

City of Kodiak Regular Council Meeting Agenda for August 10, 2017
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

- I. Call to Order/Roll Call**
Invocation/Pledge of Allegiance

- II. Previous Minutes**
Approval of Minutes of the July 13, 2017, Regular Council Meeting1

- III. Persons to Be Heard**
 - a. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
 - a. Second Reading and Public Hearing, Ordinance No. 1364, Amending Section 5.04.050 of the Kodiak City Code Pertaining to Procedures for Issuing Permits for Community Festivals8
 - b. Authorization of Cooperative Agreement Between the City of Kodiak and Sun’aq Tribe for Improvements to Shelikof Street.....12

- V. New Business**
 - a. Resolution No. 2017–21, Authorizing FY2018 Nonprofit Grant Awards.....26
 - b. Resolution No. 2017–22, Appointing Members to the Kodiak Fisheries Development Association.....34
 - c. Authorization of FY2018 Marketing and Tourism Development Agreement With Discover Kodiak38

- VI. Staff Reports**
 - a. City Manager
 - b. City Clerk

- VII. Mayor’s Comments**

- VIII. Council Comments**

- IX. Audience Comments** (limited to 3 minutes) (486-3231)

- X. Adjournment**

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DRAFT

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, JULY 13, 2017
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

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

Salvation Army Mathew Spencer gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the June 22, 2017, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Public Comments

None

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

a. First Reading, Ordinance No. 1364, Amending Section 5.04.050 of the Kodiak City Code Pertaining to Procedures for Issuing Permits for Community Festivities

Mayor Branson read Ordinance No. 1364 by title. In an effort to accommodate local nonprofit organizations and other associations performing community events on City-owned property, a permit must be issued for the specific request. The Council has been authorizing these requests during regular Council meetings. This proposal moves the approval of the event from the Council or Clerk to the City Manager. This is an effort to streamline the application and approval process.

Councilmember Walker MOVED to pass Ordinance No. 1364 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

b. Resolution No. 2017–20, Appropriating Funding From The General Fund and Respective Enterprise Fund Balances to Include a 5% Cost of Living Increase to City Employees

Mayor Branson read Resolution No. 2017–20 by title. Resolution No. 2017–20 provides for the adoption of a cost of living adjustment for all City full-time, part-time, and temporary employees and does not adjust the pay scale per the Personnel Rules and Regulations handbook. The cost of living adjustment was calculated using the State of Alaska CPI-U Inflation / Deflation calculator for Anchorage, Alaska. The proposed increase is five percent for fiscal year 2018. City staff recommends the cost of living adjustment to be effective July 31, 2017.

Councilmember Davidson MOVED to adopt Resolution No. 2017–20.

Councilmember Whiddon acknowledged the City staff in the audience during the meeting in support of Resolution No. 2017–20. He said he appreciates the services provided by City staff; he stated they enhance the safety of the community and the quality of life to the island.

Councilmember Davidson said he supports the resolution and City employees.

Councilmember Walker said he values the City employees and appreciates the services that they provide.

Councilmember Bishop said the most important people in the workplace are the workforce and he supports the cost of living increase.

Councilmember Saravia said he appreciates the services provided by City staff. He stated he is glad the City is able to do a cost of living increase and he hopes this can be reviewed each year.

Councilmember Arboleda said she appreciates the workforce's attendance and she thanked staff for the services provided. She said they help make the island beautiful.

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

c. Authorization of Bid Award for Compost Wood Amendment Purchase for FY2018 through FY2020

Starting in December 2015, the City of Kodiak began operation of the bio-solid composting facility. The facility is using negative aeration static pile process by combining bio-solids with wood amendments to create a Class A, EQ compost. The City issued a Request for Proposal for wood amendment purchase for FY2018, FY2019, and FY2020. The proposal was advertised on May 15 and proposals were opened on June 22; one proposal was received.

Councilmember Whiddon MOVED to authorize the purchase of wood amendments for the Composting Facility to Jere's Tree Service in the amount of \$125,000 for FY2018, \$110,000 for

FY2019 and \$110,000 for FY2020 with funds coming from the annual Sewer Operation, Composting Supplies-Wood Chips Line Item.

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

d. Authorization to Purchase Servers

The Finance-IT Department is requesting the purchase of five servers. The existing servers are currently six years old and are no longer covered under warranty. These servers store the City's financial software and various third-party software components. IT equipment is generally required to be replaced every three to five years.

Councilmember Walker MOVED to authorize the purchase of five servers from GovConnection, Inc. in the amount of \$38,845.70 from the Finance-IT Machinery & Equipment Line Item.

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

e. Authorization of Cooperative Agreement Between the City of Kodiak and Sun'aq Tribe for Improvements to Shelikof Street

The Sun'aq Tribe of Kodiak has approached the City requesting to extend the Memorandum of Agreement (MOA), which included Shelikof Street in the Tribe's existing road inventory, and the Bureau of Indian Affairs (BIA) Tribal Transportation Program. The initial MOA expired in May with an option to renew. By continuing the agreement, the Sun'aq Tribe would potentially bring federal funding to Kodiak to make improvements to this street. The Memorandum of Agreement is for an additional three years.

Councilmember Arboleda MOVED to authorize the Memorandum of Agreement between the City and Sun'aq Tribe for improvements to Shelikof Street, City Record No. 232453, and authorize the City Manager to sign the MOA for the City.

Councilmember Whiddon MOVED to postpone the Memorandum of Agreement between the City and Sun'aq Tribe for improvements to Shelikof Street.

A discussion ensued with a consensus voiced to bring the MOA back for a vote at the next regular meeting.

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

VI. STAFF REPORTS

a. City Manager

Manager Tvenge said the Delta Medical Transport Agreement is in affect; the crew arrived to Kodiak to provide Emergency Medical Services (EMS) with the Fire Department staff to City

residents and those on the Borough's road system through September 2017. He gave an informational overview of an easement request by Mr. Dave Hilte on Mission Road, which went to the Planning and Zoning Commission and was later approved by no objection by the Borough Assembly. He said the City has no authority to change the vacation of easement; however, the City must sign an authorization to complete the process. Manager Tvenge said the State of Alaska has begun a program through the Alaska Police Standards Council for communities to participate in the Rent-a-Cop Program. He said the City staff is researching and interested in the program for additional policing in the downtown area. He shared a potential location for additional policing would be the City's building currently leased for TWIC services. He said Governor Walker recently solicited proposals from municipal and tribal infrastructure projects that are qualified for federal infrastructure established by the Trump Administration. Manager Tvenge said the City submitted funding proposals to the Office of Management and Budget for the Fire Station, St. Herman's Float, and WWTP upgrades; the three projects totaled over \$62 million dollars. He said he is unsure when the proposals will be reviewed at this time. He said the Kodiak Fire Department is performing water hydrant maintenance testing; he encouraged the public to run their water lines to flush out any sediment that may appear. He said the Public Works and the Parks and Recreation Departments' are clearing overgrown brush on the street to assist with visibility and access; he asked the citizens to be cautious of the equipment and staff at work. He said during the work session on Tuesday there was discussion regarding the local nonprofit award amounts, which included some incorrect tabulations. He asked if Council would like to review the tabulations at the next work session or move forward at the next meeting. Councilmember Davidson expressed an interest to further discuss and review the updated spreadsheet with the new tabulations. Mayor Branson said she will place nonprofit grant award discussion on the August 8, 2017, work session agenda. Manager Tvenge shared the Council received printed information for the August 8 budget discussion.

b. City Clerk

City Clerk Marlar said the municipal elections are approaching and she shared that nominating petitions for one, two-year City Mayoral seat and two, three-year City Council seats are available in the Clerk's office. She said qualified applicants must have resided within the City limit for at least one year and be registered to vote within the City limit. She said a resident must be 30 years old to fill the Mayoral seat and 21 years old to fill a Councilmember seat. She informed the public of the next scheduled Council work session and regular meeting. She shared the next Fisheries Work Group meeting is on August 23 and the next City and Borough joint work session is scheduled in October.

