

**KODIAK CITY COUNCIL**

**WORK SESSION AGENDA**

**Tuesday, November 7, 2017**

**Kodiak Public Library Multi-Purpose Room**

**7:30 p.m.**

*Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.*

**Discussion Items**

- 1. Public Comments (limited to 3 minutes)
- 2. Discuss Juneau Lobbyist Contract.....1
- 3. Continued Budget Discussion.....5
  - a. Tobacco/Alcohol Tax
- 4. Discussion of Kodiak Working Waterfront.....7
  - a. Gibson Cove
- 5. Annexation Update.....15
- 6. Elected Officials Training/Travel Requests
- 7. November 9, 2017, Agenda Packet Review

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**EXTENSION TO CONTRACT WITH GILLESPIE AND ASSOCIATES FOR  
PROFESSIONAL LEGISLATIVE LOBBYING SERVICES**

CONTRACT EXTENSION: It is the intent of this document to formalize an agreed-upon two year extension to the Contract for Professional Legislative Lobbying Services (the "Contract") between the CITY OF KODIAK (the "City") and GILLESPIE & ASSOCIATES, dated January 1, 2015.

WHEREAS, the Contract provides for the Contractor to provide legislative lobbying services to the City for a term expiring on December 31, 2015; and

WHEREAS, the Contract provides for an option to extend services for two additional years upon agreement from both parties; and

WHEREAS, the City Council of the City desires to extend the term of the Contract for an additional two years from the date hereof, and the Contractor has agreed to such an extension.

NOW, THEREFORE, the parties agree as follows:

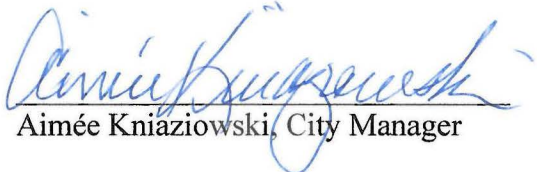
Section 4, Term of the Contract is extended as follows:

**4. Term.** This Contract shall be extended for two years, from January 1, 2016, through December 31, 2017, per Section 1.01, Term and Payment of the Contract, based on mutual consent.

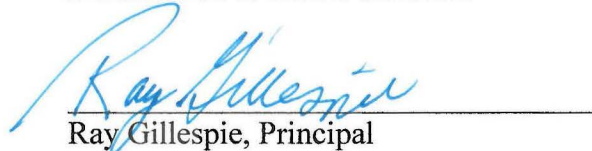
All other terms and provisions of the Contract, as previously amended, shall remain unchanged.

DATED as of the date set forth above.

**CITY OF KODIAK**

  
Aimée Kniazowski, City Manager

**GILLESPIE & ASSOCIATES**

  
Ray Gillespie, Principal

**Professional Services Agreement No. 218110**  
**Between**  
**The City of Kodiak**  
**and**  
**Ray Gillespie, d.b.a. Gillespie & Associates**

**THIS CONTRACT** is between the City of Kodiak, hereinafter referred to as "City," an incorporated municipality in the State of Alaska, and Ray Gillespie, d.b.a. Gillespie and Associates, hereinafter referred to as "Consultant," a private consulting firm with its principal place of business in Anchorage, Alaska.

**1. TERM AND PAYMENT**

1.01 This contract shall be effective on January 1, 2015, and continue through December 31, 2015, with an additional two-year extension upon agreement of both parties.

1.02 The City shall pay the Consultant the sum of forty-eight thousand seven hundred thirty-five dollars (\$48,735) annually in equal monthly installments of four thousand sixty-one dollars and twenty-five cents (\$4,061.25), plus authorized expenses for the services outlined in this agreement. Payment shall be rendered monthly in arrears upon receipt of billing and report. Authorized expenses shall include the APOC registration fee of \$250 for 2012 and beyond; travel, food, and lodging associated with City required travel; and copying and duplication services performed by out of office suppliers. These expenses will be invoiced monthly and documented to the City's satisfaction.

