

City of Kodiak Regular Council Meeting Agenda for October 12, 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 September 28, 2017, Regular Council Meeting1

- III. Persons to Be Heard**
 - a. Proclamation: Filipino American History Month.....10
 - b. Northern Edge 2017 Presentation by Alexander Stone, US Navy.....12
 - c. Public Comments (limited to 3 minutes) (486-3231)

- IV. Unfinished Business**
 - a. Acceptance of Recommendations From the City Marijuana Advisory Special Committee (postponed at the November 10, 2016, meeting).....30
 - b. Second Reading and Public Hearing, Ordinance No. 1369, Repealing Kodiak City Code 3.08.160, “Administrative Costs and Reimbursements,” to Eliminate the 2% Deduction for Timely Filing of Sales Tax Returns and Remittance of Collected Sales Tax.....36

- V. New Business**
 - a. Authorization of FY2018 Special Services Contract with Alaska Department of Public Safety.....40

- 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, SEPTEMBER 28, 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, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Charles E. Davidson was absent. City Manager Mike Tvenge, City Clerk Debra Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

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

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the September 14, 2017, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Public Comments

Renee Darrenkamp voiced support of Ordinance Nos. 1368 and 1369. She does not support raising the tax cap; she believes it will burden the businesses and the fishing industry. She provided estimates of the financial increases of a raised tax cap for a fishing vessel owner for fuel and bait costs, if the tax cap is increased. She commented that she does not support senior exemption changes.

Marion Owen, via telephone, said the seven percent sales tax levied on food is one of the highest in the nation. She said taxing food causes food insecurity. She supports removing sales tax on food and removing the sales tax cap all together with a three-to-four percent sales tax on other goods or services.

Daniel Miller, via telephone, said he was in the fishing industry for 40 years and participated on the Ports & Harbor Advisory Board. He commented that tour ships are not paying a sufficient fuel tax and he supports omitting the sales tax cap on fuel. He commented that senior citizens live on a fixed income and he supports continuing the exemptions they receive.

Tosha Simpler spoke about crossing the streets safely in Kodiak. She referred to the Washington State pedestrian crossing process, which includes flags. She said Kodiak deserves safe crossing, and she suggested implementing the same Washington pedestrian crossing program.

Kathy Simpler thanked the Mayor and Council for the Girl Scout nonprofit award. She gave an overview of their recent camp experience stating it helps Girl Scouts build character and confidence.

Ellen Simeonoff, General Manager of Kodiak Broadcasting, via telephone, said she agrees with many of Ms. Owen's comments. She suggested lowering the tax and omitting the tax on groceries, and that fishing exemptions be cost based. She said researching annexing outside the City limits is worthwhile. She feels every avenue should be explored for raising revenues. She suggested that citizens urge legislators to work on a state tax for online purchases.

Judi Kidder voiced opposition to an increase in sales tax; she commented that a home rule city is not able to levy a tax without a vote of the people. She stated she supports raising the sales tax cap.

Alex Turner said she is opposed to Ordinance No. 1367. She said if the ordinance is adopted it will be devastating to the local businesses, will drive people to shop elsewhere for products, and ultimately will decrease sales revenue for everyone in the town. She does not support program cuts to Parks and Recreation services. She suggested waiting to vote on the ordinance and to let the community make further creative suggestions. She thinks consolidating the City and the Borough may be an option to increase revenue.

Alexus Kwatcha shared his concern regarding the disrespectful and law breaking vagrants in the downtown area. He wants a solution, and he commented that relying on SB91 was not the only viable solution. He said he supports the plastic bag ban ordinance. He said there is fish oil in the harbor and there is a rat problem in the downtown area. He suggests charging higher rates for City land leases, such as the Matson lease, to increase revenue. He suggested a community hall event to discuss issues.

Bert Ashley, owner of F/V the Goldrush, he said his biggest expense is fuel. He said raising the sales tax cap would be burdensome to his operation. He said when he goes to Dutch Harbor it is cheaper, which is not where he wants to be. He understands a raise but urges the Council not increase the sales tax cap too high.

Chris Lynch said she owns several businesses downtown and read in the local newspaper that the sales tax revenue is down. She encouraged more support for business owners in the downtown area and expressed her concern regarding vagrants harassing her customers. She said she supports economic development and encourages ways for business owners to be competitive to help increase Kodiak revenue. She supports a community hall to get citizens involved, and she supports the repeal of SB91.

Tyler Randolph said he was born and raised in Kodiak and has several businesses. He said the sales tax issue affects the quality of life on Kodiak. He said he hopes the prominent business owners in the audience send a message to the Council. He said he supports consolidation and recommends dealing with the bum issue in the downtown area.

Debbie Refior said she has been in Kodiak 37 years. She spoke about the history of the car dealerships decline and hopes she does not have to close her business doors due to an economic downturn.

Paddy O'Donnell handed out a copy of Ordinance No. 1171. He supports a \$1500 tax cap over time and one percent across the board sales tax. He shared his concern regarding the recent tax increase and other increased costs including: phones surcharge increase, the harbor rates, the fishing tax, the state a fuel tax, a payroll tax, and the mill rate increase. He said this is a difficult time and commented that fishing vessels are going to the Aleutians.

Kevin Arndt said he supports the Ordinance No. 1368 regarding rentals. He supports not taxing food, he stated he recently purchased a restaurant and has become directly aware of the impact of sales taxes. He said he supports a tax cap to \$1000 and seven to an eight percent sales tax. He suggests a community forum to further discuss sales tax options.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1365, Amending Kodiak Municipal Code Title 7 Entitled "Health and Sanitation" to Adopt Chapter 7.40 Entitled "Marijuana Regulation," and Designating the Kodiak City Council as the City's Local Regulatory Authority on Marijuana

Mayor Branson read Ordinance No. 1365 by title. Alaska voters approved Ballot Measure 2 on November 4, 2014, which provided for general legalization of marijuana. Ordinance No. 1365 will designate the Kodiak City Council as the City's local regulatory authority on marijuana. Alaska Statute provides for the transfer of a portion of license application fees to the "local regulatory authority," and this ordinance will ensure collection of any available fees.

Councilmember Bishop MOVED to adopt Ordinance No. 1365.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

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

b. Second Reading and Public Hearing, Ordinance No. 1366, Amending Kodiak Municipal Code Title 8 Entitled "Public Peace, Safety, And Morals" to Adopt Kodiak City Code 8.40, "Prohibited Acts Regarding Marijuana," to Prohibit the Extraction of Tetrahydrocannabinol ("Thc") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted By Law

Mayor Branson read Ordinance No. 1366 by title. Alaska voters approved Ballot Measure 2 on November 4, 2014, which provided for general legalization of marijuana. Ordinance No. 1366 will prohibit the manufacture of marijuana products by use of solvents containing compressed flammable gases or solvent-based extraction methods. This will help protect the public health and safety against known and unreasonable risks of certain manufacturing processes of a legalized marijuana industry.

Councilmember Arboleda MOVED to adopt Ordinance No. 1366.

