

**City of Kodiak Regular Council Meeting Agenda for January 25, 2018**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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| <b>I. Call to Order/Roll Call</b>   |    |
| Invocation/Pledge of Allegiance   |    |
| <b>II. Previous Minutes</b>   |    |
| Approval of Minutes of the January 11, 2018, Regular Council Meeting.....   | 1  |
| <b>III. Persons to Be Heard</b>   |    |
| a. Proclamation: Applauding the USCG and Proclaiming USCG Appreciation Day.....   | 8  |
| b. Public Comments (limited to 3 minutes) (486-3231)  |    |
| <b>IV. Unfinished Business</b>  |    |
| a. Second Reading and Public Hearing, Ordinance No. 1372, Reducing the Use of Disposable Plastic Shopping Bags.....   | 12 |
| <b>V. New Business</b>  |    |
| a. Resolution No. 2018–03, Adopting an Alternative Allocation Method for the FY2018 Shared Fisheries Business Tax Program and Certifying That This Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in Fisheries Management Area 13: Kodiak Area..... | 26 |
| b. Resolution No. 2018–04, Approving the City Council’s Budget Goals for FY2019.....  | 32 |
| c. Appointment to Cook Inlet Regional Citizens Advisory Council .....   | 40 |
| d. Acceptance of the FY2017 Comprehensive Annual Financial Report (Audit).....  | 44 |
| e. Authorization to Cancel the February 22, 2018, Regular Meeting and Authorize the City Manager to Schedule a Special Meeting if Needed .....  | 46 |
| <b>VI. Staff Reports</b>  |    |
| a. City Manager   |    |
| b. City Clerk   |    |
| <b>VII. Mayor’s Comments</b>  |    |
| <b>VIII. Council Comments</b>   |    |
| <b>IX. Audience Comments (limited to 3 minutes) (486-3231)</b>  |    |
| <b>X. Executive Session</b>   |    |
| a. Future Use of Gibson Cove.....   | 48 |
| <b>XI. Adjournment</b>  |    |

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| <h1 style="margin: 0;">DRAFT</h1> |
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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JANUARY 11, 2018  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

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

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

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the December 7, 2017, special meeting and December 14, 2017, regular meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Public Comments**

**Stephanie Mason** spoke in support of Ordinance No. 1372. She spoke in favor of an option to allow a longer transition time beyond April 22, 2018, for sellers to use their existing disposable plastic shopping bag inventory.

**Aimee Williams, Executive Director for Discover Kodiak**, provided an FY2018 second quarter report on tourism. She provided a summary of her meeting attendance and representation and stated there will be three new board members, and their annual meeting is on January 20. She said Discover Kodiak is working on an App, which will list shopping options, museums, historical sites, restaurants, etc. She said staffing at the visitor center is down, and they plan to use the unallocated staff funding for remodeling. She shared that there is an increase in social media responses.

**Alexis Kwatcha** said he hopes to find a solution for the downtown issues; he commented on the daily downtown poor behavior. He said he supports the plastic bag ban, and he stated the support of the bag ban demonstrates Council action makes a difference and he hopes they can make improvements in the downtown area.

**Laurie Madsen, KPLA**, via telephone, expressed her support for the Kodiak Public Library. She said she has not received a reply to her letter for funding. She said during the budget hardships, she predicts more people will use the library.

**Major Dave Davis, Salvation Army**, commented on the bag ban and said he supports using recyclable bags. He said the Salvation Army ordered 500 bags and they were disseminated within the community rapidly. He supports environmental friendly initiatives and shared that he researched there are many options for bags and they reasonably priced.

#### IV. UNFINISHED BUSINESS

- a. None

#### V. NEW BUSINESS

##### a. **First Reading, Ordinance No. 1372, Reducing the Use of Disposable Plastic Shopping Bags**

Mayor Branson read Ordinance No. 1372 by title. The current interest in Kodiak adopting its own “bag ordinance” started in December 2016, when the annual “Kodiak Strong!” Community Planning Event identified reducing local plastic waste, specifically single-use plastic shopping bags, as a top priority for consideration. In partnership with leaders of the community group working to raise public awareness regarding the impacts of single-use disposable plastic shopping bags, the Kodiak Island Borough’s Solid Waste Advisory Board drafted an ordinance, which was reviewed by the City Attorney, a transitional plan; timeline; and educational flyers to phase out single-use plastic shopping bags.

Councilmember Arboleda MOVED to pass Ordinance No. 1372 in the first reading and advance to second reading and public hearing at the next special or regular Council meeting.

Councilmember Whiddon said he is aware that some local vendors will have inventory of bags and hopes the effective date of the ordinance can be amended before the January 25, 2018, regular meeting.

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

##### b. **Resolution No. 2018–01, Rescinding Resolution No. 2017–25(SUB) and Re-Establishing an Economic Development Special Committee**

Mayor Branson read Resolution No. 2018–01 by title. The City Council has identified the need for an economic development plan. Economic Development Consultant Wanetta Ayers has been retained to assist with this plan and recommended the City establish a committee to achieve its economic development goals. The committee has held three meetings since November 3, 2017. Resolution No. 2018–01 has been revised to include committee recommendations by eliminating the alternate positions; establishing a quorum at five members; expanding community participation to include future representation by the Kodiak Island Borough, Kodiak Native Corporations, and USCG; and provide for committee participation via teleconference.

Councilmember Bishop MOVED to adopt Resolution No. 2018–01.

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

**c. Resolution No. 2018–02, Rescinding City Resolution No. 2013–17 and Documenting the Kodiak Fisheries Work Group’s Scope and Authority**

This resolution re-defines the composition of the jointly formed Kodiak Fisheries Work Group (FWG) and formalizes their role and authority as they work on fisheries related issues for the Kodiak community. More specifically, it reduces the membership from three elected officials from each body to two elected officials; sets the meeting quorum at three members; removes the managers as non-voting ex-officio members; provides for monthly, instead of quarterly, reports from the fisheries analyst; and provides for teleconference participation.

Councilmember Walker MOVED to adopt Resolution No. 2018–02.

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

**d. Appointment of City Representatives to Kodiak Fisheries Work Group**

Resolution No. 2018–02, which was adopted earlier in the meeting, re-established the scope and authority of the Kodiak Fisheries Work Group (FWG) and reduced the number of City and Borough representatives serving on the FWG from three to two. Mayor Pat Branson and Councilmembers John Whiddon and Randy Bishop are presently the City’s representatives to the FWG. Mayor Branson and Councilmember Whiddon have agreed to continue to serve on the FWG.

Councilmember Davidson MOVED to appointment Pat Branson and John Whiddon to the Kodiak Fisheries Work Group to serve until successors are appointed.

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

**VI. STAFF REPORTS**

**a. City Manager**

Manager Tvenge said the City Manager’s office has been busy but he did not have a formal report.

**b. City Clerk**

Clerk Marljar provided an overview of Council’s the upcoming work session and regular meeting, and she included the dates and times for the January Economic Development Committee.