**2. CONTRACT SERVICES**

2.01 The Consultant shall perform those professional services described in Appendix A, Scope of Work, which is attached and incorporated by reference.

2.02 The Consultant will be in Juneau for an appropriate amount of time to effectively represent the City in the Legislative session.

**3. TERMINATION**

Either party may terminate this contract, for cause or convenience, upon thirty (30) days written notice to the other. Notice shall be deemed to have been fully given or made or sent when made in writing and delivered in person or deposited in the United States mail, certified and postage prepaid, and addressed to the respective addresses set forth above the signatures of this agreement. The address to which any notice, demand, or other writing may be given or made or sent to any party may be changed by written notice given by such party as above provided.

**4. RELATIONSHIP OF THE PARTIES**

It is understood the Consultant will lobby on issues of identified concern to the City.

**5. PERMITS, LAWS, AND TAXES**

- 5.01. The Consultant shall acquire and maintain in good standing all permits, licenses, and other entitlements necessary to the performance of his duties under this contract. All actions taken by the Consultant under this contract shall comply with all applicable statutes, ordinances, rules, and regulations imposed by the governmental authority.
- 5.02 The Consultant shall pay all taxes pertaining to performance of this agreement. The Consultant expressly agrees to comply with all requirements of AS 24.45.011 through 24.45.181 and any administrative regulations issued by the State of Alaska to implement those provisions of law.

**6. INSURANCE**


During the term of this contract, the Consultant shall provide and maintain, at the Consultant's own expense, automobile liability insurance for any vehicle owned and operated by the Consultant in connection with performance of this contract.


**7. ASSIGNMENTS**

The Consultant may not assign his interest in this contract to another person or delegate any duties under this contract without prior written approval of the City. Any attempt by the Consultant to assign any part of his interest or delegate duties under this agreement shall give the City the right to terminate this contract.

**City of Kodiak**  
710 Mill Bay Road  
Kodiak, AK 99615

**Gillespie & Associates**  
1231 W. Northern Lights Blvd., #819  
Anchorage, AK 99503

  
\_\_\_\_\_  
Aimée Kniazowski, City Manager  
*for Aimée Kniazowski*

  
\_\_\_\_\_  
Ray Gillespie, Principal

ATTEST:

  
\_\_\_\_\_  
Debra L. Marlar, City Clerk

**EXHIBIT "A"**  
**SCOPE OF WORK**

The Consultant shall communicate directly or through Consultant's agents with any appropriate public official for the purpose of influencing Legislative or Administrative action as directed or requested by the City, and in the best interests of the City.

In this regard the Consultant shall:

- A. Receive guidelines for lobbying efforts from the City Council through the Mayor and City Manager and work within such guidelines to promote, advocate, support, modify, oppose, or delay any appropriate Legislative or Administrative action. Modifications to these guidelines may be made from time to time by the City.
- B. Communicate with the Mayor and City Manager for the purpose of acquiring information, statistics, studies, and analyses to use as back-up and support material in support of Consultant's lobbying activities.

The Consultant will be called upon to arrange meetings and/or conferences, provide information and/or research, and provide such other services as required or convenient to enhance communication between the City and all branches of the State Government.

The Consultant shall provide reports and professional advice to the City regarding Consultant's lobbying efforts on behalf of the City. In this regard the Consultant shall:

- A. Maintain regular contact with the City through the Mayor and Manager on the status of pending legislation or capital projects and regularly promote the City's interests with appropriate legislators, agencies, and staff throughout the year, but especially during the legislative sessions. .
- B. Provide written monthly reports to the City during the session and as requested or needed during the interim, and such reports shall include, but shall not be limited to, contacts and progress made on behalf of the City, changes in the status of capital project funding requests, legislation of interest to the City, and any anticipated problem areas of which the Consultant becomes aware.
- C. Travel to Kodiak to meet with the Mayor, Council, and City staff once each year.
- D. Work in conjunction with the Kodiak Island Borough's state lobbyist on matters of interest or concern to both governments when directed by the City.
- E. Exercise best professional judgment in all matters relating to work for the City and immediately report any position or action taken which involves an area of uncertainty or controversy.