Mayor Branson closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

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

V. NEW BUSINESS

a. **First Reading, Ordinance No. 1367, Amending Kodiak City Code 3.08.120, “Maximum Taxable Sale,” to Increase the Maximum Amount of a Sale Service or Rental That is Subject to City Sales Tax to \$3,000**

Mayor Branson read Ordinance No. 1367 by title. Since May 2016, City staff has provided updates regarding the City’s fiscal outlook. The State of Alaska provides funding to the City of Kodiak through various sources – capital grants, shared revenues, PERS on-behalf payments, and other miscellaneous sources. Due to economic conditions within the State, the State of Alaska budget has been experiencing a shortfall over the past three fiscal years. This shortfall at the state level has impacted funding provided to the City of Kodiak. The City revenues are generated through sales tax, property tax, city charges for services, and intergovernmental revenues. Due to continual decreases in city intergovernmental revenues, City staff has presented data to the City Council and Mayor throughout eighteen work sessions to consider the implications to the City. These discussions culminated into the direction from Council to move forward with three ordinances:

- Increase minimum taxable sale from \$750 to \$3,000
- Hold the maximum taxable sale on real property commercial and real property residential rentals to \$750
- Eliminate the 2% discount allowed to early sales tax filers

Financial implications for increasing the sales tax minimum taxable sale from \$750 to \$3,000, maintaining a \$750 maximum sale amount for real property residential and commercial rentals, and eliminating the 2% discount offered for timely filing of sales tax returns are projected to increase City revenues by approximately \$5.8 million within the first full year of implementation.

Councilmember Whiddon MOVED to pass Ordinance No. 1367 in the first reading and advance to second reading and public hearing at the next special or regular meeting.

Councilmember Whiddon said he appreciates the citizen’s comments. He said the Council does not take this lightly. He commented that he believes online sales have made it difficult for local businesses to generate revenue. He said discussion regarding taxes has occurred for two years. He said services that the City provides are costly and State funding is decreasing. He said the buying trends are changing nationally. He commented on the high level of services the City provides, including the water supply. He said it is important to ask what we want the community to look like in three-five years when prioritizing and budget planning.

Councilmember Whiddon MOVED to postpone Ordinance No. 1367.

Councilmember Walker said he supports the community forum. He said he wants everyone to be involved in the process.

Councilmember Saravia said he wants to have a date to bring the ordinance back to the Council. He shared he had suggested to bring the ordinance forward for community input and it had been successful.

Councilmember Whiddon MOVED to amend his primary amendment to postpone until a community forum is scheduled within 30 days.

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

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

b. First Reading, Ordinance No. 1368, Amending Kodiak City Code 3.08.040, “General Exemptions” and Kodiak City Code 3.08.120, “Maximum Taxable Sale,” To Exempt Real Property Rentals Exceeding One Month and \$750.00 From City of Kodiak Sales Tax

Mayor Branson read Ordinance No. 1368 by title. Ordinance No. 1368 does not change the current tax structure for residential or commercial rental property. The ordinance is meant to protect rental property from escalating sales taxes with the intent to continue the City Council’s vision of maintaining affordable housing in our community. The sales tax cap for property rentals is set at \$750.

Councilmember Bishop MOVED to pass Ordinance No. 1368 in the first reading and advance to second reading and public hearing at the next special or regular meeting.

Councilmember Whiddon MOVED to postpone Ordinance No. 1368 until a community forum is scheduled within 30 days.

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

c. First Reading, Ordinance No. 1369, Repealing Kodiak City Code 3.08.160, “Administrative Costs and Reimbursements,” to Eliminate the 2% Deduction for Timely Filing of Sales Tax Returns and Remittance of Collected Sales Tax

Mayor Branson read Ordinance No. 1369 by title. Currently businesses within the City that collect and remit sales tax file returns quarterly. Included in this reporting is the option of retaining 2% of the tax collected to offset administrative costs; however not all businesses retain the 2% option. For those businesses that do retain the 2% option, the result is approximately \$200,000 in uncollected sales tax. This ordinance is scheduled to become effective January 1, 2018.

Councilmember Walker MOVED to pass Ordinance No. 1369 in the first reading and advance to second reading and public hearing at the next special or regular meeting.

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

d. Authorization of Professional Services Contract for Legal Services With Boyd, Chandler & Falconer, LLP

On January 14, 2017, during the planning work session the Council determined they would proceed with a Request for Proposal (RFP) for legal services in preparation of their legal services contract ending on June 30, 2017. In March 2017, a Request for Proposal for General Counsel Legal Services was released by the City Manager's office. On April 11, 2017, Council discussed their preferred attorney selection process at a work session and determined membership of the Legal Counsel Review Committee. The closure period of the RFP was on May 2, 2017, and the City received proposals from seven law firms. In August, the Mayor, two City Councilmembers, the City Manager, and the City Clerk interviewed representatives of four firms under consideration as the City's primary legal counsel. The firm of Boyd, Chandler & Falconer, LLP is the recommendation for legal services by the Legal Counsel Review Committee.

Councilmember Arboleda MOVED to authorize the contract dated September 28, 2017, with Boyd, Chandler & Falconer, LLP for professional legal services.

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

VI. STAFF REPORTS

a. City Manager

Manager Tvenge reported that the ice rink is closed while the ice is being prepared for the season and the NHL alumni hockey clinic and tournament clinics will be held October 13-15. He said this week the environmental agency requested municipalities submit for project funding and the City submitted projects, which included the water and sewer project, Aleutian home project VI, Lift stations three and four, and the Monashka Pumphouse.

b. City Clerk

Clerk Marlar encouraged the citizens to vote at the Municipal Election, on October 3, 2017. She shared with the public the City precincts are located at the Teen Center and Harbor buildings. She informed the public of the next scheduled work session and regular meeting.

VII. MAYOR'S COMMENTS

Mayor Branson said the budget has been discussed over the last 18 work sessions; she said the review has included discussions on revenues, exemptions, and budget cuts. She said the City is about infrastructure. She commented that water and sewer lines need to be replaced in front of businesses in the downtown area. She spoke about lobbying to get State funds needed for munic-

ipalities to balance their budgets. She said the funding for the Tustemena is in place. She said there are 75 waivers for the replacement of the ferry being worked on, and the timeframe will be four to five years until the ferry is replaced. She reminded people to vote at the October 3 municipal election. She said she looks forward to the community forum. She suggested two Councilmembers help the Manager and Clerk to set up the forum; Councilmembers Whiddon and Bishop volunteered. She said she will attend the Board of Fish meetings on Oct. 18. She thanked the public for their comments.

VIII. COUNCIL COMMENTS

Councilmember Walker thanked the public for attending the meeting. He said he looks forward to the forum, and he encouraged people to get information from the Clerk's Office if needed. He said downtown issues are a priority.

Councilmember Arboleda thanked everyone for their support on the Council. She encouraged people to vote on Election Day. She said she supports Tosha's pedestrian crossing ideas.

Councilmember Whiddon said the dais has a strong leadership team. He commented on the diligent staff that works for the City and praised the budget award to the Finance Department. He is encouraged by the public participation. He said the ordinances that were postponed were not scheduled to move forward until January 2018. He said the Fisheries Work Group helped facilitate a letter to the Board of Fish, which was sent by both governing bodies.

Councilmember Saravia thanked the community for its input. He thanked Mayor Branson for her strong leadership.

Councilmember Bishop thanked the public for their comments. He said the Council works for the citizens and the more ideas the better. He thanked staff and commented on the scenarios the Finance Department has prepared for review over the last 18 months. He encouraged people to vote on Election Day.

IX. AUDIENCE COMMENTS

Judi Kidder thanked the City staff for their work. She said she wished more people would get involved. She suggested radar guns for speeders on Baranof Street. She shared concern about the brush overgrowth that causes street accidents. She spoke about fines and charging more for ice time and putting the responsibility on the user groups to collect. She said there are many ways to reduce the costs.