VII. MAYOR'S COMMENTS

Mayor Branson said it is heartwarming to see the City staff in attendance on a beautiful evening to show their support for Resolution No. 2017-20. She said there has been a 29 percent staff turnover in the last two years and she supports the COLA increase. She said staff makes the community whole and thanked them for their work and the services they provide. She commented that the budget goals are a five-year plan to project revenues and expenses; the plan further helps to keep up with the City's infrastructure, services, maintaining employees, providing a quality of life for the community, while having a balanced budget. She said Councilmembers Whiddon and Bishop went to the Chamber of Commerce to provide outreach and she and City Manager Tvenge were on KVOK. She said she drafted an outreach plan and disseminated the

plan to the Council in hopes to increase the outreach to the community. She said the Downtown Revitalization Committee has ordered the banners that were designed by Breanna Gibbs and they will be placed in downtown area soon. She said the mural on the Brechan building is underway. She mentioned a letter regarding the Rent-a-Cop program will be taken to National League of Cities by Councilmember Saravia this month for consideration of funding assistance.

VIII. COUNCIL COMMENTS

Councilmember Walker said he was pleased with the vote for the COLA; he thanked staff for the duty and services provided. He said there are some hard decisions in the future for the economy, yet emphasized with the USCG and fishing industry in Kodiak, he feels the options will be plentiful if everyone works together.

Councilmember Davidson extended his appreciation to staff and said the island can be an expensive place to reside and he hopes this COLA helps to subsidize some of those costs. He asked the citizens to be careful driving and watch for children crossing.

Councilmember Arboleda thanked the staff for their service and attending the meeting.

Councilmember Whiddon said the decision to support COLA was easy, because it is an investment in the future. He said the services staff provides are appreciated.

Councilmember Saravia said staff makes Kodiak a nice place to live, and the work they do behind the scenes is very important.

Councilmember Bishop said he hoped everyone had a good Fourth of July. He said the Marijuana Committee made its final recommendations to the Council and thanked co-chair Arboleda and the members of the committee. He thanked the City staff for their attendance at the meeting. He wished everyone a safe and enjoyable summer.

IX. AUDIENCE COMMENTS

Philip Bear Becker said he has been an employee for 23 years and he appreciates the COLA. He said that City Manager Mike Tvenge has demonstrated strong support for employee retention.

Nicole Clark, telephonically, said she is working at KMXT to broadcast the Council meeting and said she is also a City employee and is very grateful for the COLA increase. She said she loves living in Kodiak and this increase makes it easier to live on the beautiful island.

Chief of Police Wallace said she was very pleased with the COLA, commenting that it will help attract people to the work force. She said she is proud to be a member of the KPD team.

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:14 p.m.

CITY OF KODIAK

MAYOR

ATTEST:


CITY CLERK

Minutes Approved:

UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager 

Date: August 10, 2017

Agenda Item: **IV. a. Second Reading and Public Hearing, Ordinance No. 1364, Amending Section 5.04.050 of the Kodiak City Code Pertaining to Procedures for Issuing Permits for Community Festivities**

SUMMARY: In an effort to accommodate local nonprofit organizations and other associations performing community events on City-owned property, a permit must be issued for the specific request. The Council has been authorizing these requests during regular scheduled Council meetings. The public is quite good at getting these requests into the Clerk's office prior to the scheduled event; however, with a full agenda, requests may need to wait for another regular meeting. This proposal moves the approval of the event from the Council or Clerk to the City Manager. This is an effort to streamline the application and approval process.

PREVIOUS COUNCIL ACTION: This idea was discussed during the May 23, 2017, Council work session and had strong support. Ordinance No. 1364 passed in the first reading at the July 17, 2017, regular meeting.

BACKGROUND: Department directors and the City Clerk's office receive requests for temporary stands or tables etc. taking place on City property. Kodiak City Code 5.04.050 (a) requires the City Clerk to issue a permit allowing for such use. With a request for a community event or festival, the Council may by KCC 5.04.050 5(d) authorize the issuance of a permit to that organization by resolution. Council may also waive the required fee for such an event.

DISCUSSION: We typically receive requests from known local nonprofits or organizations year to year. The City Council has unanimously, by resolution, allowed for these events to take place as requested. This action, following the guideline set forth by Council in past situations, could easily be accomplished by the City Manager's office and reported to Council during the City Manager's report at the next scheduled regular meeting. This would save time for both the applicant and the staff that prepare the resolution for each applicant's request.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1364 in the second reading after the public hearing. This ordinance would amend sections of City Code 5.04.050, which authorize the permitting authority to the Clerk or the Council. The impact of this change by transferring to City Manager's approval would streamline this process. The City Manager would coordinate the nonprofit request with the

department director for the intended use of the facility or area, and then determine the decision of the request.

- 2) Continue the current policy, and do not adopt the ordinance in the second reading.

FINANCIAL IMPLICATIONS: This would not incur any additional costs; it could actually reduce costs by eliminating staff time preparing these agenda memos.

LEGAL: A change to the Kodiak City Code is required by ordinance.

STAFF RECOMMENDATION: Department directors have agreed with this process change and support an ordinance change by Council.

CITY MANAGER'S COMMENTS: As long as we approve local nonprofit and local organization requests for use of City facilities or property consistent with past Council history, I see no concerns with a change to this authorization procedure. Events that require closure of city streets such as the American Legion/Elks event during July 4th could remain a decision of the Council, if desired. That request originated in the City Manager's office, coordinated through the Chief of Police and Fire Chief before reaching the Council to vote on the resolution.

ATTACHMENTS:

Attachment A: Ordinance No. 1364

PROPOSED MOTION:

Move to adopt Ordinance No. 1364.

**CITY OF KODIAK
ORDINANCE NUMBER 1364**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING
SECTION 5.04.050 OF THE KODIAK CITY CODE PERTAINING TO PROCEDURES
FOR ISSUING PERMITS FOR COMMUNITY FESTIVALS**

WHEREAS, the City of Kodiak supports the King Crab Festival and other similar designated community events; and

WHEREAS, the City of Kodiak may issue permits allowing the erection of temporary stands, structures, or tables or the temporary parking of a suitable vehicle on public property for the purpose of selling or dispensing goods or services in conjunction with designated community events and may collect fees thereon as appropriate; and

WHEREAS, the City of Kodiak may reduce or waive the fees for such permits issued to non-profit organizations and associations performing community services in Kodiak; and

WHEREAS, the Kodiak City Code provides for the City Clerk to issue such permits and the City Council to determine when fees may be waived for non-profit organizations; and

WHEREAS, it is in the best interest of the City to vest these administrative duties with the City Manager.

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

Section 1: Kodiak City Code section 5.04.050 is amended as follows:

5.04.050 Permits for community festivities

- (a) The ~~city clerk~~ **city manager** may issue permits allowing the erection of temporary stands, structures, or tables or the temporary parking of a suitable vehicle on public property for the purpose of selling or dispensing goods or services in conjunction with the King Crab Festival or other similar designated community events.
- (b) **A letter of request or** an application for a permit under this section shall be submitted to the ~~city clerk~~ **city manager** accompanied by any required fees established by resolution or motion of the city council; provided, however, that the ~~council~~ **city manager** may reduce or waive payment of the fee for permits issued to nonprofit organizations and associations performing community services in Kodiak, so long as all such organizations are treated alike with respect to permits issued for any single festival or similar community event. The application shall contain the following information:
 - (1) The name and address of the applicant;

[Bold and underlined added. Deleted language stricken through.]