# Sales Tax on Alcohol

City	Population	Tax Rate	FY 2015 Revenues	\$ per Person
Bethel	6,241	0%	\$-0-	\$-0-
Dillingham	2,431	10%	\$297,325	\$122.31
Fairbanks	31,721	5%	\$2,239,679	\$70.61
North Pole	2,198	5%	\$211,997	\$96.45
Kodiak – est.	6,328	5%	\$446,792	Fairbanks Rate PP
Kodiak – est.	6,328	7% Avg Rate	\$610,336	Avg Rate \$96.45

In FY 2016, the City collected approximately \$525,000 related to alcohol retail sales. With an additional 5% alcohol sales tax rate, estimated annual revenue for the City would be and additional \$350,000 related only to the Alcohol Sales Tax.

# Sales Tax on Tobacco

City	Population	Tax Rate	FY 2015 Revenues	\$ per Person
Bethel	6,241	45%	\$480,876	\$77.05
Dillingham	2,431	-0-%	\$-0	\$-0-
Fairbanks	31,721	8%	\$887,239	\$27.97
North Pole	2,198	8%	\$132,228	\$60.16
Kodiak – est.	6,328	20% Avg Rate	\$348,420	Avg Rate \$55.06
Kodiak – est.	6,328	8%	\$176,995	Fairbanks Rate



**AMENDMENT TO CITY OF KODIAK AND OCEAN BEAUTY  
SEAFOODS, LLC  
GIBSON COVE LEASE,  
TRACT C-1, ALASKA TIDELAND SURVEY 1408, PLAT NO. 92-41**

WHEREAS, Lessor and Lessee entered into a Lease Agreement effective as of November 1, 2006, for a term of five (5) years, ending on October 31, 2011; and

WHEREAS, pursuant to Recitals, Section 1 of the Lease Agreement, dated November 1, 2006, the Lease may be renewed for an additional five years at the discretion of the City of Kodiak; and

WHEREAS, the City Council of the City of Kodiak desires to extend the Lease Agreement with Ocean Beauty Seafoods, LLC for an additional five years: and

WHEREAS, the Lessor has requested and agrees to an extension of the Lease Agreement, including payment of the 1 percent annual rental rate increase as established in Recitals, Section 2 of the Lease Agreement; and

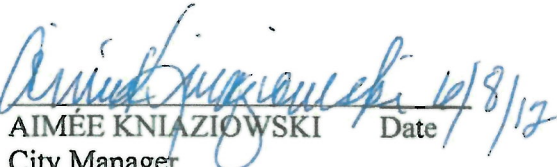
WHEREAS, all other terms and provisions of the Lease Agreement shall remain unchanged during the extended five year term of the Lease Agreement.

NOW THEREFORE, the City Council of the City of Kodiak agrees to extend the Lease Agreement with Ocean Beauty Seafoods, LLC for an additional five years ending on October 31, 2016.

IN WITNESS WHEREOF, the parties executed this instrument the day and month first above written.

CITY OF KODIAK

OCEAN BEAUTY SEAFOODS, LLC

  
AIMEE KNIAZIOWSKI      Date 10/8/12  
City Manager  
710 Mill Bay Road  
Kodiak, AK 99615

  
TONY ROSS      Date 6/4/12  
1100 W. Ewing St.  
Seattle, WA 98107

ATTEST:

WITNESS:

  
DEBRA L. MARLAR  
City Clerk



## LEASE AGREEMENT

This Lease Agreement is made and entered into at Kodiak, Alaska, this 1st day of November 2006, between the City of Kodiak ("Lessor" or "the City"), and Ocean Beauty Seafoods, Inc., a Washington corporation ("Lessee").

