

City of Kodiak Regular Council Meeting Agenda for March 8, 2018
7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)

I. Call to Order/Roll Call	
Invocation/Pledge of Allegiance	
II. Previous Minutes	
Approval of Minutes of the February 6, 2018, Special Meeting, and the February 8, 2018, Regular Council Meeting.....	1
III. Persons to Be Heard	
a. Public Comments (limited to 3 minutes) (486-3231)	
IV. Unfinished Business	
a. None	
V. New Business	
a. Resolution No. 2018–05, Urging the Governor of the State of Alaska to Declare a Disaster and to Request the Secretary of Commerce to Declare a Commercial Fishery Failure and a Disaster for the 2018 Gulf of Alaska Pacific Cod Fishery.....	8
b. Resolution No. 2018–06, Rescinding Resolution No. 2017–13 and Establishing Funding Criteria for Nonprofit Grants	12
c. Direction to City Manager to Increase the City Mill Rate to 4 Mills Beginning With the FY2019 Budget.....	16
d. Authorization of Bid Award for Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037	20
e. Authorization of a Professional Service Contract for Construction Management Services for the Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037	28
f. Authorization of Memorandum of Agreement With Sun’aq Tribe of Kodiak for Their Tribal Transportation Program Route Inventory	36
g. Acceptance of Settlement Agreement and Mutual Release of Claims With Dominion Pipe & Piling and Pacific Pile & Marine, LP	40
VI. Staff Reports	
a. City Manager	
b. City Clerk	
VII. Mayor’s Comments	
VIII. Council Comments	
IX. Audience Comments (limited to 3 minutes) (486-3231)	
X. Executive Session	
a. Discuss Finance Director Position.....	48
XI. Adjournment	

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DRAFT

**MINUTES OF THE SPECIAL COUNCIL MEETING
OF THE CITY OF KODIAK
HELD TUESDAY, FEBRUARY 6, 2018
IN THE KODIAK CITY CONFERENCE ROOM**

I. MEETING CALLED TO ORDER

Mayor Pat Branson called the meeting to order at 5:35 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 and Deputy Clerk Michelle Shuravloff-Nelson, and Finance Director Kelly Mayes were also present.

II. PUBLIC COMMENTS

None

III. EXECUTIVE SESSION

a. Discussion Regarding Dominion Pipe & Piling Case Status Report From Attorney

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

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

The Council entered into executive session at 5:36 p.m.

Mayor Branson reconvened the special meeting at 6:05 p.m.

IV. POTENTIAL ACTION FOLLOWING EXECUTIVE SESSION

None

V. ADJOURNMENT

Councilmember Whiddon 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 6:05 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

<p>DRAFT</p>

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, FEBRUARY 8, 2018
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30p.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 Assistant Clerk Shannon Hamer were also present.

Salvation Army's Tony Furio gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the January 25, 2018, regular meeting with the corrections as noted.

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

Laurence Anderson, Senior Center Board Member, gave the second quarterly report for the Senior Center and thanked the Council and public for their support. He said he has been on the board for several years, along with many others, and everyone is very dedicated to the senior citizens. Mr. Anderson noted many opportunities at the Senior Center, and how it is often complimented by visitors. He thanked the Council for their hard work.

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

a. Authorization of Bid Award for Sanitary Sewer Lift Stations 3 and 4 Replacement, Project No. 11-06/7509

In 2011 the City began to evaluate the condition of downtown Sanitary Sewer Lift Stations 1 through 4 with a plan to refurbish or replace each of them. The overall project progressed as funding became available. Council approved additional project funds via Resolution No. 2017-29 at their December 14, 2017, regular meeting in order to construct the replacement of Lift Stations 3 and 4.

Councilmember Walker MOVED to authorize the bid award for Sanitary Sewer Lift Stations 3 and 4, Project No. 11-06/7509, in the amount of \$1,424,557.94 to Brechan Construction LLC with funds coming from Sewer Capital Improvement Fund Project No. 7509 and authorize the City Manager to execute the documents on behalf of the City.

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

b. Authorization of Professional Services Contract for Construction Administration Services for Sanitary Sewer Lift Stations 3 and 4, Project No. 11-06/7509

With the award of the construction replacement of Sanitary Sewer Lift Stations 3 and 4 to Brechan Construction LLC, the next step is to secure a professional services contract with DOWL for engineering services for construction management services.

Councilmember Davidson MOVED to authorize the professional services contract with DOWL for construction administration services for the Sanitary Sewer Lift Stations 3 and 4, Project No. 11-06/7509, in the amount of \$89,000, with funds from the Sewer Capital Improvement Fund, Project No. 7509, and authorize the City Manager to execute the necessary documents on behalf of the City.

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

c. Advisory Board Appointments

Several advisory board seats expired at the end of December. Volunteers were solicited via newspaper advertisements, public service announcements, and City Clerk and department head recruitment efforts. One application was received for appointment to the Building Code Board of Appeals, and one new applicant and four returning applicants applied to the Port and Harbors Advisory Board. Except for the Personnel Board whose appointments are made by the Council, appointments to the other boards are made by the Mayor and confirmed by the Council.

Mayor Branson appointed Cache Seel to the Building Code Board of Appeals for a seat ending December 31, 2018; Marty Owen, Jake Everich, and Nick Szabo to regular seats on the Port and Harbors Advisory Board with terms ending December 31, 2020; and David Jentry as Alternate No. 1 and Lloyd Shanley as Alternate No. 2 with terms ending December 31, 2018.

Councilmember Arboleda MOVED to confirm the Mayoral advisory board appointments to Building Code Board of Appeals and Port and Harbors Advisory Board as stated.

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 that he and the Finance Director have completed the first draft of the FY2019 budget and have distributed the draft to the department directors. The FY2019 budget will be presented to the Council on March 10 at 9:30 a.m. at the library.

b. City Clerk

City Clerk Marlar announced the Council's upcoming meetings.

VII. MAYOR'S COMMENTS

Mayor Branson said she looks forward to seeing the staff's work on the budget that will be distributed to the Council earlier this year for review before the budget is presented at the March 10 budget meeting. She noted with the tight budget, it is important to look for efficiencies in government, and stressed the importance of the Borough and the City to continue to collaborate on building inspections, animal control, and E-911. The Mayor stated that "Shop the Rock" is this weekend, and it is a great opportunity to support our local businesses.

VIII. COUNCIL COMMENTS

Councilmember Bishop thanked the staff for their work on the budget. He also thanked those who serve on advisory boards and committees, noting it can be a thankless job but is very important to our community. He encouraged the public and staff to keep our heads up and stay positive during this tough economic time.

Councilmember Saravia thanked the Senior Center staff and volunteers for their work in making Kodiak's Senior Center one of the best in the nation. He thanked the staff for their work on the budget. He said he hopes the City and the Borough can continue to work together by putting personal agendas aside and thinking of what is best for the citizens of Kodiak as a whole. Councilmember Saravia expressed his support of the E-911 program, saying that it could be life-saving for people in the Borough who are outside the City limit. He also thanked the Coast Guard and wished Clerk Marlar a happy birthday and thanked her for her dedication.

Councilmember Whiddon said that while flying over Kodiak this morning, he did not see dividing lines between the City and the Borough, he just saw Kodiak. He agreed that the City and the Borough need to work together to find efficiencies and save money. He reminded the public that next Saturday is the Coast Guard Appreciation Dinner, and he looks forward to that event.

Councilmember Arboleda reminded the public of "Shop the Rock" this weekend and encouraged the public to support our local businesses.

Councilmember Davidson wished City Clerk Marlar a happy birthday, and stated that she is a very hard-working and competent Clerk. He thanked Laurence Anderson for volunteering in our community. Councilmember Davidson encouraged citizens to take advantage of everything our unique community has to offer. He also thanked and congratulated our local Coast Guard in relation to their upcoming event. He stated his hope that the Borough continue to work with the City on the E-911 program, which he said is a life-saving service.

Councilmember Walker thanked Mr. Anderson for the Senior Center report and expressed his appreciation for all the Senior Center does. He thanked the Public Works department and Mike Tvenge for their work and dedication to the various City projects. He wished everyone a happy Valentine’s Day next week and encouraged the public to attend the Coast Guard Appreciation Dinner.

IX. AUDIENCE COMMENTS

None

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 7:59p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager and Debra Marlar, City Clerk

Date: March 8, 2018

Agenda Item: V. a. **Resolution 2018-05, Urging the Governor of the State of Alaska to Declare a Disaster and to Request the Secretary of Commerce to Declare a Commercial Fishery Failure and a Disaster for the 2018 Gulf of Alaska Pacific Cod Fishery**

SUMMARY: In December 2017, the North Pacific Fisheries Management Council reduced the 2018 Gulf of Alaska Pacific cod catch limits by 80 percent compared to 2017. The Fisheries Work Group Co-Chairs have recommended the adoption of a joint resolution from the City Council and Borough Assembly urging the Governor of the State of Alaska to declare a disaster and to request the Secretary of Commerce to declare a commercial fishery failure and a disaster for the 2018 Gulf of Alaska Pacific cod fishery.