Alex Turner asked about Parks and Recreation and Library services and stated if the services were open longer, they may generate funds. She suggested more than one tax-free day annually. She shared that many local businesses price match.

Tyler Randolph said the ordinances got their attention as business owners. He said the method of outreach is not effective from the City on meeting topics. He said the community forum is a good idea. He thanked the Council. He asked for information presented at previous meetings regarding sales tax.

Mary Forbes, via telephone, thanked the Council. She said knows what is going on with Council meeting topics because she listens to public radio and reads the Kodiak Daily Mirror.

X. EXECUTIVE SESSION

a. Discuss City Litigation

Councilmember Arboleda MOVED to enter into executive session pursuant to AS 44.62.310(c) (1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City.

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

The Council entered into executive session at 9:13 p.m.

Mayor Branson reconvened the meeting at 9:43 p.m.

XI. ADJOURNMENT

Councilmember Whiddon MOVED to adjourn the meeting.

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

The meeting adjourned at 9:43 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: October 12, 2017

Agenda Item: III. a. Proclamation: Filipino American National History Month

SUMMARY: This proclamation urges all citizens to celebrate the rich history and contributions of Filipino Americans in Kodiak.

ATTACHMENTS:

Attachment A: Proclamation: Declaring Filipino American National History Month

PROCLAMATION

Declaring Filipino American National History Month

WHEREAS, Filipino presence in the United States has been documented back to 1587; and

WHEREAS, the Filipino American National Historical Society continues to promote the study of Filipino American history and culture; and

WHEREAS, Filipino Americans play an important role in the history of Kodiak; and

WHEREAS, positive role models are important in teaching Filipino American youth the importance of cultural education, ethnicity, and the values of their legacy; and

WHEREAS, Kodiak is fortunate to count among its population citizens of Filipino descent who contribute to Kodiak's economy and society through their commitment to their professions, commerce, family, and the arts.

NOW THEREFORE I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim October 2017, as:

Filipino American National History Month

in Kodiak and urge all citizens to celebrate the rich history and contributions of Filipino Americans in Kodiak.


Dated this 12th day of October 2017.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager 

Date: October 12, 2017

Agenda Item: III. b. Northern Edge 2017 Presentation by Alexander Stone, US Navy

SUMMARY: Northern Edge is a U.S. Pacific Command exercise, hosted by the Alaskan Command. The exercise is designed to sharpen combat skills, improve command, control and communication relationships, and mature interoperable plans and programs. Alexander Stone, US Navy has been scheduled to present some of the following highlights regarding Northern Edge 17, which include: NE17 Timeline and Economic Impact; Navy Maritime Goals and Activities Conducted; Environmental Planning; Protective Mitigation Measures; Usage; and Lack of Impacts to Marine Species.

PREVIOUS COUNCIL ACTION:

- December 6, 2016, Council had a discussion of the military exercises in Alaska and upcoming Northern Edge Exercise with a representative from the Alaskan Command.
- April 27, 2017, Council adopted Resolution No. 2017-12, which requested the Navy and Alaska Command to consider the location and timing of the U.S. Navy's Northern Edge 2019. The resolution requested that training activities in the Gulf of Alaska be scheduled after the month of September, when marine mammal, fish and migratory bird abundances are lower and utilize a training location to avoid the northwestern area of the Temporary Marine Activities Area.

ATTACHMENTS:

Attachment A: Northern Edge 17 Presentation



NORTHERN EDGE 2017

Alaskan Command
and
U.S. Pacific Fleet

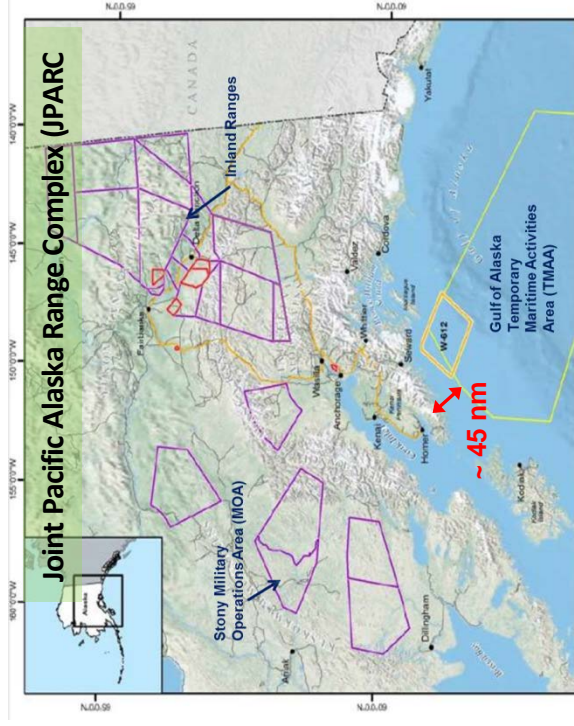
October, 2017





NORTHERN EDGE 17

- **U.S. Pacific Command (USPACOM) - sponsored exercise planned and run by Alaskan Command (ALCOM)**
- **Objectives developed in conjunction with and support of USPACOM and Service Components (Air Force, Army, Navy, Marine Corps), and with USCG support**
- **Replicates most challenging scenarios in USPACOM theater**
 - **Navy, Marine Corps, and Air Force practiced and refined challenging joint interoperability tactics, techniques, and procedures**
 - **Alaskan-sized spaces and range infrastructure facilitated realistic, robust scenarios including vast distances modern military forces face**
 - **Over 1,700 sorties (Take Offs) & 4,000+ flight hours during NE17**





NE17 Timeline and Economic Impact



NE17 AK-Wide Economic Impact Estimate

- Visiting personnel spending – \$12,400,000
- Contracts – \$7,900,000
- Base Support Wages – \$7,700,000

**Total - estimated over
\$28,000,000**

Dates & Participants

- Dates: 1-12 May 2017
- DoD:
 - 6,000+ personnel
 - > 160 aircraft
 - 2 Navy destroyers + 1 supply ship
- Non DoD:
 - USCG vessel, 5 civilian fishing boats
- Virtual participants from multiple US locations
- 26 test & experimentation initiatives
- Navy ship port visits to Homer & Juneau



Homer



Juneau



NE17 Navy Maritime Goals and Activities Conducted

Navy activities occurred in the TMAA from 1-12 May 2017

- **Ships**
 - 2 Navy surface combatant ships (Destroyers)
 - 1 support/replenishment ship (fuel/food)
 - 1 Coast Guard vessel
 - ~5 Contracted Alaskan fishing vessels
(to simulate opposition forces)
- **Training objectives and activities**
 - Coordination and integration with joint forces
 - Practice anti-submarine exercises with ships
(i.e., tracking simulated submarine)
 - Practice in Visit, Board, Search, and Seizure
(VBSS) techniques
 - Aircraft combat maneuvering between land
and maritime areas
 - Small arms gunnery



USS Hopper (DDG 70)



USS O'Kane (DDG 77)



USNS Guadalupe (T-AE 200)



VBSS team approaching
"opposition vessel"



Small arms qualification
aboard Navy ship



Environmental Planning

Supplemental EIS analyzes maximum levels of activity
Actual activity for NE17 considerably less (e.g. 12 days, no explosives used)

- July 2016: Released Final SEIS/SOEIS (Supplement to 2011 EIS)
- April 2017: Navy issued Record of Decision (ROD) & NMFS issued final MMPA Permit and ESA Biological Opinion for TMAA activities from 2017-2022
 - Process included **extensive public participation and formal Government-to-Government Consultation with Alaska Native Tribes**