### WITNESSETH

WHEREAS, the City is the owner of the following-described parcel of real property (the "Property"), consisting of approximately 5.0 acres, upon which are located certain improvements, including a crab/fish processing plant of approximately 14,080 square feet, a compressor equipment building of approximately 1,600 square feet, a dock with approximately 330 linear feet of docking space, and three hydraulic cranes, and a second dock ("ice house dock") with approximately 200 linear feet of docking space, and an ice house with one North Star Model 60 (30-ton) icemaker and one North Star Model 20 (7.5-ton) icemaker:

Tract C-1, Alaska Tideland Survey 1408, Plat No. 92-41

WHEREAS, Lessee desires to lease the Property for the purpose of operating a warehouse;

NOW, THEREFORE, in consideration of the mutual undertakings herein, the City hereby leases to Ocean Beauty, and Ocean Beauty hereby leases from the City, the above-described property on the following terms and conditions:

### RECITALS

1. Term. The term of this Lease Agreement shall be for five (5) years, beginning on November 1, 2006. The Lessee has the option to renew the lease for an additional five (5) years at the discretion of the Lessor.

2. Rental. Lessee agrees to pay as and for rent the sum of Seventy Eight Thousand Nine Hundred Dollars (\$ 78,900.00) the first year of the lease. Rental payments will increase by one (1) percent each subsequent year of the lease. Payment will be made in equal monthly installments. Rent shall be paid in advance monthly and the first rental payment shall be due and payable on the effective date of this Lease Agreement and monthly thereafter. If the effective date of this Lease Agreement shall be other than the first day of the month, the rent for the first and last months of this Lease Agreement shall be prorated accordingly.

3. Utilities. Lessee shall pay all costs of electricity, water and other utilities used on or associated with the Property.

4. Taxes. Lessee shall pay all real and personal property taxes associated with or attributed to Lessee's leasehold interest or personal property on the Property.

5. Lessee's Acceptance of Property. Lessee acknowledges having inspected or

having been given the full opportunity to inspect the Property and the improvements, equipment and other personal property thereon, and hereby accepts the same in their present condition. No representation, statement or warranty, express or implied, has been made by or on behalf of Lessor as to the condition of the foregoing, or as to the use that may be made of it. In no event shall Lessor be liable for any defect or condition, present or future, in or on the Property or the improvements, equipment and other personal property thereon, for any claims or damages arising therefrom, or for any limitation, present or future, on the use thereof.

6. Use by Lessee. Lessee shall abide by all applicable federal, state and local statutes, regulations and ordinances, and shall not cause or permit any nuisance or similar offensive use on the Property.

7. Right to Enter and Inspect. Lessor shall have the right, at reasonable times and upon giving reasonable advance notice, to enter the Property to inspect the same.

8. Care of Property. Lessee will keep the Property neat and clean and in a sanitary condition, and will at all times preserve it, and upon termination of this Lease Agreement will surrender the Property, in as good a condition and repair as it is now or may hereafter be put into, reasonable use and wear and tear excepted. If Lessee fails to keep and preserve the property in said condition and state of repair, Lessor may, at its option, put or cause the same to be put into the condition and state of repair agreed upon, and in such case Lessee shall be liable for the full cost thereof. Nothing in this Lease Agreement shall be construed as requiring Lessee to repair, restore or reconstruct the Property if, through no fault of Lessee, it is damaged or destroyed by earthquake, tidal wave, mud or earth slide or other act of God, against which Lessee was not required to maintain casualty insurance for Lessor's benefit.

9. Alterations, Additions, Improvements and Fixtures. It is contemplated that in order to fully utilize the Property in accordance with this Lease Agreement, Lessee may find it prudent and necessary to construct improvements thereon or to make major alterations, additions or improvements. Lessee shall not make any such alterations, additions or improvement without the advance written consent of Lessor; however, Lessor shall not unreasonably refuse or delay such consent. All leasehold improvements, including alterations, additions and general improvements, shall become the property of Lessor upon termination or expiration of this Lease Agreement except removable trade fixtures. Lessee shall not be entitled to any credit against or abatement of rent or to any other consideration other than that which may be provided by Section 18.12.370 or 18.20.350 of the Kodiak City Code, as a consequence of constructing improvements on the Property. At the termination of this Lease Agreement, all structures associated with the Property shall be left in good and usable operating condition with all domestic heating and hot water remaining a part thereof.