DISCUSSION: On December 21, 2017, the City of Kodiak and Kodiak Island Borough submitted a letter to Governor Walker requesting that he declare a federal fishery disaster for the 2018 commercial Pacific cod fishery in the Gulf of Alaska. On January 19, 2018, in response to letters from the City and Borough of Kodiak, Aleutian's East Borough, and cities and tribes from Sand Point, King Cove, and False Pass, the Federal Fisheries Coordinator through the Director of the Division of Commercial Fisheries, Alaska Department of Fish and Game, wrote a letter and provided information to Commissioner Cotton, ADF&G. The letter from ADF&G staff to the Commissioner was to assist in the determination whether the State of Alaska should support the disaster declaration. One of the points for consideration in the ADF&G letter was if the State declares a disaster they would request that the Secretary of Commerce also declare a disaster for the 2018 Gulf of Alaska Pacific cod fishery. The Secretary has the authority to make funds available to a fishing community. This resolution would help facilitate the importance and communication to the Governor, Secretary of Commerce, ADF&G Commissioner and his staff for the Gulf of Alaska Pacific cod fishery disaster declaration request.

ALTERNATIVES:

- 1) Adopt Resolution No. 2018-05, which is staff's recommendation to support the Fisheries Work Group's request, and to be proactive in the potential future community economic impacts and hardships.

- 2) Do not pass the resolution, which is not recommended, because there are expected adverse economic impacts to the Gulf coastal communities to commercial fisherman, fish processors, businesses, and the local governments.

LEGAL: Magnuson-Stevens Fisheries Management and Conservation Act (MSA) Section 312 (a).

CITY MANAGER'S COMMENTS: This resolution will bring to light the region's economic dependence of the fisheries impact in our communities. At the initial request of the Kodiak Fisheries Work Group Co-Chairs, the resolution also shows the Governor, Commissioner Cotton, and U.S. Secretary of Commerce Wilbur Ross; that Kodiak City Council supports our Governor if he wishes to declare a commercial fishery failure and a disaster for the 2018 pacific cod fishery.

ATTACHMENT:

Attachment A: Resolution No. 2018-05

PROPOSED MOTION:

Move to adopt Resolution No. 2018-05.

**CITY OF KODIAK
RESOLUTION NUMBER 2018-05**

A JOINT RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK AND KODIAK ISLAND BOROUGH ASSEMBLY URGING THE GOVERNOR OF THE STATE OF ALASKA TO DECLARE A DISASTER AND TO REQUEST THE SECRETARY OF COMMERCE TO DECLARE A COMMERCIAL FISHERY FAILURE AND A DISASTER FOR THE 2018 GULF OF ALASKA PACIFIC COD FISHERY

WHEREAS, in December 2017 the North Pacific Fishery Management Council reduced the 2018 Gulf of Alaska Pacific cod catch limits by 80 percent compared to 2017; and

WHEREAS, this reduction projects to a \$20.8 million loss in the first wholesale value in 2018, and these substantial reductions clearly meet the definition of a commercial fishery failure; and

WHEREAS, under the Magnuson-Stevens Fishery Conservation and Management Act, a fishery resource disaster is a sudden, unexpected, large decrease in fish stock biomass or other change that results in significant loss of access to the fishery resource for a substantial period of time; and

WHEREAS, scientific information suggests that the decline in the Gulf of Alaska Pacific cod fishery is the result of an unusually warm mass of water that persisted from 2014 through 2016, which may have reduced available food, and could have resulted in poor body condition, increased mortality; and impacted larval survival; and

WHEREAS; the impacts will be immediately felt throughout our Gulf coastal communities by commercial fishermen, fish, processors, and secondary businesses for years to come and will impact the economic base of local government.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Kodiak and the Kodiak Island Borough Assembly, urge Governor Walker to declare a disaster in accordance with Section 312(a) of the Magnuson-Stevens Fishery Management and Conservation Act for the 2018 commercial Pacific cod fishery in the Gulf of Alaska and that he request the Secretary of Commerce to do the same.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Kelly Mayes, Finance Director

Date: March 8, 2018

Agenda Item: V. b. Resolution No. 2018-06, Rescinding Resolution No. 2017-13 and Establishing Funding Criteria for Nonprofit Grants

SUMMARY: Staff prepared Resolution No. 2018-06, which amends the funding criteria for nonprofit grant awards.

PREVIOUS COUNCIL ACTION:

- May 26, 2005, Council adopted Resolution No. 05-20, Establishing Funding Criteria for Nonprofit Grants.
- February 26, April 12, and April 26, 2011, Council reviewed existing funding policy and discussed changes to the policy, application, and evaluation process.
- April 28, 2011, Council adopted Resolution No. 2011-10, Rescinding Resolution No. 05-20 and Establishing Funding Criteria for Nonprofit Grants
- March 25, 2014, Council discussed changes to the nonprofit grant program policy resolution and application process, indicating support for the ability of a nonprofit organization to apply for and receive funding for a special project if justified and approved by Council.
- April 8, 2014, Council reviewed the proposed changes to the application and policy resolution.
- April 10, 2014, Council adopted Resolution No. 2014-19, Rescinding Resolution No. 2011-10 and Establishing Funding Criteria for Nonprofit Grants.
- May 12, 2015, Council discussed changes to the nonprofit grant resolution and application and voiced a consensus to amend Section 3 by eliminating the requirement that restricts funding to no more than ten percent (10%) less and/or more than the previous funding year.
- May 28, 2015, Council adopted Resolution No. 2015-16, Rescinding Resolution No. 2014-19 and Establishing Funding Criteria for Nonprofit Grants.
- April 13, 2017, Council discussed improving the funding category definitions in the policy resolution during their work session.
- April 25, 2017, Council reviewed a draft policy resolution with the addition of funding category definitions, modifications to the funding amounts in the categories, and limiting organizations to one funding criteria per year.
- May 11, 2017, Council amended and adopted Resolution No. 2017-13.

DISCUSSION: Council reviewed the City's nonprofit funding policy and application process at their January 13 planning work session and provided direction to staff to move the resolution forward to a regular or special meeting.

ALTERNATIVES: Council may adopt, amend, or fail to pass Resolution No. 2018-06.

CITY MANAGER'S COMMENTS: The use of fund balance is used to balance the operating budgets. One must maintain a balanced budget; however, one must also replenish that fund balance when possible, this way it is again available in the future. A conservative practice is to build back the fund whenever possible. This resolution is meant to do just that by limiting nonprofit funding to not exceed \$175,000 until such time as the fund balance of the General Fund reaches an accumulation of six months of operating expenditures. Council can review this resolution each year during the planning meeting once the annual audit is complete to determine the following year nonprofit grant amount available.

ATTACHMENTS:

Attachment A: Resolution No. 2018-06

MOTION:

Move to adopt Resolution No. 2018-06.

**CITY OF KODIAK
RESOLUTION NUMBER 2018-06**

A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK RESCINDING RESOLUTION NO. 2017-13 AND ESTABLISHING FUNDING CRITERIA FOR NONPROFIT GRANTS

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

WHEREAS, it has been determined that the appropriate total amount of City funds to grant to nonprofit organizations is a maximum of one percent of budgeted general fund revenues, not to exceed \$175,000 until such time as the fund balance of the General fund reaches an accumulation of six months of operating expenditures, exclusive of any fund balance appropriation and transfers to capital project funds; and

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

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

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

1. Organizations receiving funds must be legally recognized by the Internal Revenue Service.
2. Organizations are limited to one funding criteria or program per year, not including in-kind contributions authorized by the Council.
3. Funding will be granted only for the following kinds of programs/activities and up to the maximum identified funding amount per organization and program type as defined:
 - a. Youth Recreation Programs \$5,000

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

- b. Adult Recreation Programs \$5,000

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

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

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

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

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

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

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Adopted:

MEMORANDUM TO COUNCIL

To: Mayor and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Date: March 8, 2018

Agenda Item: V. c. **Direction to City Manager to Increase the City Mill Rate to 4 Mills Beginning With the FY2019 Budget**

SUMMARY: During the January 2 Council work session the Deputy Manager presented information on the City's property tax rate, currently at 2.0 mills, as well as information regarding procedures to modify this property tax mill rate and financial impacts if the mill rate were to be increased.