Best Available Science showed impacts not significant under both alternatives considered

After carefully weighing of future strategic and operational requirements, and environmental consequences of the Proposed Action as well as comments received from government agencies, Alaska Native Tribes, and the public, the Navy elected to proceed with Alternative 1 of the SEIS

- * **Alternative 1**
 - 1 annual large-scale 21-day Carrier Strike Group (CSG) exercise between Apr–Oct
 - No sinking exercise

(Alternative 2 not selected and included 2 annual CSG exercises, each occurring over a maximum time of 21 consecutive days each Apr–Oct; 1 sinking exercise per CSG exercise for total of 2 per year)



NE17 Navy Environmental Summary

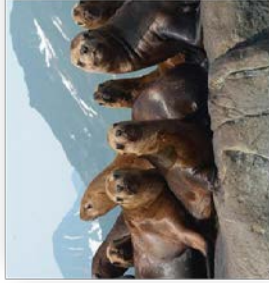
- **Navy fully complied with all mitigation measures/required procedures; events within scope of SEIS and NMFS permits**
 - Only 12 days (vice maximum of 21 days in SEIS)
 - Minimum active SONAR use compared to SEIS level
 - No explosive ordnance used (i.e., no live bombs, missiles, or explosive 5-inch gun rounds)
- **No events (SONAR or ordnance) triggered procedural measures**
 - No marine mammals sighted within required mitigation zones, so no power down or shutdown of SONAR needed
 - 2,880 hours of shipboard lookout effort during 12 days
- **No indications or evidence of any environmental impacts**
- **Navy not aware of any interactions or conflicts with other users of maritime environment (e.g. fishing, shipping, aircraft)**
- **Reporting – to be posted on Navy Marine Mammal Monitoring website**
 - *Exercise Reporting*: Report required by NMFS submitted 31 August 2017
 - *Monitoring Reporting*: 3 passive acoustic monitoring devices deployed from Apr-Sep 2017; Analysis and report to NMFS publically available July 2018
<https://www.navymarespeciesmonitoring.us/>



Protective Mitigation Measures

Extensive mitigation measures developed in coordination with NMFS

- Implement mitigation zones for sonar and explosive activities
- Post qualified Lookouts
- Monitor mitigation zones before and during training
- Report monitoring results and training activities
- Coordinate with regulatory agencies stranding program
- Conduct offshore population surveys and other marine mammal monitoring research



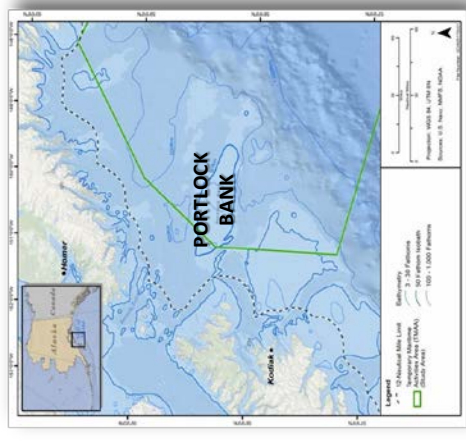
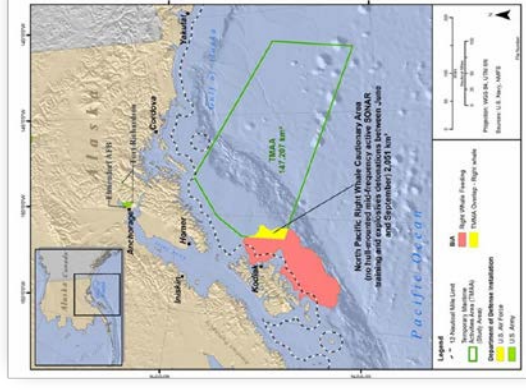
*****New Mitigations for NE17*****

North Pacific Right Whale Cautionary Area during feeding time (*Jun-Sep*) [below left]

- No surface ship hull mounted sonar
- No explosives

Portlock Bank [below right]

- No explosives use

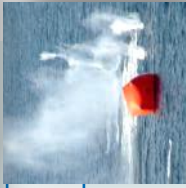




NE17 Usage

SONAR – actual usage not publicly releasable but minimal amount of SONAR in NE17

Training Ordnance or Expended Materials	Maximum Amount Analyzed in the Final Supplemental EIS/OEIS Alternative 1	Actual NE17 Level of Activity
Bombs	180	0
Missiles	33	0
Naval Gunshells (Various Types)	13,188	28 (all inert/ <u>non-explosive</u>)
Small Arms Rounds	5,700	2,500 * →
Pyrotechnics	78	5 (signal flares)
Targets	47	6 (floating targets) →
Sonobuoys	794 (40 explosive)	0
Portable Undersea Training Range (PUTR)	7 (Anchors on Sea Floor)	0; Not Installed




* (approximate)



NE 17 Lack of Impacts To Marine Species

FISH:

- TMAA has minimal overlap with fisheries management areas
- Mid-frequency active sonar not heard by most fish species including key commercial species (e.g. salmon, groundfish) 
- Only a few fish species able to hear sonar (e.g. herring) but not likely to be affected from sonar due to fish's inability to swim at ship speed *and* remain close to bow of ship for *hours* of exposure (no bow-riding fish schools)
- No fish mortality from sonar
- No explosives used in NE17 therefore no fish mortality from explosives



MARINE MAMMALS:

- Minimum exposure of marine mammals to limited sonar use which would not have significant impacts and below SEIS predictions*
- No mass strandings associated with Navy; no Navy ship strikes to marine mammals
- 9 years of Navy funded monitoring (2009-2017) shows higher likelihood of more marine mammal species offshore in summer-fall (Jul-Oct) compared to spring-early summer (May-Jun)



BIRDS: No impacts to birds from in-water activities; only 3 Navy surface ships in large TMAA ocean area with minimum to no in-air impacts (seabirds not usually associated with Navy ships)

OTHER: No fuel spills during 4 Navy ship refuelings at sea; Navy ships retain all plastics onboard; low amount of military expendable material in ocean

* SEIS marine mammal analysis addressed impacts between entire range from Apr to Oct with quantitative analysis (modeling) for large multi-ship exercise (≥3-5 sonar ships) over a 21 day period



NE 17 Conclusions



Minimum exposure or impacts to marine species in the GOA TMAA due to short at-sea exercise window (12 days); lower amounts of activity than analyzed in SEIS including only 2 sonar-equipped ships with little active sonar use; no explosive ordnance use; no fuel spills; no reports of mass strandings, no Navy ship strikes, and no indication of public access impacts

- ❑ **Environmental protection continues as integral part of NE with at-sea training using an extensive set of mitigation measures designed to minimize potential risk to marine life and environment**
- ❑ **Level of activity may fluctuate for each NE exercise but must remain within Alternative (Alt 1) and 2017-2022 MMPA permit limits**
- ❑ **Future NE Exercise timing being considered by USPACOM, ALCOM, and Navy**
 - **Subject to force availability, resource constraints and costs, weather considerations, and larger USPACOM Pacific-wide exercise calendar**



Questions?



Overall, analysis using best available science shows potential for minimal impacts to individuals of various species, and no long-term individual or population level effects. Minimum NE17 sonar use and no explosive use further reduced already low impact risk.