**VII. MAYOR’S COMMENTS**

Mayor Branson provided a brief recap on the tax discussion from the Council's Tuesday work session. She said the rules will be tightened for the senior sales tax exemption by requiring a power of attorney if seniors are unable to do their own shopping and stated tobacco and alcohol will not be included in the senior exemption. She said she appreciated Mr. Kwatcha's comments and positivity to find solutions. She stated she is interested in having a meeting with agencies and individuals on January 24, 2018, at 1:30 p.m. to discuss the downtown issues. She hopes there is attendance by the Homeless Coalition, KPD, Brother Francis, Salvation Army, and churches. She said she hopes to get some solutions from the meeting to address some of the downtown issues. She said she is hopeful the City and Borough staff continues communicating to finalize a building department agreement, and she mentioned the local governments also work jointly on the animal control contract. She said this collaboration is necessary in the current budget climate.

### VIII. COUNCIL COMMENTS

Councilmember Walker said the Council has worked diligently on the budget, and they will continue to work on downtown improvements.

Councilmember Davidson said the Council is working on the downtown improvements and shared that there are constitutional rights of people, which dictate the management of issues. He wished everyone a safe winter.

Councilmember Arboleda encouraged people to attend the January 24, 2018, meeting and encouraged people to use downtown services.

Councilmember Whiddon said the Governor's office is working to address the concerns addressed in the Pacific Cod disaster letter that was sent by the City and Borough. He said there should be resolution regarding the pink salmon disaster declaration in the near future. He said the salmon work group is working on the allocation between the upper Cook Inlet and Kodiak, which is at the Board of Fish level. He said there is discussion regarding state management of federal waters in the reauthorization of the Magnuson Stevens Act. He shared that the NPFMC meeting is in Seattle next month; significant topics include electronic monitoring of bycatch quantities and the potential increase in the Chinook cap. He said the Fisheries Analyst contract expires next month and the Fisheries Work Group is working on a revised RFP.

Councilmember Saravia said he hopes the City and Borough continue to work together to provide services and work to improve communication.

Councilmember Bishop congratulated Finance Director Mayes for the audit and Fire Chief Mullican for his presentation at the work session. He said the planning meeting was productive and it demonstrated the good work, and he thanked City Manager Tvenge.

### IX. AUDIENCE COMMENTS

**Stephanie Mason** thanked the Mayor and Council for supporting the bag ban, and she anticipates it is the start of other environmentally friendly activities within the community.

### X. EXECUTIVE SESSION

**a. Discussion With the City Attorney About City Litigation Cases**

Councilmember Davidson MOVED to enter into executive session.

Clerk Marlars noted the executive session was allowed 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, Davidson, Saravia, Walker, and Whiddon in favor. The motion passed.

Council entered into executive session at 8:06 p.m.

The Mayor reconvened the regular meeting at 9:25 p.m.

**XI. ADJOURNMENT**

Councilmember Walker MOVED to adjourn the meeting.

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

The meeting adjourned at 9:26 p.m.

CITY OF KODIAK

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MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Minutes Approved:

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## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** January 25, 2018

**Agenda Item: III. a. Proclamation: Applauding the USCG and Proclaiming USCG Appreciation Day**

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**SUMMARY:** This proclamation urges all citizens to recognize our Coast Guard community for their individual and collective efforts in making Kodiak and all the navigable waters of Alaska a safer and better place to live, work, and play. The City applauds and proclaims February 17, 2018, as Coast Guard Appreciation Day.

**ATTACHMENTS:**

Attachment A: Proclamation: Applauding the USCG and Proclaiming USCG Appreciation Day

Attachment B: Chamber of Commerce Letter to Pat Branson, November 30, 2017

# PROCLAMATION

## Applauding the United States Coast Guard Presence in Kodiak

WHEREAS, the citizens of Kodiak wish to acknowledge and honor the men and women of the United States Coast Guard; and

WHEREAS, members of the Coast Guard are our friends and neighbors who contribute their time and talents to the well-being of our community; and

WHEREAS, we are deeply grateful to the men and women of the Coast Guard, and their families, for their sacrifices and devotion to duty, which preserve the safety of our country, our State, our fishermen, and the boating public; and

WHEREAS, the Kodiak community will gather on Saturday, February 17, 2018, in a celebration to honor and thank all members of the Coast Guard and their families.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, Alaska, do hereby proclaim February 17, 2018, as

### Coast Guard Appreciation Day

in Kodiak and urge Kodiak residents to recognize our Coast Guard community for their individual and collective efforts in making Kodiak and all the navigable waters of Alaska a safer and better place to live, work, and play. To the men and women of the United States Coast Guard—WE APPLAUD YOU.

Dated this 25th day of January 2018.

City of Kodiak

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Pat Branson, Mayor



100 E. Marine Way STE 300 Kodiak, Alaska 99615 • (907) 486-5557 • Fax: (907) 486-7605

November 30, 2017

The Honorable Pat Branson  
Mayor of the City of Kodiak  
710 Mill Bay Road, Room 220  
Kodiak, AK 99615

Dear Mayor Branson,

Each year the Kodiak Chamber of Commerce honors those serving in the U.S. Coast Guard, with a community-wide celebration called "We Applaud You". This evening event recognizes the Coast Guard as a whole, and individuals serving, that make Kodiak and our surrounding waters a safe place to live and work. It is to be held on February 17<sup>th</sup>, 2018.

We are writing to invite you to submit a written proclamation or letter recognizing your respect for the Coast Guard community. All proclamations will be read out loud during the event to show broad support from individuals, groups, and organizations. We would greatly appreciate your participation in this show of support.

Proclamations or letters of support should be addressed to the U.S. Coast Guard men and women of Kodiak. They can be sent to the Kodiak Chamber of Commerce at the address above, or can be faxed 907 486 7605, or emailed [chamber@kodiak.org](mailto:chamber@kodiak.org) for your convenience. Proclamations or letters need to be received no later than February 16<sup>th</sup>, 2018.

Thank you in advance for your support of our efforts to honor the U.S. Coast Guard members based in Kodiak. Please don't hesitate to contact the Chamber office if you have any questions regarding this event.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stacey Simmons". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Stacey Simmons  
President

**Dedicated to Kodiak's Economic Future**

# **UNFINISHED BUSINESS**

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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:** January 25, 2018

**Agenda Item: IV. a. Second Reading and Public Hearing, Ordinance No. 1372, Reducing the Use of Disposable Plastic Shopping Bags**

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**SUMMARY:** In partnership with leaders of the community group working to raise public awareness regarding the impacts of single-use disposable plastic shopping bags, the Kodiak Island Borough's Solid Waste Advisory Board (SWAB) has prepared the documents presented here, which were requested by the City Council at the September 12, 2017, work session. Additionally, the included ordinance has been reviewed by the City Attorney.

**BACKGROUND:** There is a growing interest across the nation to eliminate or reduce single-use plastic shopping bags, while encouraging and/or supplying reusable (non-plastic) bags to retailers and consumers to mitigate environmental impacts. A search of local news archives (KMXT and the Kodiak Daily Mirror) indicate that one of the first times this issue was discussed in Kodiak was September 2012, coinciding with Homer's first "bag ordinance."

The current interest in Kodiak adopting its own "bag ordinance" started in December 2016, when the annual "Kodiak Strong!" Community Planning Event identified reducing local plastic waste, specifically single-use plastic shopping bags, as a top priority for consideration. Since that initial community event, proponents of "Ban the Bag" have reached out to multiple local community organizations and groups (including retailers), as well as to sister municipalities that have banned these types of bags. As a result of this effort, SWAB began discussing this issue in March 2017, and saw it as combining three distinct, but interrelated facets, all pertaining to reducing waste and blow-out at the landfill, thus: 1) reducing costs to taxpayers; 2) becoming more environmentally-conscious in a community reliant on the health of our ecosystem and the ocean; and 3) capitalizing on our already-established status as a growing "green community" and using this to leverage additional economic development potential.