PREVIOUS COUNCIL ACTION:

- On June 16, 1941, the City Council established the mill rate (which was at that time for both real and personal property) at 20.0 mills. This tax levy stayed at 20.0 mills until 1960.
- In 1961, the mill rate was reduced to 18.5 mills, and taxes collected were split at "9.5 mills for City use, and 9.0 mills for schools" (Resolution No. 3-91).
- In 1963, the mill rate was increased back to 20.0 mills, though the municipal/school allocation was changed to 6.8 mills and 13.2 mills, respectively.
- The Kodiak Island Borough was incorporated as a second-class Borough on September 24, 1963, and as a second-class Borough, it is responsible for education services.
- In 1964 and 1965, the total City-wide mill rate was reduced to only the 6.8 mills used to fund City services, with the Borough assuming mill rates used to fund the Kodiak Island Borough School District.
- In 1966, the City's mill rate was increased to 7.94 mills.
- In 1967 the City's mill rate was increased to 10.18 mills and finally ended the decade at 11.0 mills in 1969.
- The mill rate was decreased in 1970 from 11.0 mills to 7.0 mills, and remained at 7.0 mills through 1978.
- In 1979, the City's mill rate was increased to 9.1 mills, only to be decreased to 6.0 mills the following year.
- In 1982, it was further decreased to 4.0 mills, then to 2.0 mills in 1983, followed by an additional decrease to 1.25 mills in 1984. It was subsequently raised back to 2.0 mills in 1985, and has stayed at this rate for the past three decades.
- The City Council discussed increasing the mill rate at a Council work session on January 2, 2018.

BACKGROUND: The millage rate, commonly referred to as “mill rate,” is a tax calculation used to determine property taxes. One mill equals \$1.00 of a property tax paid per \$1,000.00 in assessed value of property owned. Therefore, for the median single-family residential home in Kodiak (\$303,000.00), each mill equals \$303.00 in property taxes.

DISCUSSION: The 2017 certified roll has assessed a total of \$561,764,580.00 of taxable real property within the Kodiak City limits; excluding non-profit, place of worship, senior citizen, and disabled veteran exemptions. Therefore, each mill within the City equates to a maximum of \$561,764.58 in collectable tax. At the current property tax rate of 2.0 mills for the City, this equates to roughly \$1,123,529.16 that could be collected in real property taxes per year. However, this number may fluctuate due to non-paid and/or delinquent taxes. In FY2017 the City received \$1,083,234.11, or \$40,295.05 less than the total taxable value.

Currently, the real property tax mill rate within the City is one of the lower tax rates found across the Kodiak Island Borough. The base mill rate of the entire Kodiak Island Borough is 10.75 mills, which is split among four main “funds;” including the Borough’s General Fund, Education Support Fund, School Debt Service Fund, and the Renewal and Replacement Fund.

Properties within the City of Kodiak (2.0 mills for City services, plus the Borough-wide rate of 10.75 mills) put real properties in City limits at 12.75 mills. Therefore, for the median house discussed earlier, the total property tax due each year is \$3,863.25 (\$606.00 due for the City’s 2.0 mill rate, and \$3,257.25 for the Borough’s mill rate of 10.75).

However, it is important to note that assessed values of real property in Kodiak have been reliably increasing over the past decade. According to data received from the Borough’s Assessing Department, since 2008 the total assessed value (which include both increases in assessed values of existing structures, as well as new construction) within the City have increased an average of 58%, while areas outside the City Limits have increased 68%. Therefore, if the median house of “today” (\$303,000) sees an increase in its assessed value in 2018 and becomes a \$315,000.00 house, its property tax –at the increased mill rate would increase to \$ 4,646.25; including the City’s new rate of 4 mills (\$1260) and the Borough’s 10.75mills (\$3386.25)

FINANCIAL IMPLICATIONS: The fiscal year 2019 operating budget, yet to be adopted by Council, contains a projected mill rate increase of 2 mills, totaling a 4 mill City property tax assessment.

ALTERNATIVES: If Council chooses not to increase the property tax mill rate, the FY2019 budget draft will need to be adjusted.

LEGAL: The Council must annually set a mill rate by non-code ordinance. The procedure is the same whether the Council maintains the same rate as the previous year or changes it. June 15 is the legal

deadline to present the Borough assembly with a statement of the rate. The City's existing practice of setting the mill rate as part of the budget ordinance passed in early June or sooner satisfies all legal requirements.

CITY MANAGER'S COMMENTS: Council has set goals to create a sustainable budget and maintain the existing infrastructure and basic services. This is only achievable by increasing revenues. The last mill rate increase was in 1985. I have notified the Borough finance director of the City's intention to increase the mill rate by 2 mills, and we will officially notify the Borough by means of our budget ordinance once approved.

PROPOSED MOTION:

Move to direct the City Manager to increase the City mill rate to 4 mills beginning with the FY2019 Budget.

MARCH 8, 2018
Agenda Item V. c. Memo Page 3 of 3

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers
From: Mike Tvenge, City Manager *MT*
Thru: Mark Kozak, Public Works Director and Glenn Melvin, City Engineer
Date: March 8, 2018

Agenda Item: V. d. Authorization of Bid Award for Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037

SUMMARY: Aleutian Homes Water and Sewer Replacement Phase VI is a continuation of the upgrade of utilities, pavement and sidewalks in the Aleutian Homes Area. Birch Street is in worse shape than any of the previous segments and, therefore, staff recommends Council approve the award of Aleutian Homes Phase VI, Project No. 15-03/7037 to Brechan Construction in the amount of \$3,008,087 with funds coming from Aleutian Homes Water and Sewer Replacement Phase VI Project No. 15-03/7037.

PREVIOUS COUNCIL ACTION: The Council approved the FY2018 budget, which included \$4,834,530 for the construction of Phase VI.

DISCUSSION: Aleutian Homes Phases I - V were constructed from 2007 to 2014. Aleutian Homes Phase V was divided into two Phases. Segment A was constructed during the summer of 2013, and segment B was constructed during the summer of 2014. Phase VI is scheduled for 2018 and includes water, sewer, storm drain, and pavement replacement on Birch Street from Mill Bay Road to Thorsheim Street. Phase VI is roughly 1180 feet long and includes removal and replacement of asphalt pavement; concrete curb and gutter; asphalt sidewalks; 8" sewer main, including manholes; 20" water main lines; valves and connections; and disconnect and re-connect of approximately 35 residential water and sewer services. The project will also include drainage improvements, including removal and replacement of underground drainage, catch basins, and removal and resetting fencing. Retaining walls will be removed and replaced as needed to accommodate wider sidewalks and utility connections outside the right-of-way.

The City received four bids (Attachment A) on February 23, 2018. Brechan Construction LLC was the low bidder at \$3,008,087.

ALTERNATIVES:

- 1) Award the project to Brechan Construction LLC, in the amount of \$3,008,087. Staff believes this alternative will best serve the public by replacing the most highly traveled and at-risk of failure section of road in Aleutian Homes. This is the recommended option.
- 2) Do not award project at this time. This delay would prevent the project from being constructed this year. This alternative is not recommended, because it would delay a highly needed road

improvement project and result in extensive and ever increasing maintenance costs for another year.

FINANCIAL IMPLICATIONS: The current project funding balance is \$4,659,263.86 and is sufficient to fund the full construction bid of \$3,008,087 and maintain an adequate reserve contingency.

LEGAL: Bidding and award comply with KCC Chapter 3.12.

STAFF RECOMMENDATION: Staff recommends award of Aleutian Homes Phase VI, Project No. 15-03/7037 for the bid price of \$3,008,087 to Brechan Construction LLC with funds coming from the Water Capital Improvement Project No. 7037.

CITY MANAGER'S COMMENTS: Public Works crews spend numerous hours monthly repairing this section of Birch Street. The total scope of work includes above and below ground utilities which will reduce future maintenance costs. Included in the project is a drainage plan to control outflow water from the toe of the Pillar Mountain Reclamation Fill Site, approved by Council in 2013. This fill site will be used as disposal for clean soils removed from Phase VI.

ATTACHMENTS:

Attachment A: Bid Tab, Aleutian Homes Water and Sewer Phase VI Project No. 15-03/7037

PROPOSED MOTION:

Move to authorize the bid award for Aleutian Homes Phase VI, to Brechan Construction LLC in the amount of \$3,008,087 with funds coming from the Water Capital Improvement Fund, Project No. 15-03/7037 and authorize the City Manager to execute the documents on behalf of the City.