10. Liens and Encumbrances. Lessee shall maintain the Property free and clear of all liens or encumbrances. If, at any time during or after the term of this Lease Agreement, alien or encumbrance is filed against the Property or any part thereof in connection with any activity, obligation or alleged obligation of Lessee, its officers, employees or other agents, Lessee shall, at its sole expense, obtain the release and

discharge of the same by payment, bonding in the name of and on behalf of Lessor, or otherwise within thirty (30) days after receipt of notice thereof. If Lessee fails to procure the discharge of any such lien or encumbrance, Lessor may, at its option, terminate this Lease Agreement without further notice to Lessee and without prejudice to any other remedies available to it under this Lease Agreement or by operation of law.

11. Assignment. This Lease Agreement may not be assigned, nor may the Property be sublet without the advance written consent of Lessor. Lessor may refuse its consent to any proposed sublease without the necessity of an explanation or statement of reasons, but will not unreasonably withhold consent to an assignment hereof, provided such assignment does not result in the release of any persons otherwise liable for or guaranteeing Lessee's obligations hereunder.

12. Fire or Other Casualty. The risk of fire or other casualty affecting Lessee's intended use of the Property shall be borne solely by Lessee and in no event shall any such casualty result in the termination or abatement of rent under this Lease Agreement. Notwithstanding the foregoing, however, if the Property is destroyed by fire or other casualty or so substantially damaged as to preclude Lessee's normal operations for more than thirty (30) days, then Lessee may terminate this Lease Agreement by giving prompt written notice to Lessor, and Lessor may terminate this Lease Agreement by giving prompt written notice to Lessee. If the Property is damaged or destroyed by fire or other casualty with respect to which Lessee has procured and paid for casualty insurance for the benefit of Lessor, then upon reaffirming the Lease Agreement, Lessee may require the proceeds of such insurance to be devoted to the repair, reconstruction, or restoration of the Property. Any insurance proceeds not so used shall become the sole property of Lessee.

13. Insurance. (a) Lessee shall obtain and maintain in full force and effect during the term of this Lease Agreement, and any renewals or extensions hereof, adequate insurance to protect both Lessor and Lessee against comprehensive public liability, products liability and property damage. At a minimum, such policies of insurance shall cover the following risks:

(i) Commercial general liability insurance written on an occurrence (as opposed to a claims made) basis with minimum limits of liability in an amount of not less than One Million Dollars (\$1,000,000) general aggregate limit for personal injury or death, property damage (including water damage and sprinkler leakage) and premises liability, which insurance shall contain a contractual liability endorsement covering the matters set forth herein;

(ii) Workers' compensation insurance covering all of Lessee's employees, which insurance shall contain an express waiver of any right of subrogation against Lessor; and

(iii) Fire and comprehensive casualty insurance covering the Property and all improvements, equipment and other personal property belonging to Lessor and associated therewith, in the amount of not less than One Million Five Hundred Thousand Dollars (\$1,500,000) (replacement cost).

(b) All policies of liability insurance to be obtained and furnished by

Lessee hereunder shall list Lessor as an additional insured. All such policies of insurance shall be issued by a financially responsible company or companies authorized to issue such policy or policies and licensed to do business in Alaska, and shall contain endorsements providing that any such insurance shall not be subject to cancellation, termination or material change except after ten (10) days' prior written notice by registered mail to Lessor by the insurance company.

(c) The original policy or policies, or duly-executed certificates for the same, stating that the insurance carrier shall give Lessor ten (10) days' written notice prior to cancellation, material alteration or failure to renew, together with satisfactory evidence of payment of the premium therefore, shall be delivered to Lessor on or before the occupancy date of this Lease Agreement and, upon renewal of such policies, not less than ten (10) days prior to the expiration of the term of any such coverage. The minimum limits of any insurance coverage required hereunder to be carried by Lessee shall not otherwise limit Lessee's liability under this Lease Agreement.