In May, SWAB formed a subcommittee to write a bag ordinance for consideration by the Kodiak Island Borough. This was drafted in June, and subsequently forwarded to the Borough for its consideration, with the caveat that the City of Kodiak need to be involved since the majority of single-use plastic shopping bags are distributed within City limits. This draft ordinance was discussed at the June joint work session between the Borough and the City, but has not been discussed by the Borough since.

Key elements of the attached ordinance include exemptions for health and safety reasons (such as continuing to allow lightweight cellophane bags used for meat and produce); a “start date” of April 22 to allow retailers and consumers time to transition (and the importance of picking a “significant date” to aid in a public outreach campaign); and putting the new Section within Chapter 7.32, which will not substantially change existing Code and make it easier for public interpretation.

**PREVIOUS COUNCIL ACTION:** The Chair and some members of SWAB first presented a draft ordinance to the City Council on August 8. Council members requested additional discussion, and this topic was again discussed at the September 12 work session. Subsequently, the Council requested that a transitional plan, timeline, and educational flyers (Attachments A and B) be created by SWAB and the community group, as well as directing staff to send the draft ordinance to the City Attorney for a legal review.

The ordinance and additional information was scheduled to be discussed at the December 12 work session. The supporting documentation that was prepared for that meeting is now presented here, and includes a letter from SWAB to the City Council, the Plastic Bag Transition Plan and Timeline, and an educational flyer (that could serve double-duty as a coloring activity for kids) which will be printed in English, Tagalog, Spanish, and Alutiiq. Council reviewed, discussed and supported the Ordinance No. 1372 at the Council work session on January 9, 2018, and passed in the first reading and moved to second reading and public hearing at the January 11, 2018, regular meeting.

**LEGAL:** The attached ordinance is a combination of language from other municipalities that have adopted “bag ordinances,” including Cordova, Bethel, and Homer, as well as Lihue, HI, Boulder, CO, and San Francisco, CA, and has been reviewed and vetted by our City Attorney (Attachment C).

**DEPUTY CITY MANAGER COMMENTS:** Lessons learned from other municipalities stress the importance that during a transition time from single-use plastic shopping bags to reusable non-plastic bags, a team effort of impacted retailers, community organizations, and enthusiastic individuals is essential to ensure people have opportunities to become knowledgeable and prepare for a change at the checkout line. It is also excellent that the included transition plan includes funding commitments from community partners and retailers to purchase 6,000 reusable bags for distribution to the public, particularly that these bags will be provided free-of-charge to those who would benefit the most from having the opportunity to be given reusable bags, rather than needing to purchase them at the store.

**ATTACHMENTS:**

Attachment A: Ordinance No. 1372

Attachment B: Transitional Plan and Timeline

Attachment C: Educational Flyers

Attachment D: Kodiak Brown Bear Trust Support Letter Dated 12/8/17

*[Clerk's note: if the Council would like to amend the ordinance to allow sellers more time to use their existing inventory of disposable plastic bags, the following motions are suggested:*

**PROPOSED MOTIONS:**

1. Move to adopt Ordinance No. 1372.
  
2. Move to amend Ordinance No. 1372 by inserting the following sentence at the end of Section 4 "However, those inventories of disposable plastic shopping bags purchased by sellers prior to the passage of this ordinance may be used after April 22, 2018, until these inventories of pre-purchased bags have been expended, but not later than October 31, 2018."



(Includes suggested amendment to Section 4)

**CITY OF KODIAK  
ORDINANCE NUMBER 1372**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK REDUCING  
THE USE OF DISPOSABLE PLASTIC SHOPPING BAGS**

WHEREAS, the use of disposable plastic shopping bags in Kodiak creates burdens on the local solid waste disposal system and degrades the environment; and

WHEREAS, to decrease the use of disposable plastic shopping bags in Kodiak, it is necessary to restrict and mitigate such use; and

WHEREAS, it is in the best interest of the City of Kodiak and its residents to reduce the use of disposable plastic shopping bags in Kodiak.

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

Section 1: Section 7.32.020 Definitions, of the Kodiak City Code, is hereby amended to add new definitions of “buyer,” “seller,” and “disposable plastic shopping bag”, and are added to read as follows:

**7.32.020 Definitions**

As used in this chapter:

“Buyer” means a person who is a purchaser of goods or services.

“Disposable plastic shopping bag” means a bag made from plastic, including plastic marketed or labeled as “biodegradable” or “compostable,” that is not suitable for repeated reuse, if made of or containing plastic that is less than 4 mils thick, is unable to be cleaned and disinfected regularly, and is designed to carry buyer purchases from the seller’s premises. “Disposable plastic shopping bag” does not include bags used by buyers inside stores to package bulk items such as fruit, vegetables, nuts, grains, candy, or small hardware items, such as washers and bolts; bags used to contain dampness or leaks from items such as frozen foods, meat or fish, flowers or potted plants; bags used to protect prepared foods or bakery goods; bags provided by pharmacists to contain prescription drugs; laundry or dry cleaning bags; bags sold for buyer’s use off the seller’s premises for such purposes as the collection and disposal of garbage, pet waste, or yard waste; and newspaper bags.

“Seller” means a person or persons who vend property, including prepared foods, persons furnishing services, and all persons making sales, including goods and services.

Section 2: Chapter 7.32 Littering, of the Kodiak City Code, is hereby amended to add a new section, Section 7.32.050 Disposable Plastic Shopping Bags, to read as follows;

**7.32.50 Disposable Plastic Shopping Bags**

(a) The purpose of this section is to reduce the generation of waste from disposable plastic shopping bags.

(b) Sellers are prohibited from distributing disposable plastic shopping bags to buyers.

Section 3: Sections 1 and 2 of this ordinance are of a permanent and general nature and shall be included in the Kodiak City Code.

Section 4: This ordinance shall take effect on April 22, 2018, in accordance with Kodiak Charter Article II, Section 13. **However, those inventories of disposable plastic shopping bags purchased by sellers prior to passage of this ordinance may be used after April 22, 2018, until these inventories of pre-purchased bags have been expended, but not later than October 31, 2018.**

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

First Reading: January 11, 2018

Second Reading:

Effective Date:



# Kodiak Island Borough

## Solid Waste Advisory Board

710 Mill Bay Road  
Kodiak, Alaska 99615  
Reduce Reuse Recycle



December 5, 2017

The Honorable Pat Branson  
Mayor  
City of Kodiak  
710 Mill Bay Road  
Kodiak, AK 99615

Dear Mayor Branson,

I have attached the Plastic Bag Transition Plan and Timeline for the proposed ordinance to ban the distribution of single-use plastic bags by retailers in the City of Kodiak. The Plan was approved by the Kodiak Island Borough Solid Waste Advisory Board (SWAB) on December 4 by a vote of four to zero (4-0). In addition to SWAB members, the Plan was developed by Stephanie Mason and Mary Ruskovich, who are private citizens.

The goal of the Plan is to provide six thousand reusable shopping bags for distribution to the public during the transition period. The Kodiak Brown Bear Trust (KBBT) has agreed to be the agency that will receive and disburse any donations or grants that will be needed to carry out the Plan and has committed funds to purchase reusable shopping bags for distribution to the public. Additionally, Jason Jardine, Kodiak Walmart Manager, has agreed to support a \$1000 grant from Walmart, and the Kodiak Lions Club has committed \$500 to purchase reusable shopping bags for distribution. We will seek other donors and sponsors to raise the funds to purchase six thousand bags.