Bid Tab Aleutian Homes Water & Sewer Phase VI PN 15-03 PN 15-03

Bid Date: ruary 23, 2018

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Brechan Construction LLC</i>	<i>Dirtworks Inc</i>	<i>GMC Contracting Inc</i>	<i>Central Environmental Inc.</i>
1	Clearing and Grubbing	1 Lump Sum		\$20,000.00	\$5,000.00	\$5,000.00	\$15,000.00	\$4,818.14
				\$20,000.00	\$5,000.00	\$5,000.00	\$15,000.00	\$4,818.14
2	Unclassified Excavation	1 Lump Sum		\$120,000.00	\$46,000.00	\$54,000.00	\$65,000.00	\$60,369.11
				\$120,000.00	\$46,000.00	\$54,000.00	\$65,000.00	\$60,369.11
3	Rock Excavation	1 Contingent Sum		\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
				\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
4	Classified Material (Type A)	1 Lump Sum		\$260,000.00	\$225,000.00	\$155,000.00	\$193,000.00	\$206,139.90
				\$260,000.00	\$225,000.00	\$155,000.00	\$193,000.00	\$206,139.90
5	Leveling Course	1170 ton		\$60.00	\$45.00	\$65.00	\$35.00	\$46.91
				\$70,200.00	\$52,650.00	\$76,050.00	\$40,950.00	\$54,884.70
6	Trench Excavation and Backfill - Storm Drain (Various Depths)	1000 linear foot		\$125.00	\$15.00	\$45.00	\$134.00	\$99.82
				\$125,000.00	\$15,000.00	\$45,000.00	\$134,000.00	\$99,820.00
7	Trench Excavation and Backfill - Water & Sewer (Various Depths)	2430 linear foot		\$125.00	\$15.00	\$72.00	\$107.00	\$136.50
				\$303,750.00	\$36,450.00	\$174,960.00	\$260,010.00	\$331,695.00
8	Removal of Structure and Obstructions	1 Lump Sum		\$10,000.00	\$12,000.00	\$21,000.00	\$10,000.00	\$45,843.78
				\$10,000.00	\$12,000.00	\$21,000.00	\$10,000.00	\$45,843.78
9	Remove Pavement	49400 square foot		\$1.50	\$0.25	\$0.25	\$1.00	\$0.75
				\$74,100.00	\$12,350.00	\$12,350.00	\$49,400.00	\$37,050.00
10	Remove Sidewalk or Concrete pad	10300 square foot		\$2.25	\$0.30	\$0.50	\$1.65	\$1.97
				\$23,175.00	\$3,090.00	\$5,150.00	\$16,995.00	\$20,291.00
11	Remove Manhole	10 each		\$700.00	\$580.00	\$350.00	\$2,000.00	\$845.42
				\$7,000.00	\$5,800.00	\$3,500.00	\$20,000.00	\$8,454.20
12	Remove Catch Basin	4 each		\$600.00	\$580.00	\$325.00	\$2,000.00	\$710.79
				\$2,400.00	\$2,320.00	\$1,300.00	\$8,000.00	\$2,843.16
13	Remove Curb and Gutter	2600 linear foot		\$3.50	\$1.00	\$3.00	\$11.00	\$4.94
				\$9,100.00	\$2,600.00	\$7,800.00	\$28,600.00	\$12,844.00

Attachment A

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Brechan Construction LLC</i>	<i>Dirtworks Inc</i>	<i>GMC Contracting Inc</i>	<i>Central Environmental Inc.</i>
14	Relocate Mailbox Cluster	2	each	\$2,000.00	\$1,000.00	\$2,000.00	\$1,750.00	\$389.03
				\$4,000.00	\$1,000.00	\$300.00	\$600.00	\$3,500.00
15	Remove Storm Drain Pipe	900	linear foot	\$12.00	\$21.00	\$18,900.00	\$23.00	\$48.88
				\$10,800.00	\$21.00	\$9.00	\$8,100.00	\$20,700.00
16	Remove Existing Sign	7	each	\$120.00	\$100.00	\$700.00	\$174.00	\$202.20
				\$840.00	\$100.00	\$160.00	\$1,120.00	\$1,415.40
17	Remove Retaining Wall	177	linear foot	\$6.00	\$6.00	\$1,062.00	\$7.00	\$13.83
				\$1,062.00	\$6.00	\$7.00	\$1,239.00	\$2,447.91
18	Curb and Gutter, Type I	2530	linear foot	\$55.00	\$45.00	\$113,850.00	\$57.00	\$55.81
				\$139,150.00	\$45.00	\$43.00	\$108,790.00	\$141,199.30
19	PCC Curb Ramp	40	square yard	\$300.00	\$500.00	\$20,000.00	\$450.00	\$521.46
				\$12,000.00	\$500.00	\$665.00	\$26,600.00	\$20,858.40
20	Detectable Warnings	80	square foot	\$60.00	\$90.00	\$7,200.00	\$85.00	\$90.90
				\$4,800.00	\$90.00	\$90.00	\$7,200.00	\$7,272.00
21	Asphalt Concrete Pavement, Type IIB	940	ton	\$330.00	\$300.00	\$282,000.00	\$366.00	\$381.78
				\$310,200.00	\$300.00	\$346.00	\$325,240.00	\$358,873.20
22	Asphalt Concrete Sidewalk, Type IIIB	2600	linear foot	\$65.00	\$60.00	\$156,000.00	\$75.00	\$78.78
				\$169,000.00	\$60.00	\$70.00	\$182,000.00	\$204,828.00
23	Furnish and Install (8") Sewer Main	1144	linear foot	\$120.00	\$190.00	\$217,360.00	\$55.00	\$29.52
				\$137,280.00	\$190.00	\$43.00	\$49,192.00	\$33,770.88
24	Construct Sanitary Sewer Manhole (Type A)	6	each	\$6,000.00	\$3,000.00	\$18,000.00	\$7,500.00	\$9,133.20
				\$36,000.00	\$3,000.00	\$7,750.00	\$46,500.00	\$54,799.20
25	Waterproofing Manhole	5	each	\$1,500.00	\$1,000.00	\$5,000.00	\$2,350.00	\$2,434.51
				\$7,500.00	\$1,000.00	\$1,000.00	\$5,000.00	\$12,172.55
26	Sanitary Sewer Service Connect (4")	26	each	\$4,500.00	\$4,000.00	\$104,000.00	\$4,250.00	\$4,522.12
				\$117,000.00	\$4,000.00	\$2,750.00	\$71,500.00	\$117,575.12
27	Sanitary Sewer Cleanout	3	each	\$250.00	\$1,800.00	\$5,400.00	\$1,200.00	\$933.82
				\$750.00	\$1,800.00	\$685.00	\$2,055.00	\$2,801.46
28	Furnish and Install 8" Water Main	134	linear foot	\$160.00	\$400.00	\$53,600.00	\$128.00	\$64.38
				\$21,440.00	\$400.00	\$295.00	\$39,530.00	\$8,626.92
29	Furnish and Install 12" Water Main	22	linear foot	\$180.00	\$500.00	\$11,000.00	\$408.00	\$202.43
				\$3,960.00	\$500.00	\$585.00	\$12,870.00	\$4,453.46

Bid Item	Description	Quantity	Units	Engineers Estimate	Brechan Construction LLC	Dirtworks Inc	GMC Contracting Inc	Central Environmental Inc.					
30	Furnish and Install 20" Water Main	1128	linear foot	\$215.00	\$242,520.00	\$345.00	\$389,160.00	\$208.00	\$234,624.00	\$194.00	\$218,832.00	\$189.28	\$213,507.84
31	Furnish and Install 8" Gate Valve, Valve Box, and Marker	3	each	\$1,500.00	\$4,500.00	\$1,500.00	\$4,500.00	\$3,200.00	\$9,600.00	\$4,400.00	\$13,200.00	\$4,187.76	\$12,563.28
32	Furnish and Install 12" Gate Valve, Valve Box, and Marker	1	each	\$3,000.00	\$3,000.00	\$2,500.00	\$2,500.00	\$4,800.00	\$4,800.00	\$5,900.00	\$5,900.00	\$5,520.02	\$5,520.02
33	Furnish and Install 20" Butterfly Valve, Valve Box and Marker	8	each	\$5,500.00	\$44,000.00	\$4,300.00	\$34,400.00	\$8,700.00	\$69,600.00	\$7,830.00	\$62,640.00	\$7,937.11	\$63,496.88
34	Furnish and Install Fire Hydrant Assembly (Single Pumper)	4	each	\$11,000.00	\$44,000.00	\$12,000.00	\$48,000.00	\$14,650.00	\$58,600.00	\$14,800.00	\$59,200.00	\$15,725.72	\$62,902.88
35	Furnish and Install Water Service Line, 1"	26	each	\$4,500.00	\$117,000.00	\$4,000.00	\$104,000.00	\$3,000.00	\$78,000.00	\$4,250.00	\$110,500.00	\$4,987.31	\$129,670.06
36	Remove Existing Fire Hydrant Assembly	4	each	\$500.00	\$2,000.00	\$1,000.00	\$4,000.00	\$2,000.00	\$8,000.00	\$2,500.00	\$10,000.00	\$1,359.56	\$5,438.24
37	Connect to Existing Water Main	6	each	\$2,500.00	\$15,000.00	\$700.00	\$4,200.00	\$2,200.00	\$13,200.00	\$5,000.00	\$30,000.00	\$14,630.39	\$87,782.34
38	Furnish and Install 12-inch CPEP, Type S	191	linear foot	\$55.00	\$10,505.00	\$190.00	\$36,290.00	\$46.00	\$8,786.00	\$30.00	\$5,730.00	\$15.93	\$3,042.63
39	Furnish and Install 18-inch CPEP, Type S	229	linear foot	\$70.00	\$16,030.00	\$195.00	\$44,655.00	\$48.00	\$10,992.00	\$41.00	\$9,389.00	\$31.79	\$7,279.91
40	Furnish and Install 24-inch CPEP, Type S	575	linear foot	\$120.00	\$69,000.00	\$200.00	\$115,000.00	\$50.00	\$28,750.00	\$50.00	\$28,750.00	\$52.71	\$30,308.25
41	Furnish and Install 36-inch CPEP, Type S	18	linear foot	\$200.00	\$3,600.00	\$300.00	\$5,400.00	\$160.00	\$2,880.00	\$76.00	\$1,368.00	\$112.19	\$2,019.42
42	Construct Storm Drain Manhole (Type I)	7	each	\$4,800.00	\$33,600.00	\$2,500.00	\$17,500.00	\$4,000.00	\$28,000.00	\$6,500.00	\$45,500.00	\$8,418.62	\$58,930.34