- (2) The business name to be used and the nature of the business;
- (3) The name of the festivity or event for which the permit is requested;
- (4) A description of the structure, stand, or vehicle to be used;
- (5) The location where the applicant would prefer to conduct the business.
- (c) If insufficient space or facilities are available to accommodate the applicants for permits at any particular event, locations shall be assigned giving preference to nonprofit organizations and associations performing community services in Kodiak and to those businesses that are most compatible with the community festival or event for which the applicants are seeking permits.
- (d) If a community event or festival is being planned and managed by a local nonprofit community organization, the ~~council may, by resolution~~ **city manager may** authorize the issuance of a single permit to that organization for the designated public property. As a condition to receiving the permit, the organization shall:
 - (1) Agree to assign space in accordance with the priorities established in subsection (c) of this section;
 - (2) Comply with the conditions set forth in KCC 5.04.060 and require compliance with those conditions by all persons occupying space under the auspices of a permit from that organization; and
 - (3) Hold harmless and defend the city from any claims for death, injury, or damage arising or resulting from the event conducted, as well as from any suits or actions based upon the assignment or utilization of public property under the permit.
 - (4) The ~~council~~ **city manager** may waive payment of any fee by an organization receiving a permit under this subsection, and the organization may charge a reasonable fee for persons utilizing a booth, structure, or stand in conjunction with their participation in the festivity. [Ord. 1177 §1, 2004]

Section 2: This ordinance shall be effective on the date that is one month after its final passage and publication in accordance with Kodiak Charter Section 2–13.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: July 13, 2017
 Second Reading:
 Effective Date:

[**Bold and underlined added.** Deleted language stricken through.]

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Date: August 10, 2017

Agenda Item: **IV. b. Authorization of Cooperative Agreement Between the City of Kodiak and Sun'aq Tribe for Improvements to Shelikof Street**

SUMMARY: The Sun'aq Tribe of Kodiak has approached the City requesting to extend the Memorandum of Agreement (MOA), which included Shelikof Street in the Tribe's existing road inventory, and the Bureau of Indian Affairs (BIA) Tribal Transportation Program. The initial MOA expired in May with an option to renew. By continuing the agreement, the Sun'aq Tribe would potentially bring Federal funding to Kodiak to make improvements to this street. Staff recommends the City Council authorize the City Manager to renew this Memorandum of Agreement for an additional three years.

PREVIOUS COUNCIL ACTION:

- Council heard discussion of this proposal during the May 10, 2016, City Council work session.
- May 12, 2016, during the regular meeting, Council moved to postpone the vote on the Memorandum of Agreement to a future meeting after staff obtained additional information.
- May 25, 2016, Council authorized the amended the Memorandum of Agreement between the City and Sun'aq Tribe and BIA for Improvements to Shelikof Street.
- June 20, 2017, Council heard discussion from Dave Kaplan to renew the MOA during the Council work session.
- July 13, 2017, Council postponed the motion to authorize the Memorandum of Agreement.

DISCUSSION: City Council has authorized DOWL to develop a plan for the Shelikof Street area including bulkhead parking. Dave Kaplan, Sun'aq Tribal Transportation & Ursin Property Project Manager, is aware of this project and sees the benefit in a collaborative plan as the Tribe recently purchased the old Ursin cannery property for future development.

Dave Kaplan and Randy Boskofsky, Transportation Coordinator, presented to the City Council and public in attendance, the request to continue the MOA and potentially include other properties in the BIA Transportation Program. As the program is explained, the City does not transfer any rights or ownership but rather benefits from any improvements BIA funding might provide the Sun'aq Tribe. With the recent purchase of Ursin Cannery property on Shelikof Street by the Sun'aq Tribe, they too have a vested interest in the area. City Council approval would be required for any Tribal-Council approved projects.

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ALTERNATIVES:

- 1) City Council could authorize the City Manager to bind a three-year agreement with the Sun'aq Tribe of Kodiak to allow Shelikof Street to remain part of their Transportation Program Inventory, and potentially other property could be considered.
- 2) City Council could deny approval of the MOA with the Sun'aq Tribe of Kodiak, foregoing benefits of collaboration to the City.

FINANCIAL IMPLICATIONS: There are no matching funds or other financial obligations required of the City by this MOA. The City has been working on a phased project for the Shelikof Pedestrian Pathway project since 2010 and continues as state cruise ship excise taxes become available.

CITY MANAGER'S COMMENTS: It appears to be a clear benefit to the Community with an opportunity to fund improvements to Shelikof Street. As the City moves ahead with the bulkhead parking project design and other phases of the Shelikof Pedestrian Pathway project, the Sun'aq Tribe suggestions could fold into our master plan for this area of town. This MOA includes the entire distance of Shelikof Street 0.9 miles.

ATTACHMENTS:

- A) MOA Between the Sun'aq Tribe of Kodiak and the City of Kodiak
- B) Tribal Transportation Program Overview

Clerk's Note: the following motion was made and postponed at the July 13, 2017, meeting. It is on the floor for further discussion and vote.

Move to authorize the Memorandum of Agreement between the City and Sun'aq Tribe for Improvements to Shelikof Street, City Record No. 232453, and authorize the City Manager to sign the MOA for the City.



MEMORANDUM OF AGREEMENT

Between



Sun'aq Tribe of Kodiak

312 West Marine Way
Kodiak AK 99615
Phone: (907) 486-4449
Fax: (907) 486-3361

City of Kodiak

710 Mill Bay Road
Kodiak, AK 99615
Phone: (907) 486-8640
Fax: (907) 486-8600

This Memorandum of Agreement is by and between City of Kodiak, current OWNER and RESPONSIBLE AUTHORITY for Maintaining Routes in the City of Kodiak and Sun'aq Tribe of Kodiak. In Kodiak, Alaska, where Sun'aq Tribe of Kodiak Resides; the Tribe does not own the Route or maintain it. Any proposed improvements will be presented to the City for approval prior to implementation. This is a three-year agreement with option for a two-year extension or renewal upon agreement of both parties.

A Separate Maintenance Agreement between the Public Authorities allows the Tribe to work with City to maintain route.

Route#	Section#	Route Name	Length	Route Location
1012	010	Shelikof Street	0.1	E01-850
1012	020	Shelikof Street	0.4	E01-850
1012	030	Shelikof Street	0.4	E01-850
Total Length			0.9 Miles	

If needed, improvements to the OWNER routes are completed under cooperative agreements between the TRIBE and OWNER, and if Tribal Transportation Program (TTP) funds are available, the TRIBE can contribute based on its Long-Range Transportation Plan (LRTP) and Council approval. Moreover, these routes will be open to the public unless the roads meet the definition of 25 C.F.R. Part 170 Regulations: §170.112, §170.116, and §170.443 (d) and Requirement 23 U.S.C. 116 (a) (b).

This agreement is binding upon signatories not as individuals, but solely in their capacity as officials of their respective organizations, and acknowledges proper action of OWNER and TRIBE to infer the same.