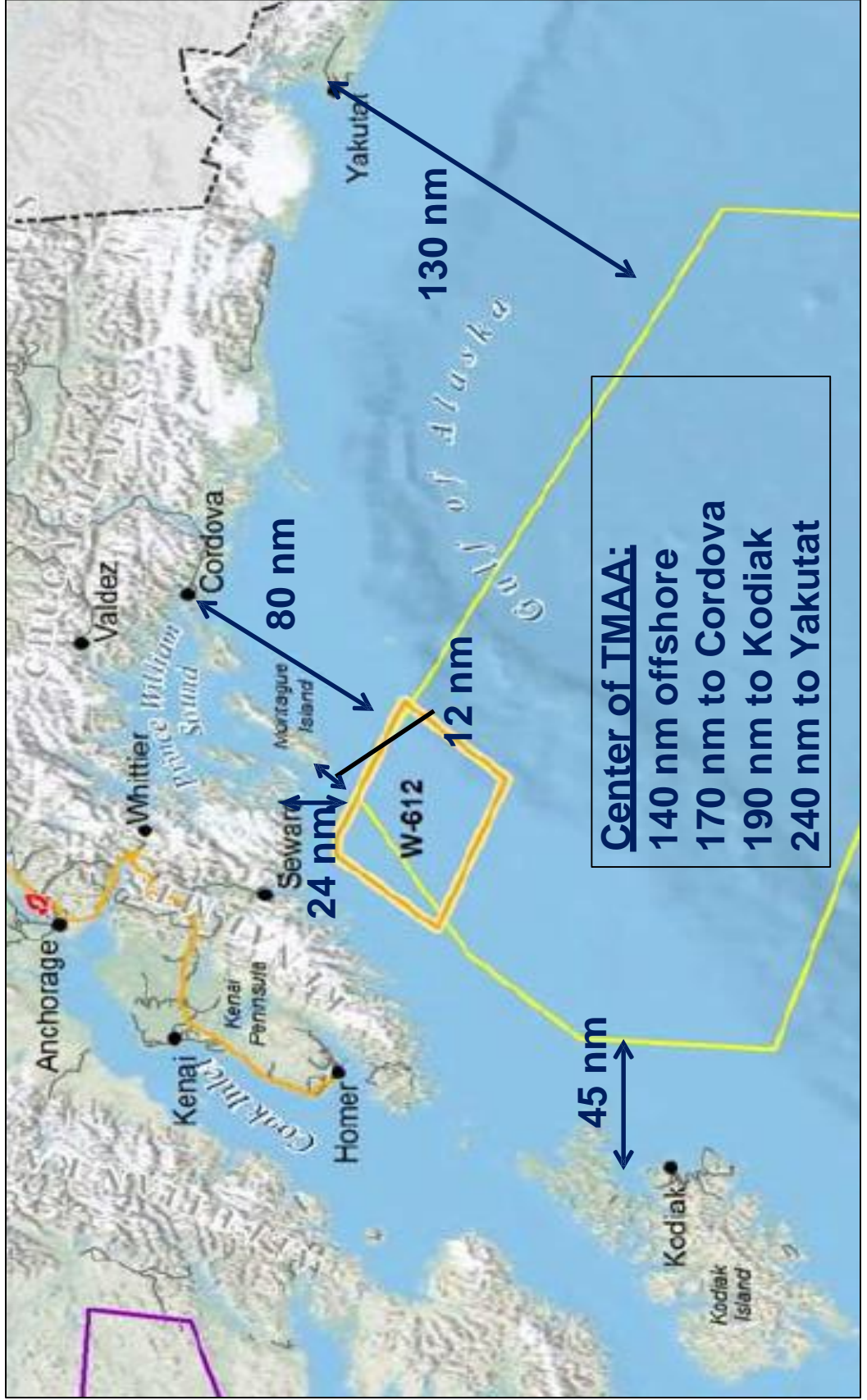
We are grateful to the citizens of the state of Alaska for their support as we use the unique training environments in Alaska