Any suggestions from you and the City Council will be greatly appreciated.

Sincerely,

Nick Szabo  
Chairman

# **PLASTIC BAG BAN TRANSITION PLAN AND TIMELINE**

## **Public Engagement**

Public meetings and community events will be organized, focusing on the harm caused by plastic litter, especially single use plastics. This will create awareness and start the discussion among Kodiak Island residents.

Relations among local media outlets will be developed. Utilizing all sources of media allow us to reach a wide range of residents. For example: Public services announcements (KMXT & KVOK), press releases (Kodiak Daily Mirror), Facebook posts (Friends of Kodiak), Instagram posts, etc.

Posters and handouts will be distributed throughout the community announcing the campaign and keeping residents up-to-date with developments and events.

Volunteers will attend most community-wide events, distributing reusable bags and informational handouts.

## **Connections**

Efforts will be made to establish relationships among local retailers that will be impacted by a plastic bag ban. We will also put energy toward developing a coalition among small businesses, non-profit organizations, and corporations.

## **Kodiak City Council and Kodiak Island Borough**

Ban the bag supporters and sponsors will attend City Council meetings and Borough Assembly meetings to give updates on the campaign and transition.

## **Short Term Goals**

Raise awareness about the use and harms of single use plastic bags, develop relationships with local retailers and organizations.

## **Intermediate Goals**

Gain support from community, work with local government, create partnerships, build a coalition, be a presence in schools and at community events.

## **Long Term Goals**

- Purchase six thousand reusable shopping bags for distribution to the public.
- Pass ordinance, continue education, survey bag use.

# Campaign Timeline

## December Campaign Kick-Off

- Engage the community
- Create slogan, posters and handouts
- Recruit supporters and sponsors
- Establish partnerships
- Advise sponsors of appropriate reusable bags to purchase.
- Attend Kodiak City Council and Kodiak Island Borough meetings and community wide events.

## January

- Create Public Service Announcements (PSA) and Press Releases
- Follow up with sponsors about reusable bag purchase
- Find more sponsors depending on how many reusable bags are needed
- Show "Bag-It!", the documentary, at the Library
- Attend Kodiak City Council and Kodiak Island Borough meetings and community wide events.

## February

- Distribution of reusable bags at events and local government meetings
- Attend Kodiak City Council and Kodiak Island Borough meetings and community wide events.

## March

- Distribution of reusable bags at events and local government meetings
- Attend Kodiak City Council and Kodiak Island Borough meetings and community wide events.

## April

- Distribution of reusable bags at events and local government meetings
- Attend Kodiak City Council and Kodiak Island Borough meetings and community wide events.
- Implementation on Ban the Bag Earth Day event on April 22, 2018.

# Dear Kodiak,



**S**tarting on April 22nd (Earth Day 2018), single-use plastic shopping bags will no longer be distributed for use within the City of Kodiak. Durable and reusable alternatives will be provided, either for purchase at retail establishments, or for free from partner organizations in our community.

**W**e all are an essential part of keeping Kodiak green, our waters pristine, and showcasing our sustainable community to the world.



*Let's Keep Kodiak Green!*



# Querido Kodiak,



Empezando en Abril, 2018, bolsas plásticas de un sólo uso no van a ser disponible en la ciudad de Kodiak. Alternativas que son durables y reutilizables salieron disponible para comparar en negocios, ó desde varios organizaciones en nuestra comunidad por gratis.





Tenemos un papel fundamental en manteniendo nuestro comunidad limpia, nuestras aguas sanas, y exhibiendo nuestra comunidad sostenible al mundo.



Vamos a mantener Kodiak verde y sano.



# Mahal na Kodiak;

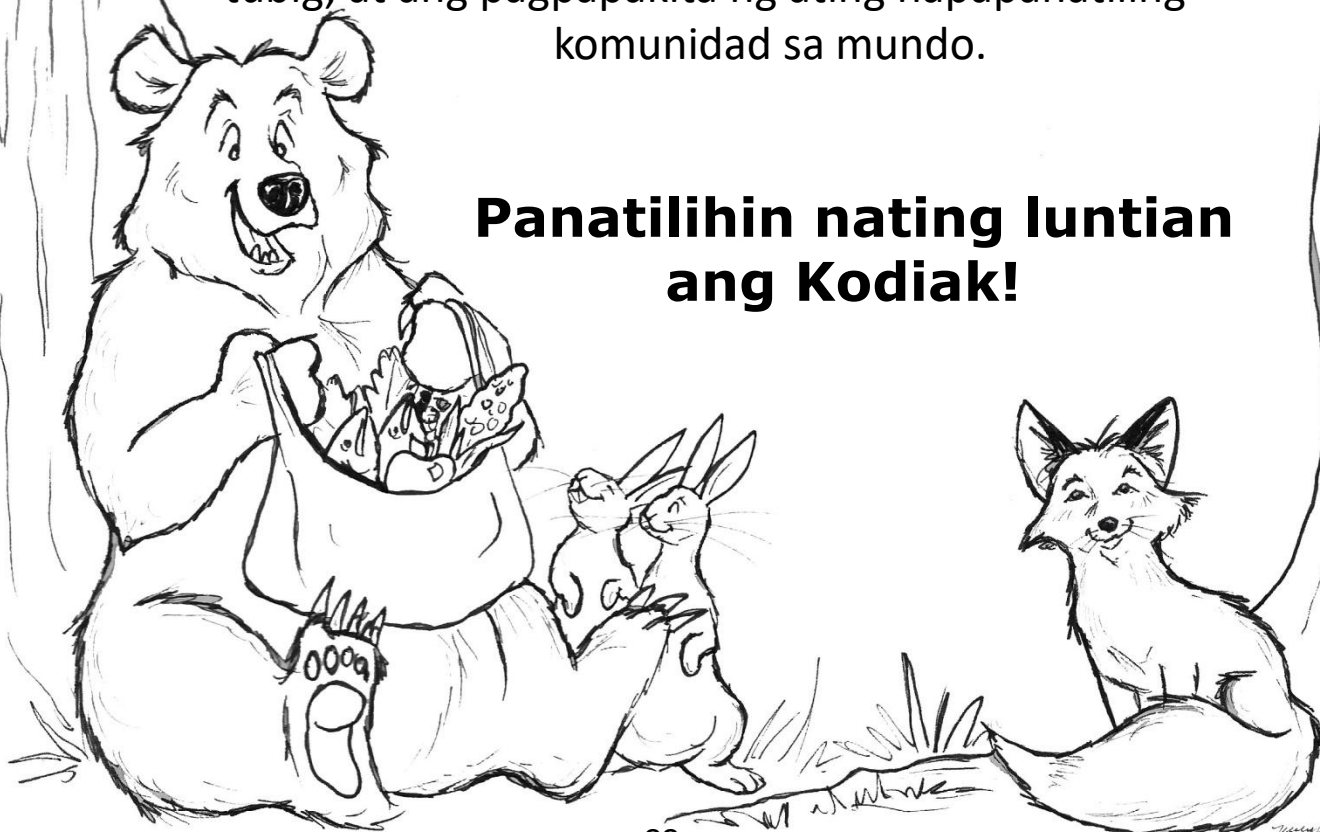


**M**agsisimula sa ika-22 ng Abril 2018, (sa Araw ng Mundo), ang mga minsanang-gamit sa pamimili na plastik bag ay hindi na ipapamahagi sa loob ng Lungsod ng Kodiak. Matibay at pang-matagalang gamit na alternatibo ay ipagkakaloob, alinman sa pagbili sa mga tindahan o libre galing sa mga kasosyo sa ating komunidad.