(d) Neither the provisions of this paragraph, nor any other provisions of this Lease Agreement shall be construed to require that Lessee obtain liability insurance as to either environmental matters or punitive damages or casualty insurance as to earthquakes, mudslides, earth slides or tidal waves.

14. Disclaimer of Warranties. Lessee acknowledges that the improvements, fixtures, equipment or any other personal property associated with the Property are of a size, design, capacity and manufacture satisfactory to Lessee's intended use and purposes. Lessee further acknowledges that Lessor is not a manufacturer of the Property or a dealer in similar property and has not made and does not make any representation, warranty or covenant, express or implied, with respect to the condition, quality, durability, suitability or merchantability of the Property. Lessee agrees that Lessor shall not be liable for any liability, loss or damage caused or alleged to be caused, directly or indirectly, by the Property, by any inadequacy thereof or defect therein, or by any incident in connection therewith.

15. Indemnification. Lessor shall not be liable for any injury or death to any person or for any loss or damage to any property or for any other loss or damage, including loss or damage resulting from business interruption, on or about the Property from any cause whatsoever, except for the negligence or willful misconduct of the Lessor. Lessee assumes liability for and agrees to indemnify, save and hold Lessor harmless from any and all claims arising out of its use of the Property, and any operations necessary or incidental thereto, including claims for damage, death or injury to any person, persons or property arising from any act or omission of, or the use, possession or occupancy of the Property by Lessee, its officers, employees, agents, invitees, visitors or other persons. Lessee's obligation of indemnification shall extend to and encompass costs and reasonable attorneys' fees associated with the defense of any such claim or action.

16. Termination. Notwithstanding the provisions of Lease Section 1, should Lessee fail to perform any of Lessee's obligations hereunder, Lessor may terminate this Lease Agreement upon thirty (30) days' notice to Lessee unless the default is cured to the reasonable satisfaction of Lessor within said 30-day period or, in the case of a default

which cannot with due diligence be cured within a 30-day period, Lessee promptly commences within said 30-day period and diligently and continuously prosecutes to completion all steps necessary to cure the default to the reasonable satisfaction of Lessor. Lessee shall have a period of sixty (60) days after termination or expiration of this Lease Agreement to remove its trade fixtures, personal property or fish processing equipment from the Property; rent shall be prorated to the date of removal. Any of Lessee's property remaining on the Property sixty (60) days after termination or expiration may be disposed of by Lessor and Lessee hereby expressly waives any claims, damages or causes of action arising out of such disposal, and agrees to indemnify and hold Lessor harmless from any and all such claims asserted by third parties. Notwithstanding such termination, Lessor shall be entitled to rent for the full calendar month in which the termination takes effect. Notices shall be effective when received.

17. Condemnation. If all or any part of the Property is taken under the power of eminent domain, or if Lessor sells or transfers all or any part of the Property under threat of condemnation, and the taking, sale or transfer renders the Property totally or partially inaccessible or unusable, this Lease Agreement shall terminate on the date of the taking, sale or transfer. Lessor may retain the condemnation award or consideration for sale or transfer.

18. Non-Authorized Use of Abutting Property. The substantial amount of City-owned property abutting the Property is not available for use by Lessee. Should Lessee utilize any part of this abutting property for any purpose, Lessor may, at its discretion, assess an additional charge for such unapproved use, equal to the greater of One Thousand Dollars (\$1,000) or Two Dollars (\$2) per square foot per month, times the duration of the encroachment. The assessment of such an additional charge shall not, however, authorize a continuation of the encroachment. Furthermore, if the duration of the encroachment cannot otherwise be determined, it shall be deemed to have begun three (3) months prior to its discovery by Lessor.

19. Nonwaiver. The failure of Lessor to insist upon the strict performance of any of the provisions of this Lease Agreement shall not be construed as a waiver or relinquishment of any such breach, or any other provision of this Lease Agreement, and the same shall remain in full force and effect.