Back-Up Slides

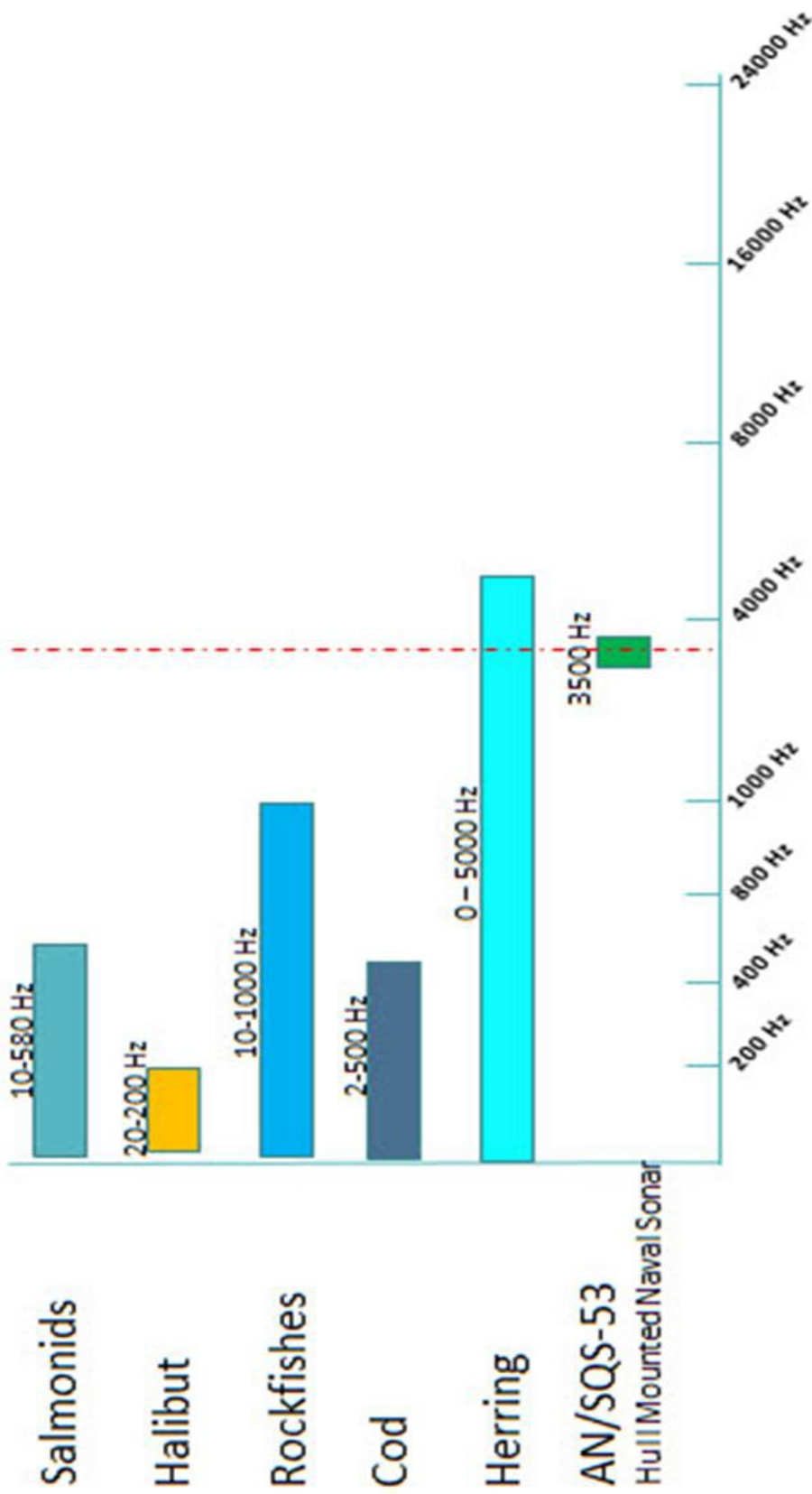


Proximity of Temporary Maritime Activities Area (TMAA) to Shore





Fish Hearing and Sonar

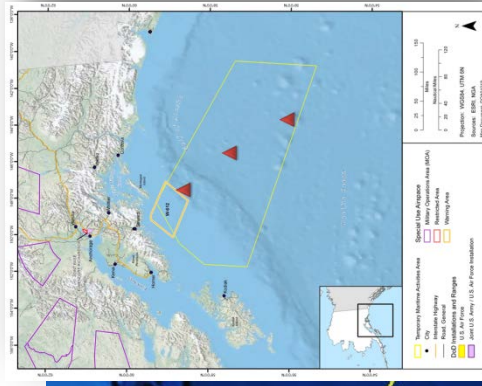
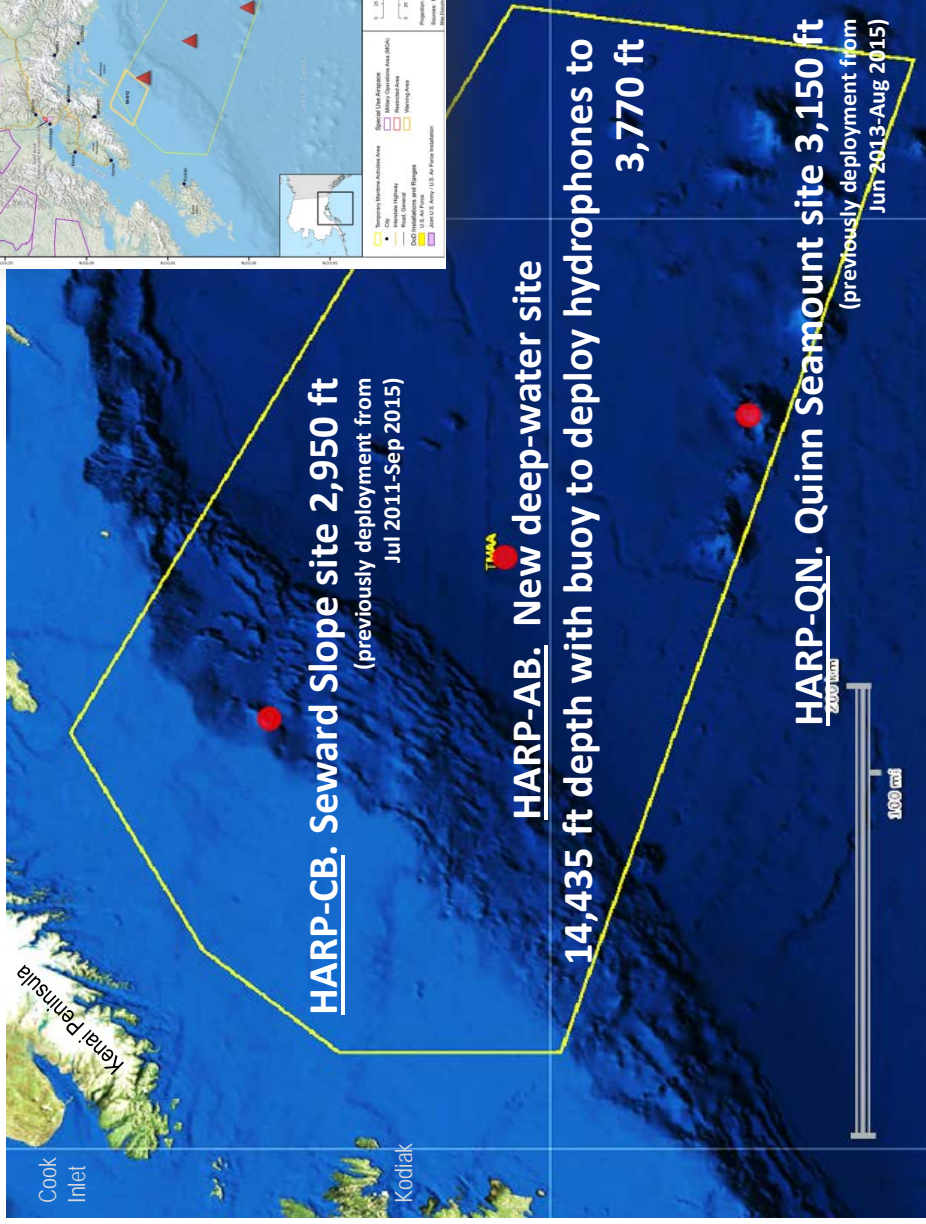


Sources: Astrup 1999; Astrup and Mohl 1993; Hawkins and Johnstone 1978; Jorgensen et al. 2003; Lovell et al. 2003; Mann et al. 2003; Popper 2006; and Popper and Carlson 1998.



NE17 Marine Mammal Monitoring

Apr 2017 through Sep 2017



Typical HARP configuration (top) and example deployment (bottom) (Pictures from Scripps Institution of Oceanography)

Figure 1. GOA TMAA HARP Deployment Locations (26-30 Apr 2017)

UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge City Manager *MT*
Debra Marlar, City Clerk *DM*

Date: October 12, 2017

Agenda Item: IV. a. Acceptance of Recommendations From the City Marijuana Advisory Special Committee

SUMMARY: Alaska voters passed Ballot Measure 2, An Act to Tax and Regulate the Production, Use, and Sale of Marijuana, on November 4, 2014, which initiated the State and Statewide municipalities to begin to determine how to regulate marijuana on both State and municipal levels.

On May 26, 2016, the Council adopted Ordinance No. 1350, Enacting KCC Chapter 5.52 Prohibiting Marijuana Establishments in the City. The ordinance became effective July 1, 2016, and expired January 1, 2017. The six-month opt out period was to provide time for the City's Marijuana Advisory Special Committee, which was established by Resolution No. 2016-16, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The committee met several times and brought forward 13 recommendations for Council consideration at the November 16, 2016, regular meeting. (Attachment A) The Council reviewed the recommendations and moved to postpone the vote to accept them until the Marijuana Advisory Committee had further discussed the recommended distance of a facility to a school, marijuana testing, and edibles. The Marijuana Advisory Committee subsequently met, and the Council voiced a consensus at its June 27, 2017, work session to approve the recommendations contained in Attachment B.

Once the Council has officially accepted the recommendations, staff will work with the City attorney to draft the necessary ordinances.

PREVIOUS COUNCIL ACTION:

- 2015-2016, received information at work sessions from Cynthia Franklin, Director of the Alaska Marijuana Control Office and City attorneys about State Ballot Measure 2 and other considerations regarding marijuana regulation in the City
- May 12, 2016, adopted Resolution No. 2016-16, Establishing a Marijuana Advisory Committee
- May 26, 2016, adopted Ordinance No. 1350, Enacting Kodiak City Code Chapter 5.52 Prohibiting Marijuana Establishments in the City (opt out expired January 1, 2017)

- November 10, 2016, postponed acceptance of recommendations from the Marijuana Advisory Committee
- June 27, 2017, voiced a consensus to accept the recommendations reflected in Attachment B

ALTERNATIVES:

- 1) Amend the motion made at the November 10, 2016, meeting by substituting the recommendations documented in Attachment A with the recommendations documented in Attachment B. This is the recommended option, because it reflects the Council's direction at the June 27 work session.
- 2) Postpone or amend the committee's recommendations.
- 3) Do not accept the committee's recommendations. This is not recommended, because the Council has previously voiced its intent to establish its own regulations for marijuana within the City of Kodiak instead of relying on State regulations only.