**L**ahat tayo ay mahalagang bahagi sa pagsunod ng pangangalaga sa kabihasan ng Kodiak, sa ating malinis na tubig, at ang pagpapakita ng ating napapanatiling komunidad sa mundo.

**Panatilihin nating luntian ang Kodiak!**







# KODIAK BROWN BEAR TRUST

P. O. BOX 1740 KODIAK, ALASKA 99615



December 8, 2017

Nate Svoboda  
Area Wildlife Biologist  
Alaska Department of Fish and Game  
351 Research Ct.  
Kodiak, Alaska 99615

Dear Nate,

I want to commend you and your partners for the new "ban the bag" initiative that is underway in Kodiak. I have discussed this effort with Bear Trust Chairman Paul Chervenak and we agree this is a program in which we would like to participate. This type of work is clearly important to the mission of the Bear Trust.

One way in which we could assist would be as the "pass through" organization to receive donations for the program. We could provide this service because of our 501(c)(3) status. We also are interested in the possibility of purchasing reuseable bags emblazoned with the Bear Trust logo.

Thanks for your efforts in this very worthwhile program.

Best regards

Victor G. Barnes, Jr.  
Trust Manager

Cc: Paul Chervenak

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# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
**Thru:** Kelly Mayes, Finance Director *KM*  
**Date:** January 25, 2018

**Agenda Item:** V. a. **Resolution No. 2018–03, Adopting an Alternative Method for the FY2018 Shared Fisheries Business Tax Program and Certifying That This Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in Fisheries Management Area 13: Kodiak Area**

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**SUMMARY:** Resolution No. 2018–03 adopts an alternative allocation method and certifies the allocation method fairly represents the distribution of significant effects of Fisheries Business activity in Fishing Management Area (FMA) 13. This resolution adopts an alternative allocation from the long form, which was used in the past. The decision to use the short or alternative form is agreed upon by the Kodiak Island Borough, other Kodiak local governments, and the City each year by resolution. Staff recommends Council adopt Resolution No. 2018–03.

**PREVIOUS COUNCIL ACTION:** Each year, the City Council adopts a resolution to identify a method of payment of the shared fisheries taxes available to communities in the Kodiak Island area. Last year the Council adopted Resolution No. 2017–06 on February 28, 2017, identifying the alternative allocation method for the shared fisheries business tax program.

**BACKGROUND:** The State of Alaska Shared Fisheries Business Tax Program was created in 1990 to help municipalities impacted by the effects of the rapidly expanding offshore fish processing industry. A previously existing fish tax sharing program (commonly referred to as the Raw Fish Tax Program), administered by the Department of Revenue, shares back to municipalities half of the state fisheries business tax collected from fish processors operating inside municipal boundaries. The Department’s program extends tax sharing to include a sharing of fish taxes collected outside of municipal boundaries, primarily from floating processors.

There are two application methods available to the municipalities in each Fisheries Management Area

1. Under the **Standard Method**, each municipality in the FMA must determine and document the cost of fisheries business impacts experienced by the community in the previous calendar year. These impacts are submitted by each municipality in their applications. The department reviews the applications and determines if the impacts submitted are valid. Once

the impacts have been established for each of the municipalities in the FMA, the department calculates the allocation for each municipality using the following formula:

One half of the funding available within a FMA is divided up among participating municipalities on the basis of the relative dollar amount of impact in each municipality. The other half of the funding available to that area is divided equally among all eligible municipalities.

2. Under the **Alternative Method**, municipalities within the FMA agree on a distribution formula. The department only approves the use of a proposed alternative method if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area.

The proposed alternative method divides half of the funding available equally among all eligible municipalities. The other half would be divided within the area and is based on population.

Due to the time and expense involved in determining and documenting the standard method, all of the FMAs have used the Alternative Method to determine the allocation of the Shared Fisheries Business Tax for the past several years. The Kodiak Management Area, FMA13, is the only FMA in Alaska that used the long form to distribute the Shared Fisheries Taxes to the communities up until FY2014.

**DISCUSSION:** The municipalities located in this region's FMA include Akhiok, Kodiak, Kodiak Island Borough, Larsen Bay, Old Harbor, Ouzinkie, and Port Lions. The total FY2018 program allocation to be shared within FMA13 is estimated to be \$252,914.79 compared to the \$247,159.31 in FY2017. Kodiak's share for FY2018 is estimated to be \$75,163.70. (Attachment B). The program requires that funding be first allocated to fisheries management areas around the state based on the level of fish processing in each area compared to the total fish processing for the whole state. Then the funding is further allocated among the municipalities located within each fisheries management area based on the relative level of impacts experienced by each municipality.

Based on capital expenditures made by the other municipalities in FMA13, it appears unlikely that the City of Kodiak would receive a larger allocation for FY2018 by using the standard method. The alternative allocation method allocates 50 percent shared equally among the municipalities located within the FMA 13 region. The remaining 50 percent is shared among the municipalities on a per capita basis. The City has opted, along with the other communities on Kodiak and the Borough, to use the alternative method (short form) since FY2015. Using the

alternative method this year does not preclude the City from using the standard method in future years.

Based on the cost and time needed to prepare the standard form, staff believes the alternative method will provide the available funds more easily to offset some of the impacts from fisheries-related activities in the community.

**ALTERNATIVES:**

- 1) Adopt Resolution No. 2018-03, which is the staff recommendation, because it provides the City with funding to offset impacts to fisheries business conducted in Kodiak.
- 2) Council could require the City to complete the standard method application. This is not recommended because it is inconsistent with the agreed upon method currently used by local governments in the Kodiak Island Borough.

**FINANCIAL IMPLICATIONS:** By adopting the resolution and completing the application, the City will receive funding from the Department of Commerce, Community and Economic Development. In FY2017 the City received \$126,865.03 and expects to receive \$75,163.70 for the FY2018 year. This funding is recorded in the general fund.

**STAFF RECOMMENDATION:** Staff recommends Council adopt Resolution No. 2018-03 in order for the City to receive funding using the alternative method.

**CITY MANAGER'S COMMENTS:** The City has received funds through the State of Alaska Shared Fisheries Business Tax Program since its inception, and Council approves the application process for the funds by resolution each year. Receipt of the shared fisheries tax helps to offset expenses that result from impacts to the City's facilities, operations, and services created by fisheries activities. The department only approves the use of a proposed alternative method if all the municipalities in the area agree to use the method, and if the method includes some measure of the relative effects of the fishing industry on the respective municipalities in the area. Kodiak communities are using the alternative allocation method. I support staff's recommendation to adopt Resolution No. 2018-03.

**ATTACHMENTS:**

Attachment A: Resolution No. 2018-03

Attachment B: DCCED FY18 Shared Fisheries application letter

**PROPOSED MOTION:**

Move to adopt Resolution No. 2018-03.