20. Notices. Notice shall be sufficiently given according to the terms of this Lease Agreement when mailed via first class mail, postage prepaid, to the parties at the addresses set forth below, or at such other address as a party designates in writing:

City of Kodiak  
Post Office Box 1397  
Kodiak, AK 99615

Ocean Beauty Seafoods, Inc.  
1100 W. Ewing St.  
Seattle, WA 98107

ATTN: City Manager

ATTN: Tony Ross

21. Modification. No modification or amendment of this Lease Agreement shall be binding unless made in writing and signed by the parties.

22. Binding Effect. This Lease Agreement shall be binding upon the parties and their respective successors and assigns.

23. Severability. If a court of competent jurisdiction finds any provision of this Lease Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other person(s) or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Lease Agreement in all other respects shall remain valid and enforceable.

24. Entire Agreement. This Lease Agreement contains the entire agreement between the parties as of this date, and supersedes all prior written or oral agreements regarding this subject matter.

25. Governing Law. This Lease Agreement shall be governed and construed by the laws of the State of Alaska.

26. Attorneys' Fees and Costs. If either party commences an action against the other party arising out of or in connection with this Lease Agreement, the prevailing party shall be entitled to have and recover from the losing party its reasonable attorneys' fees and costs of suit.

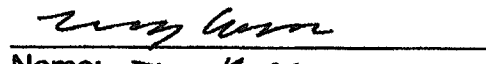
27. Construction of Agreement. The rule of construction that an instrument shall be construed more strictly against the party who drafted the same shall not apply to this Lease Agreement since both parties have had legal counsel available or have had the opportunity to seek independent advice.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals, the day and year first above written.


LESSOR:  
CITY OF KODIAK

LESSEE:  
OCEAN BEAUTY SEAFOODS, INC.

  
Name: Linda L. Freed  
Title: City Manager

  
Name: Terry Koss  
Title: Secretary

Attest:

  
Debra L. Marlar  
City Clerk

**CITY OF KODIAK  
ORDINANCE NUMBER 1294**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK  
AUTHORIZING THE RENEWAL OF A LEASE BETWEEN THE CITY OF KODIAK  
AND OCEAN BEAUTY SEAFOODS, INC., FOR PROPERTY LOCATED IN GIBSON  
COVE**

WHEREAS, pursuant to Ordinance Number 1214, the City entered into a lease agreement ("Lease") with Ocean Beauty Seafoods, Inc. ("Ocean Beauty") of property described as Tract C-1, Alaska Tideland Survey 1408, Plat No. 92-41, and certain improvements located thereon ("Property") for a term of five years commencing November 1, 2006; and

WHEREAS, Section 1 of the Lease provides that Ocean Beauty has the option to renew the Lease for an additional five years at the discretion of the City; and

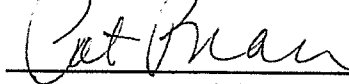
WHEREAS, it is in the best interest of the City to authorize a renewal of the Lease for an additional five years.

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

**Section 1:** Notwithstanding anything to the contrary in Kodiak City Code Chapter 18.20, the Council of the City of Kodiak hereby authorizes the renewal of the Lease for an additional five years on the same terms and conditions as the original Lease. Nothing herein or in the Lease authorizes any subsequent renewal of the Lease.

**Section 2:** The Lease authorized by this ordinance is subject to the requirements of City Charter Section V-17. Therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

CITY OF KODIAK



MAYOR

ATTEST:

  
CITY CLERK



First Reading: December 8, 2011  
Second Reading: January 12, 2012  
Effective Date: February 18, 2012



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager   
**Thru:** Matthew Van Daele, Deputy City Manager   
**Date:** November 7, 2017

**Agenda Item:** Annexation Update

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**SUMMARY:** At the September 12th work session, Council directed staff to continue researching annexation. We have some new and refined information to present, but are requesting direction from the Council on next steps. To develop solid facts and figures for your consideration will take a higher commitment of staff time and formal collaboration with our colleagues in the Borough. It is staff's recommendation to take this approach to ensure we are developing the best available data and information for your decision, as well as for the public to have while they weigh any pros or cons of annexation.