SUN' AQ TRIBE OF KODIAK

CITY OF KODIAK

Chief Executive Officer

City Manager

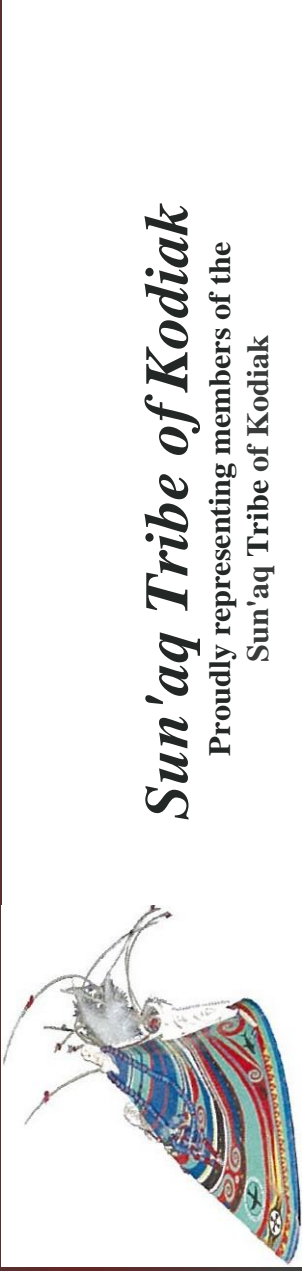
Date: _____

Date: _____

312 W. Marine Way, Kodiak, Alaska 99615 (907) 486-4449

*Fax: (907) 486-3361 * E-mail: ceo@sunaq.org*

Proudly representing the members of the Sun'aq Tribe of Kodiak Island, Alaska



Tribal Transportation Program Overview

What is Tribal Transportation?

Tribal Transportation is the government-to-government relationship between the Department of Transportation and Tribal governments regarding roads, paths, and bridges which impact land use, culture, economic, social, and/or environmental quality of life for the area covered by a proposed plan.

Tribal Transportation includes the design and development of the project plans; the competitive bidding process for the different contracts associated with the plans; the construction of the plans; and the management and maintenance of the project. All of these components are needed for the building, fixing, or maintenance of roads, bridges, bike paths, and trails.

Why do we have Tribal Transportation?

Like any other communities, Tribal communities need adequate roads, paths, and bridges for access to health care, employment, schools and other services. Tribal Transportation programs are a coordinated effort between tribes and transportation providers to meet the needs of often isolated Tribal communities by using the most efficient and cost-effective method.

What is the history of federally-required transportation planning for roads leading to and within reservation boundaries?

On May 22, 1983, the Bureau of Indian Affairs (BIA) and the Federal Highway Administration (FHWA) entered into a Memorandum of Agreement to include planning for Indian reservation roads so that an agency can receive money for these projects.

Allowable Uses of Tribal Transportation Program (TTP) Funds

Tribal Transportation Program (TTP) funds are Federal funds that Tribes and others can spend only on certain allowable activities. Also, the allowable activities are subject to spending limits.

Allowable activities that Tribes can use TTP funds for are broken into two broad categories: (1) planning and design activities, and (2) construction and maintenance activities. A complete list of allowable uses of TTP funds is located in 25 CFR 170 Appendix A to Subpart B, 25 CFR 170 Subpart G, and 25 CFR Part 170 Appendix to Subpart G.

The most common allowable activities for Tribes to spend TTP funds on are:

1. Planning and Design Activities:

- Indirect general and administrative costs include, but are not limited to, computers, software, office furniture, and other equipment needed to administer the TTP. See the section on **Indirect Costs** in Chapter IV - TTP Reporting Responsibilities.
- Transportation-related planning and programming activities (including but not limited to roadway, trails, transit, and safety planning and programming, and planning for tourism and recreational travel).
- Identification and evaluation of accident prone locations.
- Planning and design of Tribal Transportation Facilities.
- Engineering support studies (i.e. geotechnical, hydraulic, etc.)
- Environmental studies, evaluations, and compliance activities.
- Planning and design of mitigation for impacts to environmental resources (i.e. wildlife and their habitat, wetlands, cultural resources, water quality, air quality, etc.).
- Architectural and landscape engineering services including lighting.
- Inspection of bridges and structures.
- Public meetings and public involvement activities.
- Tribal employment rights ordinance (TERO) fees.

The most common allowable activities for Tribes to spend TTP funds on are:

2. Construction and Maintenance activities:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements of TTP facilities (i.e. roads, trails, bridges, structures, pedestrian and bicycle facilities, transit facilities, ferry facilities, rest areas, parking areas, etc.).
- Road sealing and chip sealing.
- Americans with Disabilities Act (ADA) improvements.
- Seasonal transportation routes including, but not limited to, snowmobile trails, ice roads, and overland winter roads.
- Mitigation activities required by Tribal, state, or Federal regulatory agencies, and 42 U.S.C. § 4321 *et seq.*, The National Environmental Policy Act (NEPA) (see 25 CFR Part 170 Appendix A to Subpart B for other environmental related allowable costs).
- Tribal employment rights ordinance (TERO) fees.
- Maintenance of TTP facilities identified in the National Tribal Transportation Facility Inventory (NTTFI) (25 CFR § 170.805). Not more than 25% or \$500,000, whichever is greater, of the TTP funds allocated to a Tribe may be expended for the purpose of maintenance. This funding limit does not apply to road sealing (25 CFR § 170.800(c)). See **Chapter XII - Maintenance of Transportation Facilities**.

Development and negotiation of Tribal-State road maintenance agreements.

- Purchasing, leasing or rental of construction and/or maintenance equipment. Purchasing of construction or maintenance equipment requires submittal of written notification to, and approval by FHWA, with justification and back-up documentation showing that it is more economical to purchase than to lease (25 CFR 170 Appendix A to Subpart B (b)(49), and 2 CFR § 200.318(d)). See **Chapter XI - Construction and Construction Engineering** and **Chapter XII - Maintenance of Transportation Facilities** .

2017 Sun'aq Tribe of Kodiak's Tribal Transportation Program Priority List

Priority #1: Ursin Transit Center

Priority #2: Bulkhead Parking along Shelikof Street (Route 1012)

Priority #3: Improve Street Lighting

Priority #4: Update STK's Inventory- Addition of KIB owned
Roads

Priority #5: Update STK's Inventory- Addition of City owned
Roads

Priority #6: Anton Larsen Bay Road-
Rehabilitation/Reconstruction and Extension

Priority #7: Tustumena Replacement/ Island-Wide Ferry System
or

Water Taxi Services

Priority #8: Update STK's Inventory- Addition of Trails and Bike
Paths

Priority #2

Bulkhead Parking Along Shelikof Street (Route 1012)

Description: In 2009, the City identified the need for pedestrian improvements from Pier II to downtown Kodiak to more safely accommodate pedestrian traffic 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 City is planning for and preparing the permitting and design of the next parking improvement phase of this project, which is to construct 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 dangerously congested due to lack of adequate parking. Vehicles block walkways, equipment operates in the ROW, and access to business is often blocked, forcing pedestrians into the roadway

Available Funding Sources

- Tribal Transportation Program- Tribal Shares
- Tribal Transportation Program Safety Funds
 - Federal Transit Authority
- Economic Development Administration
- Comprehensive Economic Development Strategy
- Other Federal TTP Special Funding Opportunities

References

<https://fh.fhwa.dot.gov/programs/ttp/>

<https://www.bia.gov/WhoWeAre/BIA/OIS/Transportation/>

And

The Tribal Transportation Program Delivery Guide- 2017
(Revised 2/3/2017)

NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Date: August 10, 2017

Agenda Item: V. a. Resolution No. 2017–21, Authorizing Payment of Fiscal Year 2018 Nonprofit Organization Grants

SUMMARY: Each year the City Council authorizes grant payments to local nonprofit organizations. The types and levels of funding are based on the City Council's nonprofit funding policy guidelines adopted by Resolution No. 2017–13. The policy resolution stipulates the total amount available for nonprofit grants in a given fiscal year, which equals the maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. The amount available in the FY2018 budget for nonprofit grants is \$160,700. This policy limits organizations to one funding criteria or program per year and provides up to \$5,000 for Youth and Adult Recreation Programs and up to \$15,000 for Public Safety Support and Emergency Response Support Programs. The policy also grants agencies the ability to apply for a special one-time only grant for special projects when the City has additional funds available. The City received 22 applications for FY2018 from nonprofit organizations that serve Kodiak, up from the 20 applications last fiscal year, for a total amount requested of \$184,500. Council reviewed the applications at the July 11 work session and again at the August 8 work session. Council's support for the applicants is reflected in Resolution No. 2017–21.