**CITY OF KODIAK  
RESOLUTION NUMBER 2018-03**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY18 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FISHERIES MANAGEMENT AREA 13: KODIAK AREA**

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY18 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Commerce, Community, and Economic Development that the municipality suffered significant effects during calendar year 2016 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, The City of Kodiak proposes to use an alternative allocation method for allocation of FY18 funding available within the Fisheries Management Area 13: Kodiak Area in agreement with all other municipalities in this area participating in the FY18 Shared Fisheries Business Tax Program.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak, Alaska, by this resolution certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2016 of fisheries business activity in FMA 13: Kodiak Area:

All municipalities share equally 50% of allocation; all municipalities share the remaining 50% on a per capita basis.

The Kodiak Island Borough population is reduced by the population of the Cities of Akhiok, Kodiak, Larsen Bay, Old Harbor, Ouzinkie, and Port Lions.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

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CITY CLERK

Adopted:



## FMA 13: Kodiak Area

| <i>Alternative</i>     | Total allocation: | 50% Divided Equally | 50% per Capita      |                       |
|------------------------|-------------------|---------------------|---------------------|-----------------------|
|                        | \$252,914.79      | \$126,457.39        | \$126,457.39        |                       |
| <b>Community</b>       | Population        | 50% divided share   | 50% per Capita      | Calculated Allocation |
| Akhiok                 | 97                | \$18,065.34         | \$904.40            | \$18,969.74           |
| Kodiak                 | 6,124             | \$18,065.34         | \$57,098.36         | \$75,163.70           |
| KIB                    | 6,698             | \$18,065.34         | \$62,450.17         | \$80,515.51           |
| Larsen Bay             | 77                | \$18,065.34         | \$717.93            | \$18,783.27           |
| Old Harbor             | 231               | \$18,065.34         | \$2,153.78          | \$20,219.12           |
| Ouzinkie               | 159               | \$18,065.34         | \$1,482.47          | \$19,547.81           |
| Port Lions             | 177               | \$18,065.34         | \$1,650.30          | \$19,715.64           |
| <b>Totals</b>          | <b>13,563</b>     | <b>\$126,457.39</b> | <b>\$126,457.39</b> | <b>\$252,914.79</b>   |
| <b>Community Count</b> | <b>7</b>          |                     |                     |                       |

\* 50% Divided Equally and 50% on a Per Capita Basis.


\*\* Kodiak Island Boro population = boro population less pop. of cities

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager 

**Date:** January 25, 2018

**Agenda Item:** V. b. Resolution No. 2018–04, Approving the City Council’s Budget Goals for FY2019

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**SUMMARY:** The Council reviewed a draft list of proposed budget goals for FY2019 (Attachment A) at the annual planning meeting on January 6, 2018. The goals are similar to those of FY2018 with some changes and suggested deletions for clarification. The approved goals will be used by staff in the development of the FY2019 City budget. Staff recommends Council approve the budget goals as discussed on January 6, 2018, by adopting Resolution No. 2018–04.

**PREVIOUS COUNCIL ACTION:** Council has adopted annual budget goals each year following discussions at the annual planning session. The goals are used in development of the City’s operating and capital budget.

- March 3, 2011, adopted FY2012 budget goals by Resolution No. 2011–04
- February 23, 2012, adopted FY2013 budget goals by Resolution No. 2012–04
- February 28, 2013, adopted FY2014 budget goals by Resolution No. 2013–04
- February 13, 2014, adopted FY2015 budget goals by Resolution No. 2014–08
- February 12, 2015, adopted FY2016 budget goals by Resolution No. 2015–03
- February 11, 2016, adopted FY2017 budget goals by Resolution No. 2016–07
- February 28, 2017, adopted FY2018 budget goals by Resolution No. 2017–05
- January 6, 2018, discussed proposed FY 2019 budget goals at annual planning meeting

**DISCUSSION:** For the past eight fiscal years the Mayor and Council have reviewed and discussed annual budget goals at the Council planning meeting and then adopted final goals by resolution at a regular meeting. The goals reflect Council’s philosophy and direction for the upcoming fiscal year. The process of adopting formal budget goals gives the elected officials the opportunity to define the budget direction at the outset of the budget cycle. The City Manager then uses the goals as a guide in preparation of the City’s operating and capital budget. The goals focus on specific areas of the budget, such as revenue, personnel, operating expenses, capital expenditures, enterprise fund performance, and debt service.

Goals like these provide guidance to management as operating and capital budgets are prepared for the new fiscal year. The departmental budgets should reflect the overall budget goals with written justification provided if variations are needed for operational reasons. Written justifications are reviewed internally and presented to the Council during budget presentations.

Council discussed budget goals for FY2019 at the annual planning meeting on January 6. The proposed goals are similar to those from FY2018 (Attachment B). The goals have been well developed over time because the City's organization, infrastructure needs, and overall financial condition remain similar from year to year. In general, Council supported the goals as drafted, but expressed concern about the unknowns that will likely affect the City in the upcoming year due to lack of state revenue and the support the state traditionally provides in the form of specialty grants, matching, and legislative grants. This concern is shared by the management staff as intergovernmental sources of funds like community assistance (formerly revenue sharing), PERS on behalf payments, and grants will be reduced, making up a smaller percentage of the City's General Fund revenue stream. The General Fund provides the financial resources for most of the City's services like fire, police, engineering, public works, parks and recreation, library, finance and more. If the legislature reduces or eliminates state programs, the City would have to carry the burden of costs to maintain services.

The budget goals are the elected officials' policy statement that tells the Manager how to utilize the City's resources and provision of services for the next fiscal year. They are goals and therefore are both a policy statement and a planning tool. They may be accomplished in a single year or two as some have, or they can carry over from year to year because they are needed each year, or because they have not yet been completed. Management uses the goals as a template in preparation of the City's operating and capital budget. This process improves accountability by making the management staff and employees aware of Council's concerns and gives staff the direction necessary to help work toward and achieve the goals.

When Council adopts the resolution, the Manager will provide a copy to department heads and review the process to be used in the development of the departmental operating and capital budgets.

**ALTERNATIVES:** There are three primary alternatives for Council to consider.

- 1) Adopt the budget goals as identified. This is staff's recommendation because the goals reflect Council's budgetary philosophy and will provide guidance to management and improve budget accountability.
- 2) Amend the list of budget goals.
- 3) Decide not to adopt budget goals for FY2019.

**FINANCIAL IMPLICATIONS:** The use of formal budget goals does not have a direct financial impact to the City. However, increased Council participation at the outset provides clear guidance to staff on areas of importance to the Council. Budget goals improve planning at the departmental level, provide important information on how departmental budgets interrelate to the entire budget, and provide a means for staff at all levels to understand and work toward reaching Council's goals.

**LEGAL:** N/A

**CITY MANAGER'S RECOMMENDATION AND COMMENTS:** The process of adopting formal budget goals gives Council the opportunity to define its direction at the outset of the budget cycle. This process improves accountability by making the management staff and employees aware of Council's concerns and gives them the direction necessary to help achieve the goals. I recommend Council adopt the FY2019 budget goals by resolution, which will help us set the right course as we begin work on the upcoming budget.

**ATTACHMENTS:**

Attachment A: Resolution No. 2018-04, FY2019 Budget Goals

Attachment B: FY2019 Budget Calendar

**PROPOSED MOTION:**

Move to adopt Resolution No. 2018-04.