### **NEW INFORMATION:**

#### **EMS SERVICE OUTSIDE OF CITY LIMITS**

The Kodiak Fire Department has been evaluating call volume statistics of EMS calls within City limits vs. those into the Borough. The "land mass" of the City of Kodiak is approximately four square miles, while the area of the Borough to which the City provides EMS service (up to 1/4 mile off the established road system) is approximately 50 square miles. Conversely, since 2012, roughly 2/3<sup>rd</sup>s of calls for EMS service have been for locations within City limits, while the remaining 1/3<sup>rd</sup> were for locations outside of City limits (in the Borough). Of these calls to locations outside the City, 50% were to Fire Protection Area Number 1, and staff is currently tabulating the monetary figure of this City-provided service.

#### **CURRENT KODIAK POLICE DEPARTMENT STAFFING LEVELS**

The Kodiak Police Department currently has 11 officers assigned to patrol functions, which is below Nationally-accepted standards for the recommended level of staffing. The policing formula used by the International Association of Chiefs of Police indicate that the City of Kodiak should hire six additional officers to meet the needs for our current City residents, as well as the daily influx of people into the City from the Borough for work, school attendance, shopping, and leisure.

Continued evaluation of the situation in Downtown Kodiak, coupled with concerns of business owners and citizens, have consistently demonstrated an immediate need for four additional police officers. Hiring these four officers in the near future will help with the protection of downtown assets, and service to its visitors and business owners. Additionally, this would offset the cost of a possible future annexation by reducing the hire of additional police officers to just four more individuals needed to serve the residents of Annexation North.

## **PUBLIC WORKS**

Similarly to the Kodiak Police Department, there is an immediate need for additional support to the department of Public Works to meet current expected service requirements. The two loaders in their inventory (a Case 621B and a Case 821B) are 21 and 22 years old, respectively, and have reached the end of their useful terms of service to the citizens of the City of Kodiak. Public Works staff have done an exemplary job of keeping these loaders running and operating, but the time has come from both a safety standpoint as well as simple efficiencies to purchase “new” (i.e., used, like-new) loaders. Having replacement loaders in our inventory will reduce costs in terms of parts and labor, and increase the amount of work possible through greater transit speed and fuel efficiency.

In addition to the two loaders, a “new” grader (to replace one of the undersized and too lightly-constructed Case 885 graders) is an immediate need for the City’s fleet. The City’s two Case graders were purchased in 2004 and 2005, but have not held up to the rigors of snow removal and have had perennial dependability issues, resulting in greater maintenance costs compounded by lost time spent trying to keep them functional. As such, it is highly unlikely that these graders will make it to 2022 or 2023, which is their scheduled replacement after 18 years of service.

The three Caterpillar graders currently in the inventory are from 2011 (two of this year) and 2015. Though these graders have been very dependable and effective, there is very little overlap when in 2029 we will need to seriously begin considering replacement, and that they may ultimately need replacing within years of each other. Therefore, it would be wise to begin introducing some staggering of asset purchases to minimize the risk of multiple equipment failures occurring at or near the same time.

Having these replacement pieces of more efficient equipment will increase the ability of Public Works to rapidly meet service requirements, thus reducing overall costs to the City and allowing a more cost-effective annexation (should that occur). For instance, while it may be more prudent to still have certain types of snowfall events removed by a private company contracted by the City in the area of Service District Number 1, other routine road repair, upkeep, and maintenance could conceivably be covered by an existing Public Works fleet.

## **NEXT STEPS**

Staff requests that the Council give direction as to your desire regarding further annexation research. It would be useful to know if there are specific questions or concerns the Council would like staff to address, as well as giving specific direction to begin collaboration and dialogue with our colleagues in the Kodiak Island Borough to create the best-possible list of information, statistics, and costs for your consideration. Staff has identified the best course of action to be research conducted in partnership with Service Area Number 1, Fire Protection Area Number 1, and the Borough Manager (as a start) to begin developing a solid set of facts and figures needed for the Council and the public to make an informed decision regarding any merits or causes of concern of potential annexation of territory into the City of Kodiak’s corporate boundaries.