for Information, dated 15 January 1988. E-5.
12. Letter from Sam Gesko, COK City Manager, to Gaye Vaughan, Borough Clerk, re: Single Unit of Local Government- Information Request, dated 25 January 1988 (replaced 22 February 1988) with attachments. E-7.
13. Report by City of Kodiak, re: Ratio of Costs to Residents, dated 25 January 1988. E-11.
14. Report by Kodiak Island Borough, re: Cost of Services per Capita, FY 1988, n.d. E-12.
15. Memorandum from J. Anthony Smith, Commissioner, Dept. of Commerce and Economic Development, to Marty Rutherford, Director, CRA, re: Effects of Municipal Options in Kodiak, dated 18 January 1988. C-21.
16. Letter from Roger E. Willis, State Director, US Dept. of Agriculture, Palmer to Dan Bockhorst, MRAD, re: Effects of Municipal Options in Kodiak, dated 21 January 1988. C-21.
17. Memorandum from Hank Hodges, Loan Manager, Housing Assistance, CRA to Dan Bockhorst, Local Government Specialist, MRAD re: Effects of Municipal Options in Kodiak, dated 25 January 1987. (1988). C-14.

18. Memorandum from William Demmert, Commissioner, Dept. of Education, to Dan Bockhorst, MRAD re: Effects of Municipal Options in Kodiak, dated 25 January 1988. C-16.
19. Letter from Richard Mandsager, MD, Director, Dept. of Health and Human Services, Alaska Native Medical Center, Anchorage, re: Effects of Municipal Options on Alaska Area Native Health Services, dated 25 January 1988. C-17a.
20. Memorandum from Steven E. Kettel, Director, Income and Excise Audit, Dept. of Revenue, to Dan Bockhorst, MRAD re: Four Alternative Structures for Kodiak, dated 26 January 1988. C-17.
21. Letter from Albert Kahklen, Supt., US Dept. of Interior, Bureau of Indian Affairs, Anchorage, to Marty Rutherford, CRA re: Effects of Municipal Options in Kodiak, dated 1 February 1988. C-20.
22. Letter from Robert LeResche, Executive Director, Alaska Power Authority to Dan Bockhorst, MRAD re: Effects of Municipal Options in Kodiak, dated 3 February 1988. C-18.
23. Letter from Dick Pryor, Chief Administrative Officer, Alaska State Building Authority, to Dan Bockhorst, MRAD re: Possible Changes of the Existing Structure, Municipal Government in Kodiak, dated 5 February 1987 (1988). C-19.
24. Letter from Dan Bockhorst, MRAD, to Gaye Vaughan, Borough Clerk re: Effects of Municipal Options, dated 9 February 1988. C-9.
25. Letter from Michael Kulick, Manager, US Dept. of Housing and Urban Development, Anchorage to Dan Bockhorst, MRAD, re: Effects of Municipal Options, dated 10 February 1988. C-11.
26. Memorandum from Karen Oakley, Legislative Analyst, to ? re: Local Taxation: Variations Among Communities and Effect on Receipt of State General Funds, Research Request 88.126, dated 12 February 1988. H-1.
27. Memorandum from Mark S. Hickey, Commissioner, DOT/PF, to Dan Bockhorst, MRAD re: Effects of Municipal Options, dated 17 February 1988. C-13.
28. Letter from Jerald Mikesell, Director, EFSS, Dept. of Education, to Dan Bockhorst, CRA re: Effects of Municipal Options, dated 23 March 1988. C-23.
29. Memorandum from Gary Stevens, Chairman, to Gaye Vaughan, Borough Clerk re: Meeting of 2/08/88, dated 15 February 1988. A-33.
30. Letter from Gaye Vaughan, Borough Clerk to Mayors of Akhiok, Larsen Bay, Old Harbor, Ouzinkie, and Port Lions re: input on unification, dated 21 March 1988. I-3.
31. Letter from Timothy Ward, Deputy Mayor, Port Lions to Chairman Gary Stevens re: unification, dated 15 April 1988. I-4.
32. Letter from Zack Chichenoff, Mayor, Ouzinkie to Committee re: unification, dated 15 April 1988. I-5.
33. Letter from Charles Chistensen, Mayor, Larsen Bay to Gary Stevens, Chairman re: unification, dated 17 May 1988. I-7.