PREVIOUS COUNCIL ACTION:

- May 28, 2015, adopted Resolution No. 2015–16, which amended the City Council's policy for the amount and distribution of annual grant funds to local nonprofit organizations, eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year.
- July 22, 2015, reviewed FY2016 nonprofit grant applications and discussed level of support and funding amounts based on the approved FY2016 budgeted amount.
- July 24, 2015, postponed adoption of Resolution No. 2015–21 to August 13 to allow for further review and discussion with some applicant agencies.
- August 11, 2015, reviewed all applications, interviewed some agency representatives, and expressed consensus on funding as reflected in Resolution No. 2015–21.
- July 12, 2016, reviewed and discussed all applications received and expressed consensus reflected in the final version of Resolution No. 2016–23.
- May 11, 2017, adopted Resolution No. 2017–13, which amended the Council's policy for the amount and distribution of annual grant funds to local nonprofit organizations by restricting grant funding to one funding criteria or program per year and raising the amount to up to \$5,000

AUGUST 10, 2017

Agenda Item V. a. Memo Page 1 of 2

for Youth and Adult Recreation Programs and up to \$15,000 for Public Safety Support and Emergency Response Support Programs.

- July 11, 2017, reviewed and discussed all applications received and expressed consensus reflected in draft Resolution No. 2017–21.
- August 8, 2017, further reviewed and finalized Resolution No. 2017–21.

DISCUSSION: In May 2017, staff posted the application material on the City’s web site, and mailed application packets to all nonprofit agencies that received funding and/or requested an application. The grant application deadline was June 23, 2017, and all applications were received by the deadline.

The City received a total of 22 applications from organizations with a total of \$183,208 requested. Council reviewed and discussed the applications at their work sessions on July 11 and August 8. Council came to consensus as to the funding level to be distributed to applicants, and that breakdown and amount by agency is reflected in Resolution No. 2017–21.

ALTERNATIVES:

- 1) Adopt Resolution No. 2017–21 to appropriate FY2018 grant funds to local nonprofits
- 2) Amend, postpone, or do not adopt the resolution

FINANCIAL IMPLICATIONS: This resolution will authorize funding to the successful applicants for FY2018. The total amount is not likely to exceed the budgeted amount of \$160,700 per the Council’s policy of an amount not-to-exceed one percent of budgeted general fund revenues, exclusive of any fund balance appropriations. If funding is supported by Council, one applicant could be funded again this year through the Tourism Fund for \$4,350 and one new in-kind request for \$2,039.15.

STAFF RECOMMENDATION: Staff recommends the Council adopt Resolution No. 2016–23 to authorize funding at the level Council supports.

CITY MANAGER’S COMMENTS: The City Council continues to recognize the value of supporting the efforts of local nonprofits through grant funding, in-kind awards, and other types of support throughout the year. The applications were posted on the web and mailed out to all agencies. All applications were received on time.

ATTACHMENTS:

- Attachment A: Resolution No. 2017–21
- Attachment B: Policy Resolution No. 2017–13

PROPOSED MOTION:

Move to adopt Resolution No. 2017–21.

**CITY OF KODIAK
RESOLUTION NUMBER 2017-21**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING PAYMENT OF FISCAL YEAR 2018 NONPROFIT ORGANIZATION
GRANTS**

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has made provisions in the Fiscal Year 2018 budget for cash contributions to these organizations; and

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

WHEREAS, the funding criteria for cash grants from the General Fund Non-Departmental Contributions Account to nonprofit organizations is based on the criteria established in Resolution No. 2017-13; and

WHEREAS, the City Council reviewed FY2018 nonprofit grant applications at the July 11, 2017, work session and voiced a consensus to provide funding.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, hereby authorizes payment of the following nonprofit organization grants for Fiscal 2018:

Section 1. General Fund-Non-Departmental Cash Contributions (FY2018 Nonprofit Organization Grants):

Youth Recreation Programs 15,730.00

Island Trails Network	3,575.00
Kodiak Football League	3,575.00
Kodiak Girl Scouts	3,575.00
Kodiak Kid Wrestling Club	1,787.50
Kodiak Kingfishers Swim Club, Inc	1,787.50
St. Paul Lutheran Preschool	1,430.00

Adult Recreation Programs 10,725.00

Hope Community Resources, Inc.	3,575.00
Kodiak Arts Council	3,575.00
Special Olympics - Kodiak Area	3,575.00

Public Safety Support Programs (Shelter/Food) 73,000.00

Brother Francis Shelter – Kodiak	15,000.00
Humane Society of Kodiak	6,000.00
Kodiak Teen Court, Inc.	7,000.00
Kodiak Women’s Resource and Crisis Center	15,000.00
Senior Citizens of Kodiak, Inc.	15,000.00
The Salvation Army	15,000.00

Emergency Response Support Programs 61,200.00

American Red Cross of Alaska	6,200.00
Kodiak Area Transit System (KATS)	15,000.00
Kodiak Island Food Bank/Baptist Mission	15,000.00
Kodiak Public Broadcasting Company	10,000.00
Providence Kodiak Is Counseling/Safe Harbor	15,000.00

Total Grant Funding 160,655.00

Section 2. Tourism Development Fund. The Fiscal Year 2018 Tourism Development Fund Budget is amended by appropriating the use of additional funds in the amount of \$4,350 and authorizing payment to the Alutiiq Museum as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
251.260.100.440.100	Contributions	4,350.00
251.001.000.385.100	Appropriation From Tourism Fund Balance	(4,350.00)

Section 3. In-Kind Contribution. A one-time in-kind contribution shall be granted to the Kodiak Maritime Museum in the amount of \$2,039.15 to cover the cost of the building permit fee for the Thelma C Interpretive Exhibit as follows:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
100.001.385.100	Appropriation from General Fund Fund Balance	2,039.15
100.001.320.300	Building Permits	(2,039.15)

Section 4. Reporting Requirements. All grantees shall submit two written reports annually to the City Manager, one not later than January 15 and one not later than July 15 to document expenditure of grant funds. Grantees that fail to comply with grant reporting requirements may be ineligible for future grant funding.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

DRAFT

**CITY OF KODIAK
RESOLUTION NUMBER 2017-13**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2015-16 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

WHEREAS, the City Council recognizes and supports local nonprofit organizations and has historically made funding available to these organizations on an annual basis; and

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, exclusive of any fund balance appropriation; and

WHEREAS, City funds have been provided to nonprofit organizations that supplement and compliment the services provided to residents by the City; and

WHEREAS, it is the intent of the City Council to update this policy statement.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska hereby establishes the following additional funding criteria for nonprofit grants provided by the City:

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Organizations are limited to one funding criteria or program per year.
3. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type as defined:
 - a. Youth Recreation Programs \$5,000

Indoor and outdoor recreational activities typically include games and pursuit of hobbies and activities that one engages in, for entertainment. Typically included in this category are activities like baseball, football, hockey, swimming, basketball, wrestling, cheerleading singing, reading, listening to music, watching movies, dancing, and aerobics.

- a. Adult Recreation Programs \$5,000

Indoor and outdoor recreational activities typically include games and pursuit of hobbies and activities that one engages in, for entertainment. Typically included in this category are activities like baseball, football, hockey, swimming, basketball, wrestling, cheerleading singing, reading, listening to music, watching movies, dancing, and aerobics.

- c. Public Safety Support Programs \$15,000

Programs serving the entire Kodiak area through its emergency shelters and food service programs. Typically included in this category are food banks, soup kitchens, sleeping shelters, crisis centers, senior services and animal shelters.