FINANCIAL IMPLICATIONS: City revenues will be generated through application fees, licensing fees, and sales tax on marijuana products.

LEGAL: City attorneys have drafted ordinances, attended committee meetings by teleconference or in person, and provided advice to the committee.

CITY MANAGER'S COMMENTS: I support the work the Marijuana Committee has done and support their recommendations in Attachment B as refined by the Council at its June 27 work session.

ATTACHMENTS:

Attachment A: Original recommendations from the Marijuana Committee

Attachment B: Revised and recommended marijuana recommendations

[Clerk's Note: the following motion from the November 10, 2016, meeting is already on the floor:

Move to accept the 13 recommendations from the City Marijuana Advisory Special Committee presented at this meeting and direct staff to draft ordinances to implement these recommendations.

SUGGESTED AMENDMENT:

Move to amend the motion on the floor by substituting with the following motion: Move to accept the 14 recommendations drafted by the City Marijuana Advisory Special Committee as documented in Attachment B and direct staff to draft ordinances to implement these recommendations.

Initial Recommendations From the City of Kodiak
Marijuana Advisory Committee
Regarding Regulation of Marijuana

- 1) Establish a 500' regulation for retail stores within the City limits
- 2) Regulate retail stores within the City limits to industrial, light industrial, business, and business retail
- 3) Comply with State of Alaska laws for retail stores within the City limits
- 4) Adhere to State of Alaska laws for personal growth of marijuana
- 5) Establish a 500' regulation for cultivation facilities within the City limits
- 6) Regulate commercial growing within the City limits to industrial, light industrial, business, and business retail areas
- 7) Adopt attorney's recommended ordinance Designating City Council as the City's Local Regulatory Authority on Marijuana
- 8) Adopt attorney's recommended ordinance Prohibiting Extraction of Tetrahydrocannabinol ("The") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted by Law
- 9) Approve limited cultivation licenses in rural residential lots 20,00 square feet or greater with issuance of a conditional use permit and in compliance with Kodiak Island Borough zoning requirements
- 10) Approve manufacturing facilities within the City of Kodiak
- 11) Approve manufacturing facilities in industry, light industry, and both business and business retail districts with a conditional use permit
- 12) Allow testing facilities in industrial, light industrial, business, and residential areas with a conditional use permit
- 13) Assess a local marijuana entity application fee, licensing fee, and sales tax

**Final Recommendations Regarding Regulation of Marijuana
From the City of Kodiak Marijuana Advisory Committee
as Refined by the City Council at the June 27, 2017 Work Session**

- 1) Establish a 500' separation distance from any school property line to a public entrance of a marijuana establishment.
- 2) Adhere to state rules and regulations regarding the 500' pedestrian pathway separation from a marijuana establishment to jails, churches, etc.
- 3) Regulate retail stores within the City limits to industrial, light industrial, business, and business retail.
- 4) Comply with State of Alaska laws for retail stores within the City limits.
- 5) Adhere to State of Alaska laws for personal growing of marijuana.
- 6) Establish a 500' pedestrian pathway separation from a marijuana cultivation facility to jails, churches, etc.
- 7) Regulate commercial growing within the City limits to industrial, light industrial, business, and business retail areas.
- 8) Adopt attorney's recommended ordinance Designating City Council as the City's Local Regulatory Authority on Marijuana and incorporate a process by which the Council is aware of new licenses and has the opportunity to object within the timeframe specified by the State.
- 9) Adopt attorney's recommended ordinance Prohibiting Extraction of Tetrahydrocannabinol ("THC") or any Cannabinoid by Use of Materials or Methods Deemed Dangerous to Public Health and Safety, Unless Otherwise Permitted by Law.
- 10) Approve limited cultivation licenses in rural residential lots 20,000 square feet or greater with issuance of a conditional use permit and in compliance with Kodiak Island Borough zoning requirements.

- 11) Approve manufacturing facilities in industry, light industry, and both business and business retail districts with a conditional use permit.
- 12) Allow testing facilities in industrial, light industrial, business, and conservation districts.
- 13) Do not assess a local marijuana entity application fee, licensing fee, and special sales tax at this time. (Regular sales tax would still apply.)
- 14) Prohibit edibles within the City of Kodiak at this time and discuss again with the City Council in one year whether to permit edibles as a part of a manufacturing process within the City.

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager *MT*
Thru: Kelly Mayes, Finance Director
Date: October 12, 2017

Agenda Item: IV. b. Second Reading and Public Hearing, Ordinance No. 1369, Repealing Kodiak City Code 3.08.160, “Administrative Costs and Reimbursements,” to Eliminate the 2% Deduction for Timely Filing of Sales Tax Returns and Remittance of Collected Sales Tax

SUMMARY: Since May 2016, City staff has been providing updates regarding the City’s fiscal outlook. The State of Alaska provides funding to the City of Kodiak through various sources – capital grants, shared revenues, PERS on-behalf payments, and other miscellaneous sources. Due to economic conditions within the State, the State of Alaska budget has been experiencing a shortfall over the past three fiscal years. This shortfall at the state level has impacted funding provided to the City of Kodiak. The City revenues are generated through sales tax, property tax, city charges for services, and intergovernmental revenues. Due to continual decreases in city intergovernmental revenues, city staff has presented data to the City Council and Mayor throughout eighteen work sessions to consider the implications to the City. These discussions culminated into the direction from Council to move forward with three ordinances:

- Increase minimum taxable sale from \$750 to \$3,000
- Hold the maximum taxable sale on real property commercial and real property residential rentals to \$750
- Eliminate the 2% discount allowed to early sales tax filers

PREVIOUS COUNCIL ACTION: The Council has held eighteen work sessions directly relating to the City’s fiscal outlook, budgeting, revenue projections, and sales tax. These began in May 2016 and were held approximately once per month (excluding June 2016, November 2016, and December 2016) culminating in the most recent work session that occurred on September 11, 2017. During the September 11, 2017, work session, Council directed City staff to move forward with the ordinances noted above. Council passed Ordinance No. 1369 in the first reading and moved to second reading and public hearing at the September 28, 2017, regular meeting.

FINANCIAL IMPLICATIONS: Financial implications for eliminating the 2% discount offered for timely filing of sales tax returns are projected to increase City revenues by approximately \$200,000 within the first full year of implementation.

ALTERNATIVES:

- 1) Adopt Ordinance No. 1369 after the public hearing, which is staff's recommendation, because it is consistent with the Council's direction at the work session on September 11, 2017.
- 2) Postpone, amend, or do not adopt Ordinance No. 1369.

LEGAL: The City's attorney wrote Ordinance No. 1369.

CITY MANAGER'S COMMENTS: Currently businesses within the City that collect and remit sales tax file returns quarterly. Included in this reporting is the option of retaining 2% of the tax collected to offset administrative costs; however not all businesses retain the 2% option. For those businesses that do retain the 2% option, the result is approximately \$200,000 in uncollected sales tax. These changes to our City's tax structure are necessary if City Council wishes to provide the level of service typically provided and look forward to upgrades in the City's aging infrastructure. We have established a long range capital improvement plan, which will require millions of dollars in expenditures, over the next ten years or longer. In order to accomplish these goals, additional revenue will be necessary. This infrastructure includes essential life /safety as well as support to our primary economic industries. If adopted, this ordinance will become effective January 1, 2018. Staff supports this ordinance.