34. Memorandum from Thomas Peterson, CRA to Bill Rolfzen, Project Assistant re: Shared Revenue Estimates on Kodiak Consolidation, dated 1 April 1988. H-2.
35. Memorandum from Bill Rolfzen, Project Assistant to Tom Peterson, Local Government Specialist re: Shared Revenue Estimates on Kodiak Consolidation, dated 28 April 1988. H-3.
36. Regional Government Study, Dept. of Community and Regional Affairs, January 1988. C-8.
37. Report by CRA re Powers Exercised and Services Provided by the 2nd Class Cities of Akhiok, Larsen Bay, Old Harbor, Ouzinkie, and Port Lions, n.d. I-8.
38. Draft Report by CRA re: Shared Revenue Estimates on Alternative Combined Government Forms, n.d. H-5.
39. Draft Report by CRA re: Village Impacts from Combining the Governments of Kodiak City and the Kodiak Island Borough (Public Information Sheet No. 1), n.d. I-9.
40. Draft Report on Combining the Governments of Kodiak City and the Kodiak Island Borough Municipalities, n.d. G-1.
41. Pamphlet, US Dept. of Agriculture, Program Aid Number 977, Home Ownership Loans. C-22.
42. Pamphlet, US Dept. of Agriculture, Program Aid Number 1100, Community Facility Loans. C-22a.
43. Pamphlet, US Dept. of Agriculture, Program Aid Number 1399, Rural Rental Housing Loans. C-22b.
44. Pamphlet, US Dept. of Agriculture, Program Aid Number 1101, Business and Industrial Loans (B&I). C-22c.
45. City of Kodiak Sales Tax Ordinance. E-8.
46. City of Kodiak, Summary of Sales Tax by Classification, dated 11 March 1988. H-4a.
47. Powers Exercised by the City of Kodiak, dated 18 January 1988. E-6.
48. Land Use and Management Information Sheet by Tom Peterson, CRA, dated 27 June 1988. G-8.
49. City of Kodiak, Resolution no.42-87 re: Support for Study of the Single Unit of Local Government Concept. B-5.
50. Consolidation Committee members, dated 18 December 1987. B-8.
51. Letter from A.D. Cristaldi, Jr. to KIB Consolidation Committee, re: Resignation from Committee. B-9.
52. Regional Government in Alaska, State of Alaska, Dept. of Community and Regional Affairs, Municipal and Regional Assistance Division, dated November 1987. C-2.

53. Letter to Gaye Vaughan, Borough Clerk from Dan Bockhorst, Local Government Specialist re: Possible consequences of changing structure of municipal government in Kodiak w/enclosures, dated 14 January 1988. C-3.
54. Letter from Jerald L. Mikeseli, Director, EFSS re: Effects of Municipal Options on Kodiak Island School District, dated 23 March 1988. C-23.
55. Chapter 52 of SLA 1963. An Act Relating to the Incorporation of Organized Boroughs and Providing for Certain Grants to Boroughs, dated 12 April 1963. D-3.
56. "Unification: Salvation or Bailout for Borough Residents?" All-Alaska Weekly, February 26, 1988, p. 5. D-7.
57. "Advocate of Government Unification a Mover and Shaker" Fairbanks Daily News-Miner, February 27, 1988. D-8.
58. Letter to Jerome Selby, KIB Mayor from Robert B. Brodie, COK Mayor re: Resolution concerning Single Unit of Local Government Committee, dated 21 October 1987. E-1.
59. Minutes of the Regular December 10 Council Meeting of the City of Kodiak rescheduled and held December 14, 1987. E-2.
60. Minutes of the Regular Council Meeting of the City of Kodiak rescheduled and held December 22, 1987. E-3.
61. Letter to Jerome Selby, KIB Mayor from Marcella H. Dalke, City Clerk re: Appointment of Sven Haakanson and Helen Wise to joint City/Borough Single Unit of Local Government Committee, dated 28 December 1987. E-4.
62. KIB Annual Report, 1986, dated 20 February 1987. F-1.
63. Initial Investigation Summary, dated 6 July 1988. G-2.
64. Memorandum to Beverly Horn, Acting Chair from Tom Peterson, Local Government Specialist re: Draft Public Information Sheet No. 2 and Review of the Initial Investigation Summary, dated 7 July 1988. G-3.
65. Draft of the Consolidation Committee Initial Investigation and Summary, dated 25 July 1988. G-4.
66. Kodiak Consolidation Committee. Draft of the Estimated Impacts on State Shared Revenues from Combining the Governments in the Kodiak Island Area (Public Information Sheet No. 2), dated 8 August 1988. G-5.
67. Memorandum to Beverly Horn, Acting Chairman from Tom Peterson, Local Government Specialist re: Outline for the Consolidated Government of Kodiak Island, dated 9 September 1988. G-6.
68. Consolidation Committee Initial Investigation and Preliminary Summary, dated 12 September 1988. G-7.
69. Petition Process for Consolidating Municipalities by Tom Peterson, n.d. G-9.