- d. Emergency Response Support Programs \$15,000

Programs that provide humanitarian relief, disaster relief and education designed to mitigate local disasters. Typically included in this category are emergency temporary shelters, counseling, public awareness and basic humanitarian needs.

4. Subject to available funding, the Council may authorize a special one-time funding increase for a special project.

CITY OF KODIAK



MAYOR

ATTEST:




CITY CLERK

Amended and Adopted: May 11, 2017



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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager 
Date: August 10, 2017

Agenda Item: V. b. Resolution No. 2017–22, Appointing Members to the Kodiak Fisheries Development Association

SUMMARY: The Joint City-Borough appointed seats on the Kodiak Fisheries Development Association (KFDA) held by Linda Freed and Albert Tyler Schmeil have expired. Both Ms. Freed and Mr. Schmeil have agreed to serve additional three-year terms. The Borough Assembly approved these reappointments during the July 20, 2017, regular Assembly meeting. In addition, one City seat representing crab harvesters, which is held by Jeff Stephan, has also expired and Mr. Stephan has agreed to serve another three-year term. Staff recommends Council approve the reappointment of the joint board seats and City seat on the Kodiak Fisheries Development Association by adopting Resolution No. 2017–22.

PREVIOUS COUNCIL ACTION: The City Council makes appointments to the KFDA board by resolution.

- August 22, 2009, adopted Resolution No. 2009–22, appointing Linda Freed to a vacant joint City-Borough seat
- September 24, 2009, adopted Resolution No. 2009–26, appointing Albert Tyler Schmeil to a vacant joint City-Borough seat
- August 26, 2010, adopted Resolution No. 2010–25, reappointing Mike Woodruff to the City’s crab processor seat
- October 28, 2010, adopted Resolution No. 2010–28, reappointing Stosh Anderson to the joint City-Borough seat
- August 25, 2011, adopted Resolution No. 2011–29, reappointing Jeff Stephan to a City seat and Albert Tyler Schmeil to a joint City-Borough seat
- August 9, 2012, adopted Resolution No. 2012–23, reappointing Linda Freed to the joint City-Borough seat
- September 12, 2013, adopted Resolution No. 2013–26, reappointing Stosh Anderson and Mike Woodruff to the KFDA board
- August 28, 2014, adopted Resolution No. 2014–31, reappointing Linda Freed, Albert Tyler Schmeil and Jeff Stephan to the KFDA board

AUGUST 10, 2017
Agenda Item V. b. Memo Page 1 of 2

DISCUSSION: The Kodiak Fisheries Development Association was created jointly by the City of Kodiak and the Kodiak Island Borough in 2007 as the region's eligible crab community entity (ECCE). The KFDA is made up of seven directors who serve staggered three-year terms: two appointed by the City, two appointed by the Borough, and three appointed jointly. The bylaws of the Kodiak Fisheries Development Association provide for appointment of Directors to the Board of the KFDA by the Kodiak City Council and the Kodiak Island Borough Assembly. The bylaws state in part, the Directors shall serve until their successors are appointed and qualified.

Ms. Freed, Mr. Schmeil, and Mr. Stephan submitted through the City Clerk's office a request to be reappointed to the current joint appointee seat.

One City appointed Crab Processors Representative seat remains expired and unfilled.

ALTERNATIVES:

- 1) Adopt Resolution No. 2017-22, which is recommended by staff.
- 2) Delay or not adopt Resolution No. 2017-22, which is not recommended as the seat should be officially reappointed so the group has a quorum as they begin their annual ECCE work.

FINANCIAL IMPLICATIONS: N/A

LEGAL: N/A

CITY MANAGER'S COMMENTS: The terms for these appointments have expired and the Directors are willing to be reappointed. I recommend the City Council adopt this resolution to reappoint Linda Freed, Albert Tyler Schmeil, and Jeff Stephan to three-year terms on the Kodiak Fisheries Development Association.

ATTACHMENTS:

Attachment A: Resolution No. 2017-22

PROPOSED MOTION:

Move to adopt Resolution No. 2017-22.

**CITY OF KODIAK
RESOLUTION NUMBER 2017–22**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPOINTING MEMBERS TO THE KODIAK FISHERIES DEVELOPMENT ASSOCIATION

WHEREAS, the North Pacific Fishery Management Council adopted the Bering Sea/Aleutian Islands Crab Rationalization Program as Amendments 18 and 19 to the Fishery Management Plan for Bering Sea/Aleutian Islands King and Tanner Crabs; and

WHEREAS, under the Program, Kodiak was designated as an eligible crab community (ECC) and in connection with such designation, the City of Kodiak and the Kodiak Island Borough have the authority to jointly exercise certain rights of first refusal (ROFR) with respect to processor quota shares (PQS) allocated under the Program; and

WHEREAS, to exercise the ECC ROFR, the City of Kodiak and the Kodiak Island Borough have jointly designated the Kodiak Fisheries Development Association (KFDA) as the region’s eligible crab community entity (ECCE) having the authority to do so on their behalf; and

WHEREAS, the bylaws of the Kodiak Fisheries Development Association provide for appointment of Directors to the Board of the KFDA by the Kodiak City Council and the Kodiak Island Borough Assembly; and

WHEREAS, the bylaws of the KFDA state, in part, that Directors shall serve until their successors are appointed and qualified; and

WHEREAS, the terms for two joint appointees and one City appointee have expired; and

WHEREAS, Jeff Stephan would like to continue serving on the City Crab Harvester Representative seat; and

WHEREAS, Linda Freed and Albert Tyler Schmeil would like to continuing serving on the joint appointee seats on the KFDA board; and

WHEREAS, the Kodiak Island Borough reappointed Linda Freed and Albert Tyler Schmeil at its July 20, 2017, regular meeting.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following individual is appointed as a Director of the Kodiak Fisheries Development Association, with the noted term:

- City Appointees
- Crab Processor Rep. – Vacant
- Crab Harvester Rep. – Jeff Stephan (7/2020)**

Joint Appointees

Stosh Anderson (7/2019) (joint appointment)

Linda Freed (7/2020) (joint appointment)

Albert Tyler Schmeil (7/2020) (joint appointment)

Borough Appointees

Crab Processor Rep. – Tuck Bonney

Crab Harvester Rep. – Jerry Bongen

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *WT*

Date: August 10, 2017

Agenda Item: V. c. **Authorization of FY2018 Marketing and Tourism Development Agreement With Discover Kodiak**

SUMMARY: Council has authorized agreements with the Kodiak Island Convention and Visitors Bureau, known as Discover Kodiak, to provide marketing and tourism outreach for Kodiak since FY2009. This Council action will approve the agreement for FY2018 in the amount of \$108,000, which was approved in the FY2018 budget.

PREVIOUS COUNCIL ACTION:

- July 22, 2010, Council authorized the FY2011 Destination Marketing and Tourism Development Program Agreement in the amount of \$90,000
- June 23, 2011, Council authorized the FY2012 program agreement in the amount of \$100,000
- June 21, 2012, Council authorized the FY2013 program agreement in the amount of \$90,000
- May 9, 2013, Council authorized the FY2014 program agreement in the amount of \$90,000
- March 25, 2014, Discover Kodiak made a presentation to Council regarding their request for \$100,000 in funding for FY2015
- June 12, 2014, Council approved the FY2015 contract for \$100,000
- May 26, 2015, Discover Kodiak made their FY2016 request for funding at \$108,000
- June 11, 2015, Council approved additional funding in FY2016 budget
- Discover Kodiak's Executive Director attended several Council meetings to provide a report of work accomplished and to request a three year contract based on 65 percent of the previous year's collected bed tax
- May 7, 2016, staff presented the proposed FY2017 budget to Council which reflected the carryover contract amount of \$108,000 for Discover Kodiak
- June 9, 2016, Council approved the FY2017 contract for \$112,000
- Council reviewed the FY2018 budget at the May 6, 2017, work session and adopted budget Ordinance No. 1363 on June 8, 2017. The budget included \$108,000 for Discover Kodiak.