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Brechan Construction LLC</i>	<i>Dirtworks Inc</i>	<i>GMC Contracting Inc</i>	<i>Central Environmental Inc.</i>
43	Construct Storm Drain Manhole (Type II)	1	each	\$12,000.00	\$8,000.00	\$11,000.00	\$13,000.00	\$13,951.70
44	Construct Storm Drain Catch Basin (Type I)	5	each	\$3,500.00	\$2,000.00	\$3,900.00	\$4,350.00	\$5,206.54
45	Construct Yard Drain	4	each	\$1,500.00	\$3,500.00	\$6,000.00	\$2,500.00	\$2,859.92
46	Construct Box Type Catch Basin	4	each	\$1,500.00	\$1,300.00	\$3,900.00	\$3,500.00	\$5,457.71
47	Connect to Existing Storm Drain	4	each	\$500.00	\$100.00	\$900.00	\$3,500.00	\$4,761.01
48	Footing Drain Service	8	each	\$2,200.00	\$4,000.00	\$2,350.00	\$2,500.00	\$2,185.17
49	Mobilization and Demobilization	1	Lump Sum	\$300,000.00	\$100,000.00	\$405,000.00	\$456,000.00	\$489,990.25
50	Traffic Maintenance	1	Lump Sum	\$50,000.00	\$30,000.00	\$12,000.00	\$30,000.00	\$22,260.65
51	Traffic Control	1	Contingent Sum	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00
52	Erosion and Pollution Control Administration	1	Lump Sum	\$20,000.00	\$10,000.00	\$6,000.00	\$8,000.00	\$12,456.77
53	Temporary Erosion and Pollution Control	1	Contingent Sum	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
54	Construction Survey Measurement	1	Lump Sum	\$70,000.00	\$40,000.00	\$75,000.00	\$20,000.00	\$33,034.88
55	Standard Sign	56	square foot	\$130.00	\$230.00	\$120.00	\$155.00	\$115.99
56	Remove and Relocate Existing Sign	3	each	\$300.00	\$200.00	\$550.00	\$650.00	\$736.85
57	Insulation Board	1860	square foot	\$4.50	\$4.00	\$3.00	\$3.00	\$17.30

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Brechan Construction LLC</i>	<i>Dirtworks Inc</i>	<i>GMC Contracting Inc</i>	<i>Central Environmental Inc.</i>					
58	Seeding	4	1,000 square foot	\$600.00	\$2,400.00	\$500.00	\$2,000.00	\$865.00	\$3,460.00	\$570.00	\$2,280.00	\$606.00	\$2,424.00
59	Topsoil	4	1,000 square foot	\$2,400.00	\$9,600.00	\$2,000.00	\$8,000.00	\$3,100.00	\$12,400.00	\$1,925.00	\$7,700.00	\$2,060.40	\$8,241.60
60	Reset Fence	950	linear foot	\$65.00	\$61,750.00	\$70.00	\$66,500.00	\$40.00	\$38,000.00	\$86.00	\$81,700.00	\$46.86	\$44,517.00
61	Matting	4	1,000 square foot	\$700.00	\$2,800.00	\$1,000.00	\$4,000.00	\$1,650.00	\$6,600.00	\$450.00	\$1,800.00	\$1,212.00	\$4,848.00
62	Reconstruct Driveway - Gravel	320	square yard	\$35.00	\$11,200.00	\$31.00	\$9,920.00	\$28.00	\$8,960.00	\$10.00	\$3,200.00	\$33.94	\$10,860.80
63	Reconstruct Driveway - Asphalt	37	square yard	\$500.00	\$18,500.00	\$70.00	\$2,590.00	\$220.00	\$8,140.00	\$115.00	\$4,255.00	\$152.71	\$5,650.27
64	Reconstruct Driveway - Portland Cement Concrete	8	square yard	\$500.00	\$4,000.00	\$500.00	\$4,000.00	\$250.00	\$2,000.00	\$365.00	\$2,920.00	\$303.00	\$2,424.00
65	Modular Block Retaining Wall	1000	square foot	\$75.00	\$75,000.00	\$70.00	\$70,000.00	\$60.00	\$60,000.00	\$72.00	\$72,000.00	\$64.84	\$64,840.00
66	Test Pit	1	each	\$1,200.00	\$1,200.00	\$2,000.00	\$2,000.00	\$2,500.00	\$2,500.00	\$650.00	\$650.00	\$4,088.49	\$4,088.49
67	Remove Guardrail	30	linear foot	\$150.00	\$4,500.00	\$20.00	\$600.00	\$50.00	\$1,500.00	\$14.00	\$420.00	\$32.80	\$984.00
68	Guardrail (16 gauge)	40	linear foot	\$400.00	\$16,000.00	\$60.00	\$2,400.00	\$375.00	\$15,000.00	\$40.00	\$1,600.00	\$131.50	\$5,260.00
69	Clearing and Grubbing	1	Lump Sum	\$5,000.00	\$5,000.00	\$1,600.00	\$1,600.00	\$2,000.00	\$2,000.00	\$10,000.00	\$10,000.00	\$6,609.40	\$6,609.40
70	Common Excavation (Site Prep Earthwork)	670	cubic yard	\$15.00	\$10,050.00	\$6.00	\$4,020.00	\$7.00	\$4,690.00	\$2.00	\$1,340.00	\$11.28	\$7,557.60
71	Fin Drain	750	linear foot	\$65.00	\$48,750.00	\$30.00	\$22,500.00	\$11.00	\$8,250.00	\$52.00	\$39,000.00	\$33.13	\$24,847.50

<i>Bid Item</i>	<i>Description</i>	<i>Quantity</i>	<i>Units</i>	<i>Engineers Estimate</i>	<i>Brechan Construction LLC</i>	<i>Dirtworks Inc</i>	<i>GMC Contracting Inc</i>	<i>Central Environmental Inc.</i>
72	Stormwater Pollution Prevention Plan	1	Lump Sum	\$10,000.00	\$11,000.00	\$3,500.00	\$2,500.00	\$16,734.30
				\$10,000.00	\$11,000.00	\$3,500.00	\$2,500.00	\$16,734.30
73	Seeding	50	1,000 square foot	\$250.00	\$250.00	\$280.00	\$285.00	\$303.00
				\$12,500.00	\$12,500.00	\$14,000.00	\$14,250.00	\$15,150.00
74	Compost	50	1,000 square foot	\$160.00	\$200.00	\$265.00	\$34.00	\$232.70
				\$8,000.00	\$10,000.00	\$13,250.00	\$1,700.00	\$11,635.00
Grand Total				\$3,684,162.00	\$3,008,087.00	\$3,073,178.00	\$3,568,614.00	\$3,788,457.76

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Mark Kozak, Public Works Director and Glenn Melvin, City Engineer

Date: March 8, 2018

Agenda Item: V.e. Authorization of a Professional Services Contract for Construction Management Services for the Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037

SUMMARY: Aleutian Homes Water and Sewer Replacement Phase VI is a continuation of the upgrade of utilities, pavement and sidewalks in the Aleutian Home Area. This memorandum discusses construction management services for the Phase VI project. Staff is recommending Council authorize the professional services contract with DOWL to perform construction management services not to exceed \$239,000.

PREVIOUS COUNCIL ACTION: The Council approved the FY2018 budget, which included funding for the Phase VI project.

DISCUSSION: Aleutian Homes Phases I through V were constructed from 2007 to 2014. Phase VI will continue the improvements made in the Aleutian Homes section of Kodiak.