70. Memorandum to Consolidation Committee Members from Beverly Horn, Acting Chairman re: Summary of Revenues w/attachments, dated 19 July 1988. H-4.
71. Letter to Zack Chichenoff, Mayor Ouzinkie from Gaye Vaughan, Borough Clerk re: Consolidation Committee, dated 12 May 1988. I-6.

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**CITY OF KODIAK
RESOLUTION NUMBER 2016-42(SUB)**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING
A FY2018 STATE CAPITAL IMPROVEMENT PROGRAM LIST**

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

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

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

WHEREAS, the Kodiak City Council has identified and prioritized capital improvement projects for submission to the Alaska State Legislature and Governor for funding consideration due to their significance and/or magnitude; and

WHEREAS, the National Marine Fisheries Service identified Kodiak as the second largest commercial fishing port in the United States in terms of volume and third largest in terms of value of product landed in their most recent national report, and the City requires a large infrastructure to support this commercial activity; and

WHEREAS, the City of Kodiak relies upon the State of Alaska's legislative and matching grant programs and revenue sharing to continue to keep its economy strong.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following infrastructure replacement/improvement projects and issues are considered of primary importance and are hereby adopted as the City of Kodiak's FY2018 State capital improvement project and issues list:

1. New Fire Station, Phase II § 4,000,000

The City of Kodiak identified the need to replace its fire station and has been working toward a replacement plan since 2004. The building has clearly outlived its design life. The building is composed of three structures and sits on a site that is currently very limited. The structure is built of cement block type construction built in the 1940s with two block and wood frame additions added in the 1960s and 1975. The structure poses a significant risk of failure in a seismic event. Cracks in the walls and initial separation of one of the additions from the rest of the structure occurred following the large 7+ earthquake in 2016. It has ongoing plumbing, drainage, and water infiltration issues. The facility houses fire and rescue apparatus, three ambulances, and many types of specialty equipment and medical supplies that support the Advanced Life Support services offered to the entire Kodiak area well beyond the City

boundaries. The building condition poses constant challenges and problems to the crews who work and live in the structure. Work to replace this building must continue because it is a key emergency response and life-safety facility for Kodiak and continues to require constant maintenance.

The City proposes completion of the project in three phases. Phase I of this project with a budget of \$1,110,000 and funded by the City was used to study the site, which was determined to be the best site for a new facility once a derelict building is removed. It includes the removal of the old building, site grading, and other work following the demolition of the old building. Phase II would include a site preparation package completed prior to building construction, would make the project more affordable to do in phases, would reduce the impact to the active fire station, and benefit the transition to a new building. It would include design, re-routing of underground utilities, and provide a graded pad for temporary facilities and emergency services equipment. Phase II would total \$4,000,000 and be constructed with the building design anticipated for FY 2018. The remainder, an estimated \$10,000,000, would be required to complete construction and furnish the facility.

The City of Kodiak is requesting funding for Phase II of the New Fire Station project from the State in an amount of \$4,000,000 to ensure the project continues to move forward. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.

2. Community Assistance Program

As the cost of providing governmental services rise, the City of Kodiak must rely on and use all sources of revenue carefully to meet its obligations. The City received \$249,981 in revenue sharing this year, a substantial drop from the \$377,926 in FY2016. The City urges the State to continue to provide revenue sharing to local governments through this program.