DISCUSSION: The City has participated in a community-based tourism development program managed by Discover Kodiak, formerly known as the Kodiak Island Convention and Visitors Bureau, for many years. Funding support from the City of Kodiak and the Kodiak Island Borough has been used to establish a marketing and tourism development program that benefits the City of Kodiak and the Kodiak region.

The City and the Borough agree that economic development and diversification are important aspects of a sustainable economy for Kodiak. Tourism is an important aspect of that diversification, and Discover Kodiak has worked to expand and promote tourism in the region. They have been successful in promoting Kodiak to vacationers and other visitors.

ALTERNATIVES: Council may authorize the FY2018 agreement with Discover Kodiak for \$108,000 as presented in the FY2018 budget, may decide not to authorize the agreement, or decide to amend the agreement. Staff recommends Council authorize the agreement as presented

FINANCIAL IMPLICATIONS: The FY2018 budget allocates \$108,000 for this contracted service in the Tourism Development Fund.

Per KCC Chapter 3.08.25, the tourism fund shall be spent based on the following: 70 percent or less to a Council approved tourism program; 20 percent or more for tourism enhancement projects (development of which shall be solely at the Council's discretion); and 10 percent for administration of the bed tax funds. The City allocates all sales tax revenues, including bed tax revenues, based on the upcoming year's budgeted revenues.

Other allocations from the FY2018 budget Tourism Development Fund include \$7,000 to the Chamber of Commerce for the annual litter patrol program. In addition, \$4,350 is included in Resolution No. 2017-21 to fund the nonprofit grant request from the Alutiiq Museum. All other expenses for the Tourism Fund are for beautification costs and administrative costs.

STAFF RECOMMENDATION: Staff recommends Council approve the FY2018 Marketing and Tourism Development Agreement with Discover Kodiak in the amount of \$108,000, with funds coming from the Tourism Development Fund.

CITY MANAGER'S COMMENTS: The City realizes that economic development and diversification are keys to a sustainable economy for Kodiak. Council has identified economic development as one of its budget goals for several years now. With financial support from the Borough and the City, Discover Kodiak works to promote Kodiak as a visitor destination. This group is successful and works effectively to draw visitor business to Kodiak. Therefore, I recommend Council approve the FY2018 agreement in the amount of \$108,000.

ATTACHMENTS:

- Attachment A: Marketing and Tourism Development Agreement, 2018
- Attachment B: Discover Kodiak's Letter of Request

PROPOSED MOTION:

Move to authorize the FY2018 Marketing and Tourism Development Agreement No. 232659 with Discover Kodiak in the amount of \$108,000, with funds coming from the Special Revenue Funds, Tourism Development Fund and authorize the City Manager to sign the agreement on behalf of the City.

AUGUST 10, 2017
Agenda Item V. c. Memo Page 3 of 3

**MARKETING AND
TOURISM DEVELOPMENT PROGRAM
AGREEMENT NO. 232659**

THIS AGREEMENT is entered into by and between the City of Kodiak, Alaska, (City) and Discover Kodiak (CVB) for the purpose of setting forth the terms and conditions pursuant to which the CVB will be contracted to provide destination marketing and tourism development activities for the City of Kodiak.

Section 1. INTENT OF AGREEMENT. The CVB is hereby contracted to provide a Board of Directors, which will serve as a policy making body for the CVB and will employ a minimum of one full time equivalent employee (FTE) to focus on destination marketing and tourism development for the City of Kodiak.

Section 2. SCOPE OF WORK. The CVB's executive director (ED) will be hired by and work at the direction of the Board of Directors and the (ED) will hire and manage necessary staff to carry out the following tasks:

- a. Produce marketing materials, including the Discover Kodiak Visitor Guide.
- b. Provide information about the City of Kodiak to the traveling public.
- c. Maintain and staff the Kodiak Visitor Center.
- d. Keep the City Council and community at large informed about the results of the CVB's marketing efforts and the state of the local tourism industry.
- e. Work with the Alaska Travel Industry Association (ATIA) and other statewide tourism marketing organizations to ensure that the City of Kodiak is represented in their ongoing national and international marketing programs.
- f. Continue development of the www.kodiak.org website to improve its usability and visibility to visitors, potential businesses, and residents.
- g. Work with the City of Kodiak to determine the role tourism does and can play in the community's economy.
- h. Participate in the Comprehensive Economic Development Strategy committee to foster an understanding of the tourism industry and opportunities and challenges facing the industry.
- i. Work with the Kodiak Chamber of Commerce to transform the visitor industry into a significant component of the City of Kodiak's economy.
- j. Work with the Kodiak Chamber of Commerce, the Kodiak Island Borough School District, Kodiak College, Kodiak Native organizations, and others to encourage entrepreneurship and assist small business development in the tourism industry.
- k. Explore new employment and business opportunities related to the Kodiak tourism industry.
- l. Develop a travel press kit, to be available on the kodiak.org website, with a broader distribution plan for the kit to a variety of travel media.
- m. Work with the airline industry and the Alaska Marine Highway System to maintain and improve access for visitors to Kodiak.
- n. Attend travel trade show to promote Kodiak to travel agents and consumers.
- o. Expand advertising and marketing specific to the Kodiak Convention Center.

A minimum of four DISCOVER KODIAK Board of Directors meetings will be held during the term of this Agreement for the purpose of maintaining Board input and guiding the efforts of the CVB. A report of all marketing activities of the CVB will be submitted to the City Manager quarterly and a report will be submitted/presented to the Kodiak City Council annually.

Section 3. TERM. This agreement will remain in effect through June 30, 2018, unless earlier terminated. Either party shall have the right to terminate the agreement without penalty upon one month's written notice to the other.

Section 4. COMPENSATION. As compensation for all services rendered under this agreement, contractor shall be paid \$108,000 by the City of Kodiak. Said compensation shall be paid in equal installments of \$27,000 on the second Friday of July and October 2017, and January and April 2018.

IN WITNESS WHEREOF the parties have executed this Agreement on this ____ day of _____, 2017.

CITY OF KODIAK

DISCOVER KODIAK

Mike Tvenge, City Manager

Aimee Williams, Discover Kodiak Director

Attest:

Debra Marlar, City Clerk

City of Kodiak



Board of Directors

- Darlene Turner, President (A Smiling Bear B & B)
- Jesse Glamann, Vice-President (Big Ray's)
- Megan Ivanoff, Secretary (Aleutian Belle Tans)
- Trevor Brown, Treasurer (Kodiak Chamber of Commerce)
- Stacy Simmons, Koniag Inc.
- Meghan Kelley, Kodiak Brown Bear Center
- Erik Howard, Island Air
- Rachel Whiddon, Kodiak Fish Market
- Scott Hosier, Walmart

Full- Time Staff:

- Chastity McCarthy, Executive Director
- Denise Sproat, Membership Services
- Katie Peterson, Visitor Services

Historical Overview: The Kodiak Island Convention & Visitors Bureau was incorporated as a 501 (c) 6 in 1985. The City of Kodiak allocated bed tax the same year. (COK Code 3.08.025) In 1996 the Kodiak Island Borough passed an ordinance introducing a bed tax to be used solely for the purpose of tourism development, enhancement and beautification.(KIB Code 3.55.010)

Being as 501 C 6 organization means that we are not eligible for the typical grants and charitable giving programs. We are not tax deductible and most organizations or companies will not provide grants for that reason. We are not eligible for the same outside funding sources as many of the other local Kodiak non-profits. For this reason, Discover Kodiak works to create revenue opportunities that bring in over \$175,000 each year. Typical messages we see are:

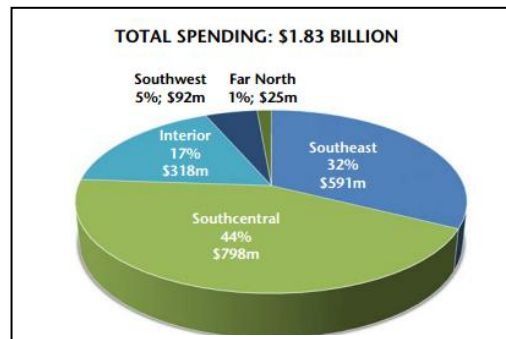
In order to be eligible for the program, each Alaska 501c(3) organization must certify that it meets certain requirements established in the law. The law states:

Purpose: The purpose of the Kodiak Island Convention & Visitors Bureau, dba Discover Kodiak, shall be to promote sustainable development of the tourism and convention industry throughout the Kodiak Island Borough and City, thereby increasing economic opportunities, jobs and local tax revenues. Discover Kodiak encourages travel by the public to and through Kodiak, while maintaining a continuing interest in the well-being of travelers to the City.

City Numbers in Relation to Tourism:



- Employment: 8%
- Tourism Fund Revenues: \$127,148 (FY16)
- Fishing/Tagging License: \$66,151
- & a portion of sales tax.



Accomplishments in FY 2017

- Incorporation of new revenue earning website features
- Production and Distribution of the 2017 Visitors Guide & Mini-International Guide
- Production of the new trails & activity map used by many locals and visitors
- Featured presenters at the 2016 Fairbanks Outdoors Show & Great Alaskan Sportsman Show.
- Awarded the Destination Marketing International Association Accreditation.
- Opened a second visitor center at the airport during summer months. Greeted over 600 guests during 3 months.
- Over 355,000 visits to www.kodiak.org for FY16.
- Social Media
 - Facebook: 28,045 likes and several give-a-way promotions
 - Twitter: 1286 followers
 - Instagram: 247 followers
 - Pinterest and You Tube: 212 followers
- Sold out fundraiser eight years; meet or exceed fundraising expectations.
- Hosted a Make-A-Wish trip for a 17 year old boy named Logan.
- Hosted the Adventure Travel Trade Association Pre-Summit adventures, which has resulted in media stories with Backpacker magazine, a TV show airing over seas and new group tours for summer 17' (REI Adventures and Reefs to Rockies).
- Hosted the 4-day Rural Tourism Forum to build a strategic plan for marketing the rural communities of the island.
- Secured the Kodiak King Salmon Derby as a Discover Kodiak event and revenue generator.
- Completed market research at independent travel shows to gain consumer leads and visitor statistics.
- Increased retail store revenues as a result of new product development.
- Membership drives resulted in 22 new members within FY16.
- Director attended the Alaska Travel Industry Convention in Anchorage.
- Hosted and served 21,122 passengers traveling on 14 cruise ships.
- Successful in increasing the number of cruise ships to Kodiak to 20 for 2017.
- Served 20,665 visitors to the visitor information center
- Partnered with KMXT & other nonprofits to promote events, the non profit fair, and public service announcements.
- Partnered with both the Alutiiq and Baranov Museums to do community outreach and cruise ship activities.
- Director elected to serve on the State of Alaska Marketing Committee
- Director serves on LEPC Board for the Borough and City.
- Director serves as tourism representative on Chamber of Commerce Board of Directors.
- Director serves as tourism representative on CEDS committee.
- Director serves on the Kodiak College Advisory Council.
- Director serves on the Kodiak State Parks Advisory Board.

Magazine advertising appeared in the following magazines in 2016-2017

Fish Alaska Magazine
AAA Midwest Traveler
AAA Home and Away
Alaska Magazine

Outside Magazine
Northwest Travel & Life Magazine
Smart Meetings
Sunset Magazine

Vacation Country Travel Guide
 Where Magazine
 Alaska State Travel Planner

National Geographic
 Life After 50

Kodiak Visitor Guide Placement FY 2016-2017

- Seattle Boat Show (consumer) Seattle, WA Jan 2016
- New York Times Travel Show Jan 2016
- International Tourism Exchange (ITB) Berlin March 2016
- National Tour Association March 2016
- Sunset Celebration Weekend (California) May 2016
- AARP Ideas at 50 Plus Show Sept. 2016
- IMEX America (Business Travel) Oct. 2016
- Pacific Marine Expo (commercial fish) Seattle, WA Nov 2016

KICVB Shows Attended by Staff or Board

- Adventures in Travel Expo (Chicago, Illinois) Jan 2016
- Los Angeles Times Travel Show (LA, California) Feb. 2016
- Great Alaska Sportsman’s Show, Anchorage (consumer) March 2016
- Fairbanks Outdoor Show (consumer) April 2016
- Adventure Travel Trade Association Summit Sept. 2016
- Alaska Travel Industry Convention Oct. 2016

Proposed Budget Breakdown	FY18	FY17
Public Funding	\$207,000	\$207,000
Earned Revenues	\$149,500	\$144,800
TOTAL:	\$356,500	\$351,800
Program Expenses	\$156,850	\$155,750
Operating Expenses	\$199,650	\$196,050
TOTAL:	\$356,500	\$351,800

Additional funding would support known arbitrary increases in operating/miscellaneous expenses:

Meeting increased costs of operating expenses and fulfillment \$3,600
Postage, Printing, Staff Hourly Pay, Additional Rent Fees

TOTAL nondiscretionary increases: \$3,600

Simple View CRM Management System

Discover Kodiak Board of Directors and staff have long awaited a program that allowed us to efficiently manage all leads, meeting/conventions, membership and data. Simpleview is a system that combines meeting sales, industry partner management, consumer marketing, forecasting, business analysis, reporting, and more. Simpleview CRM is the most widely used tool in destination marketing, including Alaska. The reason we have not switched over to a system like this is cost. We currently use Access Database for all of our measurements. Unfortunately, Access Database is no longer providing updates. The benefits:

- By consolidating data and tools that are split up in a dozen different places, it gives you one solid foundation for everyone to work from.
- Upgrades are always free, so there's no need to budget for the latest and greatest.
- Consolidates current features we pay for monthly: website enhancements, newsletter programs, social media management programs, QuickBooks.
- Meeting Sales: Oversee service requests and prioritize leads— then track your progress.
- Leisure Travel: Capture travelers' information and target your marketing efforts.
- Members & Partners: Give direct access to reporting tools and show members your value.
- Media: Organize your contacts, distribute announcements and report your wins.

Program TOTAL: **\$12,000**

Alaska Tourism Industry Association Convention Support

Each year ATIA hosts its annual convention. This is an event where the leading industry organization promoting Alaska as a top visitor destination brings together the Alaska visitor industry as a whole. At this event, the industry spends 4 days advocating for the growth of tourism, while remaining attentive to care for the environment, recognition of cultures and Alaska's unique quality of life. This convention brings many people to our island that will have a chance to explore, visit local areas and museums, spend money, and have fun. Many of the people who attend this convention have a large role in bringing tourism to Kodiak; whether that's group travel hosts like All Alaska Tours, or the CEO of Alaska Airlines & Holland America. The governor and many state economic development employees are usually also in attendance. We are hosting this convention to bring them here to advocate for Kodiak Island—cheap fares, continuance of cruise ships, and a larger portion of the marketing share from the State. This event will allow nonprofits and local businesses to highlight their products and make revenue as well. There are typically between 400-500 attendees.

Program TOTAL: **\$10,000**

Total nondiscretionary expense increase:	\$3,600
Total program expense increase:	\$22,000

TOTAL Request for FY2018 Budget: \$112,000