The construction management portion of the project includes several tasks: full time field inspection of the construction; testing of construction materials for conformance with the project specifications; review of contractor submittals; response to contractor requests for information (RFI); verification and documentation of swing ties to service connections; preparation of record drawings; and coordination with the Alaska Department of Environmental Conservation (ADEC) to attain the certificates to operate the water and sewer systems. These tasks are described in more detail in (Attachment A).

Cost: Construction Management (CM) services cost for previous Aleutian Homes projects have been seven percent to eight percent of construction cost. DOWL proposes to perform the CM services for the Aleutian Homes Phase VI project on a time and materials basis with an estimated total cost of \$239,000, which is roughly eight percent of the project.

ALTERNATIVES:

- 1) Authorize the professional services contract with DOWL for work to be performed on a time and materials basis in the amount of \$239,000. Staff believes this alternative will best protect the City's investment in this project and is recommended.

- 2) Do not perform construction management on this project. This alternative is not recommended, because of the requirements necessary for quality control and warranty. Furthermore, without professional engineering oversight, ADEC will not grant a certificate to operate the new water and sewer utilities.

FINANCIAL IMPLICATIONS: The current available funding for the Aleutian Homes Water and Sewer Project, Phase VI is \$4,659,263.86. This is adequate to award the construction contract, the professional services contract with DOWL, and administration costs.

STAFF RECOMMENDATION: Staff recommends Council authorize the professional services contract with DOWL for construction management services of the Aleutian Homes Water and Sewer Replacement Phase VI project in the amount not to exceed \$239,000, with funds coming from the Water Capital Improvement Project No. 15-03/7037.

CITY MANAGER'S COMMENTS: The successful completion of this project will provide this section of Aleutian Homes with needed street, sidewalk, sewer and water system upgrades. The project represents a sizeable investment in City infrastructure. Construction management services help maximize this investment through the performance of various tasks throughout the construction cycle. Therefore, I support staff's recommendation that Council approve the professional services contract with DOWL for construction management services for the Aleutian Homes Phase VI project.

ATTACHMENTS: Attachment A: DOWL HKM Proposal dated February 21, 2018

PROPOSED MOTION:

Move to authorize the professional services contract with DOWL for construction management services for the Aleutian Homes Water and Sewer Project, Phase VI, in the amount not to exceed \$239,000 with funds coming from the Water Capital Improvement Project No. 15-03/7037, and authorize the City Manager to execute the necessary documents for the City.

February 21, 2018

Mr. Glenn Melvin, P.E.
City of Kodiak
2410 Mill Bay Road
Kodiak, Alaska 99615

**Subject: Aleutian Homes Phase VI
Proposal for Inspection and Construction Management Services**

Dear Mr. Melvin:

DOWL is pleased to submit this proposal to the City of Kodiak (City) to provide inspection and construction management services in Kodiak for the Aleutian Homes Phase VI project during the summer of 2018. We are looking forward to working on this project. This proposal outlines our proposed scope of services and fee for your review.

SCOPE OF WORK

On-site Inspection (Field)

DOWL's field team will perform the following duties:

- Inspector will attend pre-construction conference in person. Additional project staff can attend via teleconference. This will be discussed in detail with the City staff before this meeting occurs.
- Inspect that construction is in adherence to the contract documents.
- Attend and report at weekly progress meetings, and take and distribute meeting notes.
- Regularly monitor and inventory traffic control devices.
- Monitor and update the Storm Water Pollution Prevention Plan (SWPPP) and conduct inspections with the construction contractor, as appropriate.
- Inspect that sidewalks and ramps meet Americans with Disabilities Act (ADA) requirements.
- Document American Water Works Association (AWWA) water sampling (temporary and permanent systems) and sewer inspection to meet Alaska Department of Environmental Conservation (ADEC) requirements.
- Prepare and deliver substantial and final completion checklists.
- Perform material testing as needed during construction.

Michaella Kozak, P.E. will make periodic visits to the site and consult with DOWL's inspectors. She will help resolve field issues and provide direction to the inspector.

Construction Management (Office)

DOWL's office team will perform the following duties:

- Answer contractor questions, perform submittal reviews, and office engineering needed to address design modifications.
- Inform the City of out-of-scope construction items.
- Produce utility record drawings at project completion.
- Produce water and sewer connect cards at project completion.
- Coordination with Department of Environmental Conservation (DEC) to receive Approval to Operate.
- Each week you or your representative will receive a digital copy of our daily reports. DOWL will use inspection reporting procedures established during past Aleutian Homes projects. DOWL will work with the City staff to adjust reporting procedures, as necessary.

SCHEDULE

DOWL assumes that construction will begin in mid to late May and extend into September 2018. In general, we expect DOWL inspectors will be working on this project approximately 11 hours per day, 6 days per week during this period. Part of this time may be spent in the DOWL Kodiak office as our inspectors write inspection reports and prepare related documents. Most of the inspector's time will be spent at the job site.

Our intention is Forrester Cook, PMP, will be our on-site inspector for the duration of the project. Having worked in the construction industry as a laborer and inspector for over ten years, Forrester is well suited to lead this field effort. While working part time during the winter season, Forrester is earning his Civil Engineering degree. As such, if the construction schedule extends past when Forrester needs to return to school in August, DOWL will substitute another qualified inspector to complete the construction inspection fieldwork, as we have done on past Aleutian Homes projects.

Our inspectors will work on other projects during bad weather days or other stops in construction work. The City will not be charged for time spent working on other projects.

POINTS OF CONTACT

Aaron Christie, P.E. will be the Contract Manager for the project and will oversee the project for the duration. Aaron will travel to Kodiak twice during the project to review construction progress. Aaron will coordinate his travel with other Kodiak projects, allowing for travel time and costs efficiencies.

Eric Voorhees, P.E. will be the project manager for this project. With a strong background in construction and having spent several construction seasons in the field, including many months in Kodiak working on past Aleutian Homes projects. Eric is well suited as the project manager for

the project. Eric will communicate with inspectors on day-to-day problem resolution and progress of the project. He will coordinate with Aaron Christie and Michaela Kozak with any questions or concerns.

FEE

DOWL proposes to provide the services as outlined below:

On-Site Inspection (Time and Materials)	\$177,000
Construction Management (Time and Materials)	<u>\$62,000</u>
TOTAL:	\$239,000

Our estimated fee for this work is \$239,000. This Inspection and On-site Management fee is based on an estimated 66 hours billable per week at a rate of \$130 per hour for 17 weeks, with inspection overlap and periodic supervisory visits. Provided we log at least 1,000 hours in the field, this rate includes an allowance for on-site labor, reports, an inspection vehicle, telephone and data, travel time, overtime, mobilization/demobilization, project management, field supervision, per diem, and housing. If our inspection services total less than 1,000 hours, we will negotiate with you to cover expenses that cannot be covered by the hourly rate. Please see the attached spreadsheet for more detailed information.

Thank you again for considering DOWL for these inspection and construction management services. We are looking forward to working with you on this project and will be happy to answer any additional questions you may have.

Sincerely,

DOWL



Aaron Christie, P.E.
Contract Manager

Attachments: As stated

This proposal is accepted, and DOWL is authorized to proceed with the work.