3. Shelikof Street Bulkhead Parking

\$1,100,000

In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak as the preferred pedestrian route for cruise ship passengers to safely walk the street into the town center and to improve facilities for local residents, workers, and businesses that use the pier, street, and access to the City's adjacent 250 slip boat harbor. The first phase of the project, construction of an ADA accessible sidewalk, new retaining walls, improved lighting and parking, and utility work was completed in 2013. The second phase of the project will be completed by January 2017. This phase covered geotechnical investigation, design, permitting, mapping, preparation for permitting through the Army Corps of Engineers, and completion of the design to accommodate a 30 space bulkhead parking area on the south side of Shelikof Street adjacent to St. Paul Harbor. The roadway area adjacent to the proposed bulkhead parking is highly congested. Due to lack of adequate parking, vehicles block walkways, equipment operates in the ROW, and access to businesses is often blocked, forcing pedestrians into the roadway. Construction of additional off-road parking will direct pedestrian traffic out of the congested roadway. The net increase in parking will benefit

harbor users and retail businesses along Shelikof Street. It will provide improved and safer pedestrian access from Marine Way to the fish processors in the immediate area. The task for this phase will be to complete construction of the bulkhead parking area, including curb and gutter, paving, lighting, and utility relocates.

The City of Kodiak is requesting state funding assistance for the final construction of this project, including administration, in the amount of \$1,100,000 to enhance pedestrian and vehicle safety. Funds are requested through the Cruise Ship Excise Tax program or through a legislative grant. This project may also be suitable for a GO Bond package in the event the legislature pursues bonds as a capital budget financing mechanism.



CITY OF KODIAK

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MAYOR

ATTEST:

A handwritten signature in blue ink, appearing to read "Debra Mankin", is written over a horizontal line.
CITY CLERK

Adopted: December 8, 2016

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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.

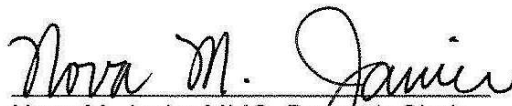
Section 2: The Kodiak Island Borough administration is hereby instructed to advise our State of Alaska Governor and Legislative Delegation of the Capital Improvement Projects Priority List adopted by the Kodiak Island Borough Assembly.

**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

173

Introduced by: Manager Cassidy
Requested by: Assembly
Drafted by: Special Projects Support,
Christiansen
Introduced on: 02/04/2016
Adopted on: 02/04/2016

**KODIAK ISLAND BOROUGH
RESOLUTION NO. FY 2016-26**

**A RESOLUTION OF THE KODIAK ISLAND BOROUGH ASSEMBLY ADOPTING A
2016 KODIAK ISLAND BOROUGH COMMUNITIES STATE LEGISLATIVE CAPITAL
IMPROVEMENT PROJECTS PRIORITY LIST**

WHEREAS, the Kodiak Island Borough is a regional government representing the citizens and communities of the Kodiak Island Archipelago; and

WHEREAS, these communities include the citizens and visitors of the Kodiak Island Borough which is a second class borough, the home rule city of Kodiak, the second class cities of Akhiok, Larsen Bay, Old Harbor, Ouzinkie, and Port Lions; and the unincorporated community of Karluk; and

WHEREAS, the governing bodies of these communities have developed a list of improvement and infrastructure needs for their citizens and visitors; and

WHEREAS, Community Capital Improvement Project (CIP) needs are identified and prioritized by each of the communities and forwarded to the Kodiak Island Borough for inclusion into an island wide list to be considered by the Alaska Legislature; and

WHEREAS, the Kodiak Island Borough as the regional government is supportive of all identified community capital improvement project needs.

NOW, THEREFORE BE IT RESOLVED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH THAT the Kodiak Island Borough Communities 2016 State Legislative Capital Improvement Projects Priority Lists are as follows:

Kodiak Island Borough

- | | |
|--|--------------|
| 1. M/V Tustumena Replacement Vessel Construction | \$50,000,000 |
| 2. Anton Larsen Bay Road Extension to Ice Free Water | \$8,000,000 |
| 3. East Elementary Traffic Flow Improvements | \$2,000,000 |
| 4. Drainage Improvements to the Chiniak Highway at Sargent Creek | \$54,000 |
| 5. Service Area Road Improvements and Paving | \$5,000,000 |
| 6. Fire Protection Area No. 1 Fire Tanker/Tender Vehicle | \$100,000 |
| 7. Mill Bay Beach Access Upgrade | \$200,000 |
| 8. Monashka Bay Water and Sewer Project Feasibility, Planning and Design | \$500,000 |