**CITY OF KODIAK  
RESOLUTION NUMBER 2018-04**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK APPROVING  
THE CITY COUNCIL'S BUDGET GOALS FOR FY2019**

WHEREAS, budget guidelines help ensure that the City's budget is prepared in a manner consistent with City Council desires; and

WHEREAS, the City Council discussed and selected the list of budget goals at their January 6, 2018, planning meeting; and

WHEREAS, management will use the listed budget goals as a framework when developing the FY2019 budget.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska, that the following budget goals will be used in the development of the City of Kodiak's FY2019 budget:

**Revenue**

Revenues will continue to be estimated conservatively using an analytical and objective approach.

One-time revenues will be used only for one-time expenditures. The City will avoid using temporary revenues or grants to fund routine City services or positions.

Charges for Fees and Services will be reviewed and updated annually to ensure quality service delivery and adequate revenues.

**Operating Expenses**

General Fund operating (non-personnel) expenses for FY2019 will endeavor to match FY2019 projected revenues. Increases will be justified to the City Manager in writing and, if approved, presented by department heads to the City Council for final consideration during budget presentations.

Review existing programs and services to assess how well budgeted performance indicators met goals and objectives.

City management will continue to examine ways to maintain efficiencies of expenditures without significant impact to level and quality of services provided to residents.

### **Personnel Goals**

The City will maintain adequate staffing in accordance with the approved FY2019 budget. FTEs will not increase unless new operational needs or mandates require additional employee positions.

Sections of the PR&R will continue to be reviewed and amended to improve practices that reflect recognized Human Resources standards.

### **General Fund**

Council will review ways to increase revenues in the General Fund to help offset increases in operating expenses, meet infrastructure needs, and increase the fund balance, per the plan outlined in "Setting the Course for the Future," 1/14/12.

General Fund revenues will be forecast conservatively and take into consideration possible state funding policies that may affect City revenues such as community assistance program, shared fisheries and other shared business taxes, pension costs and liabilities, and the required allocation of sales tax.

The General Fund will be budgeted without a deficit and with a goal to maintain up to three months' operating reserves in fund balance. Council may appropriate additional funds for capital projects.

### **Enterprise Funds**

The major enterprise funds will develop long-term plans to include maintenance and repairs, needed facility replacement or expansion, and a schedule for rate reviews.

Enterprise Funds will continue to conduct rate studies every five years and present them to the City Council for implementation.

The Shipyard will strive to maintain positive cash flows through charges for services to meet debt service payments and maintain facilities operations and maintenance costs. The Shipyard will highlight the services offered by developing a business plan and marketing campaign to maximize revenues. This plan will be reviewed annually for marketing effectiveness.

Ensure adequate revenues are established to continue to maintain and improve Harbor facilities that support fisheries and support sector services and activities.

### **Community Support**

The total cash amount available to fund non-profit requests will continue to follow the Council established level of funding which shall not exceed 1% of budgeted General Fund revenues. In-Kind contributions shall be subject to Council approval.

**Capital**

Within resources available, the City will maintain capital assets and infrastructure at a level that is adequate to protect its investment, to minimize future replacement and maintenance costs, and to maintain existing service levels.

The City Manager and management staff developed the City’s first formal five-year capital improvement plan (CIP) that identifies and ranks projects for capital and major maintenance projects. The plan has additional information for ten-year expense projections for all departments and funds. The City will utilize the planning document and develop policies and procedures identifying criteria and steps for implementation. The capital budget will link to, and flow from, the multi-year capital improvement plan.

**Debt Service**

The City will not incur new debt without appropriate analysis to:

- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

**Quality of Life**

The City will provide adequate services that meet the community needs, priorities, challenges and opportunities with consideration given to the condition of the economy, the composition of the population, technology, legal or regulatory issues, intergovernmental issues, and physical or environmental issues.

**Economic Development**

The City will continue to promote and support economic development to help ensure a diverse, sustainable, and healthy economy for Kodiak.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

Adopted:

| <b>City of Kodiak<br/>Budget Calendar FY 2019</b> |   |   |
|---|---|---|
| <b>DATE</b>                                       | <b>ITEM</b>   | <b>BY</b>   |
| January 2, 2018                                   | City Council Presentation FY 2019 Revenue Projections,<br>& Budget Calendar   | City Manager &<br>Finance Director                      |
| January 6, 2018                                   | Review City Council Goals and prepare suggested<br>changes  | City Manager & City<br>Council                          |
| January 25, 2018                                  | City Council adopts Goals by Resolution   | City Manager &<br>City Council                          |
| January 29, 2018                                  | Meeting of City Manager & Department Heads to<br>distribute budget packets and provide overview of<br>information in packets. | City Manager &<br>Department Heads                      |
| February 1 - 15, 2018                             | Final day for departmental budget requests to be<br>returned to Manager (via Finance Department)                              | Department Heads  |
| February 1 - 15, 2018                             | City Manager & Finance Director reviews departmental<br>budget with respective Department Heads.                              | City Manager/<br>Finance Director &<br>Department Heads |
| February 23, 2018                                 | Distribute Manager's Budget to City Council   | City Manager  |
| March 10, 2018                                    | Budget presentation to City Council by management<br>staff  | City Manager/<br>Department Heads &<br>City Council     |
| March 22, 2018                                    | First reading of budget ordinance   | City Manager/<br>Finance Director & City<br>Council     |
| April 4, 2018                                     | Advertisement for overall City Council agenda including<br>budget   | Clerk   |
| April 12, 2018                                    | Second reading and public hearing of budget ordinance;<br>adoption of budget  | City Manager/<br>Finance Director & City<br>Council     |
| July 1, 2018                                      | Budget Implementation   | Finance Director  |
| November 15, 2018                                 | FY 2019 Budget Available on City's website  | Finance Director  |



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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
Debra Marlar, City Clerk *DM*

**Date:** January 25, 2018

**Agenda Item:** V. c. Appointment to the Cook Inlet Regional Citizens Advisory Council

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**SUMMARY:** The City of Kodiak has a dedicated seat for a representative on the Cook Inlet Regional Citizens' Advisory Council (CIRCAC). Rob Lindsey has served in the City's primary seat for several years. Mr. Lindsey's current term ends in April 2018, and CIRCAC has indicated Mr. Lindsey wishes to continue to serve for another three-year term.

**PREVIOUS COUNCIL ACTION:** The City of Kodiak has appointed a representative to the CIRCAC for several years.

**BACKGROUND:** The Cook Inlet Regional Citizens' Advisory is a citizens' oversight council for oil facility operations in the Cook Inlet area. The City's representative on the CIRCAC has the opportunity to influence decisions having profound implications for oil transportation safety in Alaska and the State's oil spill prevention and response capabilities. CIRCAC is seeking an appointee who understands Kodiak's needs, concerns, and perspectives; has a basic familiarity with oil spill transportation issues; has a schedule flexible enough to allow for travel; is committed to the CIRCAC's mission; and seeks opportunities to foster cooperative relationships with citizens, industry, and regulatory agencies.

**ALTERNATIVES:**

- 1) Appoint a City primary representative to the CIRCAC. This is recommended to ensure the City continues to be represented on the Advisory Council.
- 2) Do not make an appointment, which is not recommended.

**CITY MANAGER'S COMMENTS:** We appreciate Mr. Lindsey's dedication to the CIRCAC and his willingness to serve as a volunteer.