City of Kodiak

Date



Phase Name		Task	Labor Subtotal		Direct Expenses Subtotal	Project Totals
			Hours	Cost		
Summary Project: Aleutian Homes Phase VI Client: City of Kodiak Project or Contract #: 1124.61811.01 2/21/2018 Prepared By: EMV/CCP Reviewed By: ARC						
On-site Inspection (Field)		Mobilization, Demobilization and Travel	30	\$ 4,320.00	\$ -	\$ 4,320.00
		Coordination with Contractor/Field Prep	48	\$ 6,360.00	\$ -	\$ 6,360.00
		On-Site Inspection/Field Engineering (17 wks @ 66hrs/wk)	1156	\$ 151,130.00	\$ -	\$ 151,130.00
		Inspection Report/Document Coordination	34	\$ 4,250.00	\$ -	\$ 4,250.00
		QA/QC	54	\$ 9,410.00	\$ -	\$ 9,410.00
			-	\$ -	\$ -	\$ -
		Reimbursible Expenses	-	\$ -	\$ 600.00	\$ 600.00
		Freight	-	\$ -	\$ 800.00	\$ 800.00
		Flights	-	\$ -	\$ -	\$ -
			-	\$ -	\$ -	\$ -
	<input checked="" type="checkbox"/> T&M <input type="checkbox"/> Lump Sum <input type="checkbox"/> Other	Subtotal	1322	\$ 175,470.00	\$ 1,400.00	\$ 176,870.00
Construction Management (Office)		Coordination; Aaron and City	20	\$ 3,800.00	\$ -	\$ 3,800.00
		Project Budgeting, Schedule, Planning & Coordination	16	\$ 2,260.00	\$ -	\$ 2,260.00
			-	\$ -	\$ -	\$ -
		Preconstruction Meeting, Aaron to Attend	16	\$ 2,780.00	\$ -	\$ 2,780.00
		Submittal Review/Contractor Coordination	68	\$ 9,020.00	\$ -	\$ 9,020.00
		Change Orders/DCVR's	56	\$ 7,280.00	\$ -	\$ 7,280.00
			-	\$ -	\$ -	\$ -
		Project Close-out	32	\$ 4,100.00	\$ -	\$ 4,100.00
		Connect Card Documentation/Production	88	\$ 10,410.00	\$ -	\$ 10,410.00
		Record Drawings	73	\$ 8,710.00	\$ -	\$ 8,710.00
		QA/QC	68	\$ 9,700.00	\$ -	\$ 9,700.00
		Coordination with DEC for Approval to Operate	18	\$ 2,380.00	\$ -	\$ 2,380.00
		Reimbursible Expenses	-	\$ -	\$ -	\$ -
	Freight	-	\$ -	\$ 600.00	\$ 600.00	
	Flights	-	\$ -	\$ 800.00	\$ 800.00	
		-	\$ -	\$ -	\$ -	
	<input checked="" type="checkbox"/> T&M <input type="checkbox"/> Lump Sum <input type="checkbox"/> Other	Subtotal	455	\$ 60,440.00	\$ 1,400.00	\$ 61,840.00
TOTAL			1777	\$ 235,910.00	\$ 2,800.00	\$ 238,710.00




Aleutian Homes Phase VI												Prepared By:	
Client: City of Kodiak												EMV/CCP	
Project or Contract #: 1124.61811.01												Reviewed By:	
2/21/2018												ARC	
Phase Name	Task	Project Manager VI	Engineer III	Inspector (field)	Inspector (office)	Engineer VI	Kodiak Engineer V	Technician VI	Admin. Assistant	Hours	Cost	Labor Subtotal	
		ARC	CCP	FC	FC	EMV	MK	AAS	-			Hours	Cost
On-site Inspection (Field)	Mobilization, Demobilization and Travel	-	-	18	-	12	-	-	-	30	\$ 4,320.00		
	Coordination with Contractor/Field Prep	-	4	40	-	4	-	-	-	48	\$ 6,360.00		
	On-Site Inspection/Field Engineering (17 wks @ 6hrs/wk)	-	-	1122	-	-	34	-	-	1156	\$ 151,130.00		
	Inspection Report/Document Coordination	-	34	-	-	-	-	-	-	34	\$ 4,250.00		
	QA/QC	20	-	-	-	34	-	-	-	54	\$ 9,410.00		
	Reimbursible Expenses	-	-	-	-	-	-	-	-	-	\$ -		
	Freight	-	-	-	-	-	-	-	-	-	\$ -		
	Flights	-	-	-	-	-	-	-	-	-	\$ -		
			-	-	-	-	-	-	-	-	\$ -		
			-	-	-	-	-	-	-	-	\$ -		
	Subtotal	20	38	1180	-	50	34	-	-	1322	\$ 175,470.00		
Construction Management (Office)	Coordination; Aaron and City	20	-	-	-	-	-	-	-	20	\$ 3,800.00		
	Project Budgeting, Schedule, Planning & Coordination	4	12	-	-	-	-	-	-	16	\$ 2,260.00		
	Preconstruction Meeting, Aaron to Attend	-	-	-	-	-	-	-	-	-	\$ -		
	Submittal Review/Contractor Coordination	8	60	-	-	-	-	-	-	68	\$ 9,020.00		
	Change Orders/DCVR's	8	24	-	8	-	-	16	-	56	\$ 7,280.00		
	Project Close-out	4	12	-	16	-	-	-	-	32	\$ 4,100.00		
	Connect Card Documentation/Production	2	4	-	40	2	-	40	-	88	\$ 10,410.00		
	Record Drawings	1	24	-	24	-	-	24	-	73	\$ 8,710.00		
	QA/QC	-	18	-	16	34	-	-	-	68	\$ 9,700.00		
	Coordination with DEC for Approval to Operate	2	16	-	-	-	-	-	-	18	\$ 2,380.00		
Reimbursible Expenses	-	-	-	-	-	-	-	-	-	\$ -			
Freight	-	-	-	-	-	-	-	-	-	\$ -			
Flights	-	-	-	-	-	-	-	-	-	\$ -			
		-	-	-	-	-	-	-	-	\$ -			
	Subtotal	61	174	104	104	36	-	80	-	455	\$ 60,440.00		
	LABOR HOUR TOTAL	81	212	1180	104	86	34	80	-	1777			
	LABOR COST TOTAL	\$ 15,390.00	\$ 26,500.00	\$ 153,400.00	\$ 11,960.00	\$ 14,190.00	\$ 5,270.00	\$ 9,200.00	\$ -		\$ 235,910.00		

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager 

Date: March 8, 2018

Agenda Item: V. f. **Authorization of Memorandum of Agreement With Sun'aq Tribe of Kodiak for Their Tribal Transportation Program Route Inventory**

SUMMARY: The Sun'aq Tribe of Kodiak (Sun'aq) is a federally recognized Alaska Native Tribe within the City of Kodiak and serves 1,738 tribal members on the Kodiak Road System. As a federally recognized tribe, Sun'aq is eligible for the Bureau of Indian Affairs (BIA) Tribal Transportation Program (TTP), which allows tribal entities access to funding for the improvement of transportation infrastructure integral to the well-being of the tribe. The Sun'aq Tribe of Kodiak requested the addition of City roads and trails to their inventory of Tribal Transportation routes. The road and trail additions included in the inventory are as follows: Fir Avenue; Thorsheim Street; Willow Street; Hemlock Street; Pine Crest Loop; Birch Avenue; Hillside Drive; Maple Avenue; Madsen Avenue; Selief Lane; Larch Street; North End Trail; Channel Side Trail; Rotary Park Trail; and the South End Trail. By entering into this agreement, the Sun'aq Tribe would potentially bring Federal funding to Kodiak to make improvements to these routes. The City Council discussed the Sun'aq Long-Range Transportation Program at the February 6, 2018, Council work session and expressed support to move this agreement to the March regular meeting.

PREVIOUS COUNCIL ACTION:

- Council heard discussion of this proposal during the May 10, 2016, City Council work session.
- May 12, 2016, during the regular meeting, Council moved to postpone the vote on the Memorandum of Agreement to a future meeting after staff obtained additional information.
- May 25, 2016, Council authorized the amended Memorandum of Agreement between the City and Sun'aq Tribe and BIA for Improvements to Shelikof Street.
- June 20, 2017, Council heard discussion from Dave Kaplan to renew the MOA during the Council work session.
- July 13, 2017, Council postponed the motion to authorize the Memorandum of Agreement.
- August 10, 2017, Council authorized the MOA with Sun'aq for Shelikof Road.
- October 10, 2017, Sun'aq Tribe presented an additional City road inventory request at a Council work session.
- February 6, 2018, Council discussed the Sun'aq Long Range Transportation Program and the addition of City roads and trails during the work session.

MARCH 8, 2018
Agenda Item V.f. Memo Page 1 of 2

DISCUSSION: Dave Kaplan and Randy Boskofsky, Transportation Coordinator, presented to the City Council and public in attendance, the request to add City roads to the Sun’aq Tribe in the BIA Transportation Program. As the program is explained, the City does not transfer any rights or ownership but rather benefits from any improvements BIA funding might provide the Sun’aq Tribe.

ALTERNATIVES:

- 1) City Council could authorize the City Manager to bind a three-year agreement with the Sun’aq Tribe of Kodiak to allow the described City roads to be a part of their Transportation Program Inventory.
- 2) City Council could deny approval of the MOA with the Sun’aq Tribe of Kodiak, foregoing benefits of collaboration to the City.

FINANCIAL IMPLICATIONS: There are no matching funds or other financial obligations required of the City by this MOA.

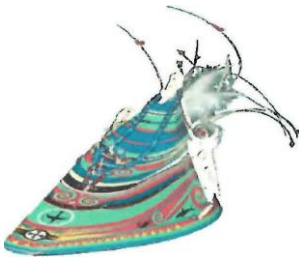
CITY MANAGER’S COMMENTS: There will be no relinquishment of City property nor City funding associated with the Sun’aq request. The City did include Shelikof Street in the Transportation Program in 2017. We have not seen any tribal funding yet however additional streets may increase this opportunity.