50		
		City of Kodiak
51	1. Mill Bay Road Pavement Rehabilitation	\$1,500,000
52	2. State Municipal Matching Grant and Harbor Facilities Grant Programs	
53	3. State Revenue Sharing	
54	4. Replacement Ambulance	\$200,000
55	5. Firefighting and Safety Equipment	\$62,550
56	6. Shelikof Street Bulkhead Parking	\$1,565,000
57		
58		City of Akhiok
59	1. Advance Payment System for Electric Services	\$65,000
60	2. Generator Upgrade	\$125,000
61	3. New Electrical Line Installation	\$2,000,000
62	4. Feasibility Study of Wind, Solar and Hydro Power	\$150,000
63	5. New Dump Site	\$200,000
64	6. Fuel Truck Purchase	\$75,000
65		
66		City of Larsen Bay
67	1. Septic Pump Truck	\$300,000
68	2. Landfill Burn Box	\$120,000
69	3. Boat Harbor Light Replacement	\$250,000
70	4. Replacement of Aggregate on Roads	\$500,000
71	5. Replace Garage/Machine Shop	\$650,000
72	6. Upgrade City Hall	\$700,000
73	7. Upgrade Hydro Dam and Reservoir	\$1,250,000
74		
75		City of Old Harbor
76	1. Airport Improvements	\$8,000,000
77	2. Hydroelectric Power Project	\$8,000,000
78	3. Bear Proof Dumpsters/Dumper Repair	\$20,000
79	4. Emergency Response skiff with outboard motor and trailer	\$75,000
80	5. City Shop	\$200,000
81	6. Landfill Building	\$130,000
82	7. Water Distribution System Upgrade	\$1,435,000
83	8. Backhoe/Loader	\$50,000
84		
85		City of Ouzinkie
86	1. Water Transmission Line Replacement	\$880,000
87	2. Electrical Infrastructure Upgrade	\$1,000,000
88	3. Alternative Energy Development Projects	\$750,000
89	4. Agricultural Development	\$500,000
90	5. Anton Larsen Bay Road Extension	\$8,000,000
91	6. Alaska Marine Highway, M/V Tustumena Replacement	
92	7. Electrical Upgrade to Boat Harbor	\$20,000
93	8. Equipment Upgrades	\$225,000
94	9. Community Roads Resurfacing	\$3,600,000
95	10. Ouzinkie Municipal Building	\$1,400,000
96	11. Heavy Equipment Storage Building/Shop	\$250,000
97	12. Fire Hall Roof Replacement	\$20,000
98	13. Fire Hall Furnace Replacement	\$10,000
99	14. Tourism Development	\$827,500

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City of Port Lions

1. Small Boat Harbor Stub Breakwater	\$1,800,000
2. M/V Tustumena Replacement Vessel Construction	\$250,000,000
3. Rock Screen & Conveyor	\$375,000
4. City Maintenance Buildings Maintenance	\$50,000
5. Anton Larsen Bay Road Extension	\$6,000,000
6. New Subdivision Development	\$800,000
7. Harbor Water Main	\$1,000,000
8. Road Upgrades	\$1,200,000
9. Airport Extension	\$3,000,000
10. Salmon Enhancement	\$35,000
11. Disaster Relief Equipment	\$50,000
12. Small Boat Harbor Dock Crane	\$75,000

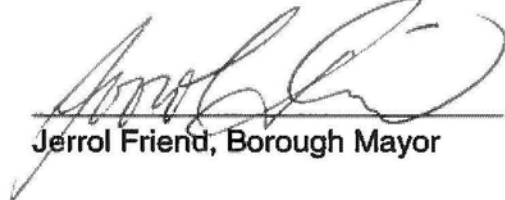
Community of Karluk

1. Design and Install Community Water Tank & Distribution System	\$800,000
2. Purchase 120 KW Generator	\$200,000
3. Plan & Design Water Treatment Plant	\$200,000
4. Community Hall/Clinic Renovation	\$300,000
5. Landfill Relocation	\$400,000
6. Grant Writer Assistance	\$8,000
7. Education Assistance for Karluk School	\$10,000

BE IT FURTHER RESOLVED THAT the Kodiak Island Borough administration is hereby instructed to advise the Governor and our Legislative Representatives of the State of Alaska of the Kodiak Island Borough Communities 2016 State Legislative Capital Improvements Project Priority List adopted by the Kodiak Island Borough Assembly

**ADOPTED BY THE ASSEMBLY OF THE KODIAK ISLAND BOROUGH
THIS FOURTH DAY OF FEBRUARY, 2016**

KODIAK ISLAND BOROUGH


Jerrol Friend, Borough Mayor

ATTEST:


Nova M. Javier, MMC, Borough Clerk