**ATTACHMENTS:**

- Attachment A: CIRCAC appointment request letter
- Attachment B: Letter of interest from Rob Lindsey

**PROPOSED MOTION:**

Move to appoint Rob Lindsey as the City of Kodiak's appointee to the Cook Inlet Citizens' Advisory Council for a three-year term ending in April 2021.



*"The mission of the Council is to represent the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet."*

December 5, 2017

**Members**

The Honorable Pat Branson  
Mayor

*Tourism Group*

City of Kodiak  
710 Mill Bay Road, Room 216  
Kodiak, AK 99615

*Alaska Native Group*

Mayor Branson:

*Environmental Group*

The Cook Inlet Regional Citizens Advisory Council (CIRCAC) is a citizen's oversight council for oil operations in the Cook Inlet area, organized under provisions in the Oil Pollution Act of 1990 (OPA 90). The Council's mission is to represent the citizens of Cook Inlet in promoting environmentally safe marine transportation and oil facility operations in Cook Inlet.

*Recreation Group*

*Aquaculture Associations*

The Council, formed in late 1990 as a not-for-profit corporation, consists of thirteen Directors, appointed or elected by stakeholder groups as spelled out in OPA 90. These seats include seven municipal and borough seats, which includes the City of Kodiak. Directors are elected on a three year rotating basis. The three-year term for the City of Kodiak seat expires in April 2018. The seat is currently held by Mr. Rob Lindsey. It is our understanding that Mr. Lindsey wishes to continue as Kodiak's appointed representative.

*Commercial Fishing Group*

*City of Kodiak*

*City of Kenai*

Your participation in this membership process is important to us! Please submit to our office by March 6, 2018, written notification of your continued appointment of Mr. Lindsey for a full three year term, or the name of his replacement appointee.

*City of Seldovia*

*City of Homer*

If you have any questions about CIRCAC, the role of board members, or the appointment process, please feel free to contact me at 907-283-7222 or [jerryrombach@circac.org](mailto:jerryrombach@circac.org). We look forward to hearing from you in the very near future, and thank you for your time and support of our mission.

*Kodiak Island Borough*

Sincerely,

*Kenai Peninsula Borough*

*Jerry Rombach*  
Jerry Rombach  
Director of Administration

*Municipality of Anchorage*

cc: Rob Lindsey

# Robert B Lindsey

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Kodiak, Alaska /3162 Spruce Cape road 99615 /907 942 7764/kodiakwaves@gmail.com

**January 17, 2018**

Honorable Mayor and City Council of Kodiak, Alaska

Title

Company

Address

City, ST ZIP Code

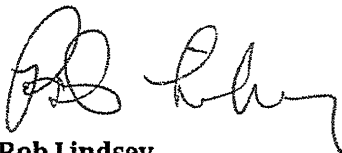
**Dear Honorable Mayor and City Council of Kodiak, Alaska:**

It has been my honor to serve as the representative of the City of Kodiak on the Cook Inlet Citizen's Advisory Council (CIRCAC) for almost twenty years. In this time there have been many significant changes in the oil production and shipping in the Inlet.

It has been a pleasure as well as an education serving on the board for such a long time and it would be my honor to continue serving if you will allow it. I have sat on the PROPS and PROTOCOL Committees during most of my time with the board, allowing me to participate in the review of the Contingency plans for all of the operators in the inlet as well as hear scientific review of the effects on the environment, safety and ecology of the waters of the inlet in general.

With the current shift in possible lease availability along with changes to the EPA, there may be significant changes in the Oil and Oil Transportation industry in the inlet. I feel my experience along with my familiarity with the process, participants and environment are useful to our Board seat. I look forward to seeing all of you at the next Council meeting.

**Sincerely,**



**Rob Lindsey**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
**Thru:** Kelly Mayes, Finance Director *KMM*  
**Date:** January 25, 2018

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**Agenda Item: V. d. Acceptance of the FY2017 Comprehensive Annual Financial Report (Audit)**

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**SUMMARY:** Each year the City Council retains a qualified accounting firm to perform an annual audit of the City's financial records and accounting practices. The City Charter and the City Code require the Council to accept the comprehensive annual financial report. Council typically accepts the report and results of the audit by motion. Staff recommends Council approve the results of the financial statement audit for Fiscal Year 2017 in accordance with KCC 3.24.020 and accept the Fiscal Year 2017 Comprehensive Annual Financial Report.

**PREVIOUS COUNCIL ACTION:** The Fiscal Year 2017 budget was adopted by the City Council on June 13, 2016, via Ordinance No. 1351. The annual audit expense was budgeted in the General Fund, Finance Administration Department, Professional Services. The budget amount for the Fiscal Year 2017 audit was \$69,300 not including federal and state single audits. On May 25, 2017, the Council approved the professional services agreement with an option to extend for additional two years, with Altman Rogers & Co. to perform annual independent audit in the amount of \$69,300 for FY2017, \$70,925 for FY2018, and \$73,020 for FY2019. The audited Comprehensive Annual Financial Report for Fiscal Year 2017 was presented to Council at the January 9 work session.

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

The City of Kodiak solicited the services of qualified firms of certified public accountants to audit its financial statements for the fiscal years ending June 30, 2017, 2018, and 2019. The City contracted with Altman Rogers & Co for auditing services.

The auditors from Altman Rogers & Co worked with City staff during the summer and into the fall of 2017 to plan and perform their audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. As in past years, staff recommends Council review and then approve the final FY2017 audited comprehensive financial report by motion at this meeting.

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

**STAFF RECOMMENDATION:** Staff recommends that the City Council accept the Fiscal Year 2017 audited comprehensive annual financial report by motion.

**CITY MANAGER’S COMMENTS:** The annual audit is a financial requirement of the City. Staff prepared for and worked closely with the auditors as they gathered information during the summer and fall to prepare the final report. I recommend that Council accept the FY2017 audited comprehensive financial report by motion at this meeting. I want to thank Finance Director Kelly Mayes for overseeing the audit process and working with staff and our auditors to navigate auditing requirements and make our audit process a success. I also want to thank the Finance Department staff for their work during the audit and for their ongoing professionalism and attention to detail.

**PROPOSED MOTION:**

Move to accept the City’s Fiscal Year 2017 audited Comprehensive Annual Financial Report.

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**MEMORANDUM TO COUNCIL**

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Date:** January 25, 2018

**Agenda Item: V. e. Authorization to Cancel the February 22, 2018, Regular Meeting and Authorize the City Manager to Schedule a Special Meeting if Needed**

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**SUMMARY:** The regularly scheduled Council meeting for February 22, 2018, may be cancelled to reflect elected official and staff travel schedules. Elected officials and staff attend the annual winter Alaska Municipal League Conference February 20-23 and meet with Juneau officials. At a recent work session, the Council voiced a consensus to cancel the February 22 regular meeting and authorize the City Manager to schedule a special meeting if needed.

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

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

**PROPOSED MOTION:**

Move to cancel the February 22, 2018, regular meeting and authorize the City Manager to schedule a special meeting if needed.



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**MEMORANDUM TO COUNCIL**

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**To:** Mayor Branson and City Councilmembers

**From:** Mike Tvenge, City Manager *MT*

**Date:** January 25, 2018

**Agenda Item:** X. a. Future Use of Gibson Cove

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**SUMMARY:** The City Council will enter into executive session to discuss the future use of Gibson Cove.

**PROPOSED MOTION:**

Move 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.

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