ATTACHMENTS:

Attachment A: Ordinance No. 1369

PROPOSED MOTION:

Move to adopt Ordinance No. 1369.

**CITY OF KODIAK
ORDINANCE NUMBER 1369**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK REPEALING KODIAK CITY CODE 3.08.160, “ADMINISTRATIVE COSTS AND REIMBURSEMENTS,” TO ELIMINATE THE 2% DEDUCTION FOR TIMELY FILING OF SALES TAX RETURNS AND REMITTANCE OF COLLECTED SALES TAX

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

Section 1: Kodiak City Code 3.08.160, entitled “Administrative costs and reimbursements,” is hereby repealed.

Section 2: This ordinance shall be effective on January 1, 2018, and no earlier than 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: September 28, 2017

Second Reading:

Effective Date:

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

NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Chief of Police Ronda Wallace

Date: October 12, 2017

Agenda Item: **V. a. Authorization of FY2018 Special Services Contract with Alaska Department of Public Safety**

SUMMARY: The Alaska Department of Public Safety (DPS) requests the renewal of its contract with the City to provide services, which support the mission and operations of the Alaska State Troopers (AST) and Alaska Wildlife Troopers (AWT) in Kodiak. In exchange for providing these services, DPS will compensate the City for \$78,750.00 for FY2018. Staff recommends Council authorize the FY2018 Special Services Contract with the Alaska Department of Public Safety.

PREVIOUS COUNCIL ACTION: Council approved the previous contracts in FY2016 and FY2017.

DISCUSSION: The Alaska Department of Public Safety has contracted with the City to provide support services to Kodiak based Alaska State Troopers for over sixteen years.

If Council approves this contract, the City will provide the following services:

1. Dispatch service and support to AST working in vehicles, vessels, and foot or in aircraft during emergencies for up to 48-consecutive hours.
 - a. Emergencies are defined as those instances where natural or manmade disasters have disabled AST dispatch capabilities.
 - b. In the event the City is required to provide more than 48-consecutive hours of dispatch service to AST, the City shall be reimbursed for the costs of services at a rate of \$24.43 per hour.
2. Provide administrative support to AST by processing, filing, recording, entering into/deleting from the Alaska Public Safety Information Network (APSIN)/National Crime Information Center (NCIC) database, and returning to the court all process relative to Kodiak Police Department cases, investigations and business.

OCTOBER 12, 2017
Agenda Item V. a. Memo Page 1 of 2

3. Provide field support to AST, by serving in the corporate limits of the City of Kodiak, court process relative to Kodiak Police Department cases, investigations, and business.
4. Provide one correctional transport officer or one police officer, to transport and guard prisoners appearing in the Kodiak Court.

ALTERNATIVES:

- 1) Council may approve this contract in which case continuity of operations with essential criminal justice services, i.e. process service, and prisoner guarding and transportation shall be maintained. Staff believes it is in the best interest of public safety in Kodiak.
- 2) Council may choose not to approve this contract. If this contract is not approved AST will be responsible for providing these services. The Trooper Department does not have the local resources to do this. Staff's assessment is this non-approval would be contrary to the interest of public safety.

FINANCIAL IMPLICATIONS: The City's FY2018 budget reflects \$78,750.00 in revenue for this contract. Staff does not foresee any financial implications to the City because of approving the contract, and under the terms of FY2018 contract, staff believes the City will be adequately compensated for the services KPD will be obligated to provide.

LEGAL: Authorized by KCC 3.12.010 Contract, Purchase, Sale and Transfer Procedure

STAFF RECOMMENDATION: Staff recommends Council authorize the FY2018 Special Services Contract with the Alaska Department of Public Safety for \$78,750.00.

CITY MANAGER'S COMMENTS: The City has contracted these services with the Alaska State Troopers to support their operations in Kodiak for over sixteen years. The FY2018 contract contains the same terms as the one approved last year. The Chief believes the additional services are manageable and worthwhile to both the City and Alaska State Troopers. I support staff's recommendation and ask Council to authorize me to sign the contract for FY2018.

ATTACHMENTS:

Attachment A: Alaska Department of Public Safety Contract for Special Services FY2018

PROPOSED MOTION:

Move to authorize the FY2018 Special Services Contract with the Alaska Department of Public Safety, Division of Alaska State Troopers, and authorize the City Manager to sign the contract on behalf of the City.

**ALASKA DEPARTMENT OF PUBLIC SAFETY
CONTRACT FOR SPECIAL SERVICES**

July 1, 2017 to June 30, 2018

GENERAL PROVISIONS

The parties. The parties to this contract are the Alaska Department of Public Safety (hereinafter referred to as the “Department”) and the City of Kodiak (hereinafter referred to as the “City”).

Sole Agreement. The City and the Department undertake this contract under the terms set forth below. This contract is the sole agreement between the parties relating to special services, and there are no other agreements, express or implied.

Effective Date/Termination/Amendments. This contract is effective July 1, 2017 and continues in force until June 30, 2018. Either party may terminate the agreement with thirty (30) days written notice to the other party. This agreement may be amended by written agreement of the parties.

1. The Department will pay the City for services provided in accordance with, and under the terms of, this contract. Payments will be made quarterly in the amount of \$19,687.50, for a total of \$78,750.00. Payment for services provided under this contract will be made in four payments in the amount of and covering the period indicated below:

Period Covered	Amount	Payment Process Can Be Initiated
07/01/17 - 09/30/17	\$19,687.50	10/01/17
10/01/17 - 12/31/17	\$19,687.50	01/01/18
01/01/18 - 03/31/18	\$19,687.50	04/01/18
04/01/18 - 06/30/18	\$19,687.50	06/01/18
12 Month Total	\$78,750.00	

2. The City will provide and perform the services specified in this contract to the satisfaction of the Department, in support of Department personnel and operations.

**ALASKA DEPARTMENT OF PUBLIC SAFETY
CONTRACT FOR SPECIAL SERVICES**

July 1, 2017 to June 30, 2018

SPECIFIC PROVISIONS

3. The City will:
- a. Dispatch services will be provided in emergency situations. Emergency situations are those instances where natural or man-made disasters disable DPS dispatch capabilities; such as earthquakes, fires, etc. The need for the City to provide dispatch service in these situations is not anticipated to last longer than forty eight hours. In the event the City is required to provide more than 48 consecutive hours of dispatch service, the City shall be reimbursed for all dispatch related services provided at the rate of \$24.43 per hour.
 - b. Provide administrative support to the Department by processing, filing, recording, entering into/deleting from APSIN/NCIC, and returning to the court, all process relative to Kodiak Police Department cases, investigations, and business;
 - c. Provide field support to the Department by serving in the corporate limits of the City of Kodiak court process relative to Kodiak Police Department cases, investigations, and business;
 - d. Provide one correctional transport officer or one police officer, to transport and guard prisoners appearing in the Kodiak Court.

IN WITNESS OF THIS AGREEMENT, the undersigned duly authorized officers have subscribed their names on behalf of the Department and the City respectively.

For the City of Kodiak:

For the Department of Public Safety:

By _____

By _____

Printed Name _____

Printed Name _____

Official Title _____

Official Title _____

Date _____

Date _____