ATTACHMENTS:

- A) MOA Between the Sun’aq Tribe of Kodiak and the City of Kodiak, Record No. 237232

PROPOSED MOTION:

Move to authorize Memorandum of Agreement, City Record No. 237232, adding City of Kodiak routes to Sun’aq Tribe of Kodiak’s Tribal Transportation Program Route Inventory, and authorize the City Manager to sign the MOA on behalf of the City.



MEMORANDUM OF AGREEMENT
Between

Attachment A



Sun'aq Tribe of Kodiak

City of Kodiak

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

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

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

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

Route#	Section#	Route Name	Length Miles	Route Location
1007	010	Fir Avenue	0.1	E01-850
1028	010	Thorsheim Street	0.7	E01-850
1031	010	Willow Street	0.5	E01-850
1034	010	Hemlock Street	0.4	E01-850
1035	010	Pine Crescent Loop	0.1	E01-850
1036	010	Birch Avenue	0.2	E01-850
1038	010	Hillside Drive	0.5	E01-850
1039	010	Maple Avenue	0.2	E01-850
1041	010	Madsen Avenue	0.4	E01-850
1043	010	Selief Lane	0.7	E01-850
1045	010	Larch Street	0.8	E01-850
1178	010	North End Trail	0.9	E01-850
1179	010	Channel Side Trail	0.3	E01-850
1180	010	Rotary Park Trail	0.1	E01-850
1181	010	South End Trail	0.7	E01-850
Total Length			6.6	Miles

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

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

This agreement may be terminated by either party with or without cause following written notice.

SUN' AQ TRIBE OF KODIAK

CITY OF KODIAK

Chief Executive Officer

City Manager

Date: _____

Date: _____

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Date: March 8, 2018

Agenda Item: V. g. **Acceptance of Settlement Agreement and Mutual Release of Claims With Dominion Pipe & Piling and Pacific Pile & Marine, LP**

SUMMARY: Dominion Pipe & Piling, a Division of Varsteel USA Ltd, was sued by the City of Kodiak for breach of contract. Mediation was held February 1, 2018, in Seattle Washington. The outcome of this mediation, settled by a Mediator Proposal, was Dominion Pipe & Piling would agree to pay the City of Kodiak \$ 300,000 and dismiss any further litigation by the City, Dominion, and Pacific Pile and Marine.

BACKGROUND: In March 2015, Kodiak entered into a written contract with Dominion Pipe & Piling for manufacture and delivery of 18,980 lineal feet of pipe pile of various diameters for use in structural support for Kodiak's construction project known as Pier III. Per terms of the contract, the pipe was to conform to the roundness requirements of API 5L, and the point of the delivery was to be Seattle Washington, where Kodiak would assume control of the pipe. The Pipe segments were manufactured in China by Hebei All Land Steel Pipe Mill.

DISCUSSION: Kodiak alleged the supplied pipe was not conforming to contract specifications, that the non-conforming pipe caused added cost to the Pier III project in the amount of \$ 2,054,944, and that the non-conformity was caused by Dominion. On February 1, 2018, City attorney Brooks Chandler of Boyd, Chandler & Falconer LP and Kodiak City Manager Mike Tvenge assembled in Seattle with parties to this suit to attempt to settle this dispute through mediation. At the end of the day the Mediator Stew Cogan proposed a settlement figure which Dominion agreed too. Kodiak City Council has been briefed on the terms of the settlement and must formally accept this settlement to bind the decision.

ALTERNATIVES:

- 1) I recommend Council accept the results of this settlement agreement and mutual release of claim and authorize the City Manager to execute the documents on behalf of the City.
- 2) Do not authorize this settlement agreement and mutual release of claim with Dominion Pipe and Piling and Pacific Pile & Marine and proceed directly to litigation, which is not recommended.

FINANCIAL IMPLICATIONS: Per the settlement agreement and mutual release of claim, Dominion Pipe and Piling shall pay the City of Kodiak \$300,000.

LEGAL: Boyd, Chandler & Falconer LP have worked with the City Manager on this settlement agreement and mutual release of claim.

MARCH 8, 2018
Agenda Item V. g. Memo Page 1 of 2

CITY MANAGER'S COMMENTS: Further litigation will result in additional costs of this suit and the outcome is unknown. I recommend Council accept this settlement agreement.

ATTACHMENTS:

A: Settlement Agreement and Mutual Release of Claims

PROPOSED MOTION:

Move to accept the Settlement Agreement and Mutual Release of Claims with Dominion Pipe & Piling and Pacific Pile & Marine, LP in the amount of \$300,000 and authorize the City Manager to execute the necessary documents for the City.

MARCH 8, 2018
Agenda Item V. g. Memo Page 2 of 2

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

1. Parties to this Agreement. This Settlement Agreement and Mutual Release of Claims (“Agreement”) is made and entered into this ____ day of March 2018, by and among the following parties: Dominion Pipe & Piling, a division of Varsteel USA, LTD (“Dominion”), the City of Kodiak, Alaska (“Kodiak”), and Pacific Pile & Marine, LP (“Pacific Pile”) (each of which is individually referred to as a “Party” and all of which are collectively referred to as the “Parties”). When this Agreement references one of the individual Parties, it includes not only that Party, but also its predecessors, successors, assigns, affiliates, joint venture partners, subsidiaries, parent companies, insurers, sureties, reinsurers, employees, agents, corporate owners, attorneys, representatives and any other person or entity who has derived or could potentially derive rights through or could be alleged to be liable or potentially liable on behalf of the individual Party. This Agreement constitutes full and final satisfaction of all claims, as well as a dismissal with prejudice of all claims, that were or could have been set forth in the complaint, counterclaim, and third-party complaint filed in the case initially captioned *Dominion Pipe & Piling, a division of Varsteel USA, LTD v. the City of Kodiak*, Case No. 2:16-cv-01699, pending in the United States District Court, Western District of Washington at Seattle (the “Litigation”). This release does not include all claims asserted by Dominion against Intertek Moody International and Tianjin Shipping Agency Co., Ltd, as said parties were never served in the Litigation.
2. Required Payment. Dominion shall pay Kodiak three hundred thousand dollars (\$300,000). This payment shall be made by cashier’s check delivered to Boyd, Chandler & Falconer, LLP, attorneys for Kodiak, on or before April 1, 2018. The check shall be made payable to “Boyd, Chandler & Falconer LP in trust for the City of Kodiak.”
3. Dismissal of Litigation. Immediately upon this Agreement being effective, Dominion, Kodiak, and Pacific Pile shall execute and file a stipulation for dismissal of the Litigation with prejudice, with each Party to bear its own costs, attorney’s fees, and expenses resulting from or in any way connected with the Litigation and the claims settled by this Agreement. By agreeing to dismiss the Litigation and said claims, the Parties recognize that these claims may not be re-filed and that the matter is closed.
4. Release of Claims. Except as to their rights under this Agreement, the Parties agree to fully, finally and forever release, acquit, discharge, exonerate, covenant not to sue and dismiss any and all past, present and future demands, actions, claims, causes of action, payment obligations, orders, directives, injuries, costs, losses, damages, liability of any kind or nature whatsoever that were or could have been asserted in the Litigation. The Parties warrant that they will not, by themselves or in concert with others, maintain or cause to be maintained any further demands, actions, lawsuits or similar proceedings in any capacity

whatsoever against any Party to this Agreement as a result of or pertaining to any of the claims or damages that were or could have been asserted in the Litigation.

5. Indemnity. Dominion shall defend and indemnify Kodiak and Pacific Pile from and against any claim asserted against either Kodiak or Pacific Pile by Intertek Moody International, or Tianjin Shipping Agency Co., Ltd. arising from or related to the Litigation.

6. No Admission of Liability/No disparagement. No Party admits any liability in connection with any of the matters that are the subject of this Agreement or the Litigation. The Parties agree not to disparage each other. If any third party inquires of any party about the project, the nature of the dispute and/or the resolution of the same the answering party shall say, "the dispute was settled amicably on mutually agreeable terms," or words to that effect.

7. Dominion's Representation. As a material consideration for this Agreement, Dominion represents that the Dominion balance sheet and income statement provided by Dominion during the Parties' February 1, 2018 settlement conference was accurate in all material respects. On or before April 1, 2018 Dominion shall provide counsel for Kodiak a letter signed by the chief financial officer of Dominion affirming this representation.

8. Acceptance of the Terms of this Agreement. The Parties each warrant that the terms of this Agreement have been completely read by each of them and are voluntarily accepted and that no promise or inducement has been offered or made except as set forth herein. The Parties acknowledge that they have negotiated the terms of this Agreement in good faith. The Parties further acknowledge that the settlement which has led to the execution of this Agreement was not secured under duress or in haste at the instigation of any other Party, and that a Party, in agreeing to this Agreement, is not at a bargaining disadvantage because of the nature of its losses or damages or for any other reason. This writing contains the full, complete and entire agreement among the Parties with respect to the matters addressed in this Agreement and supersedes any and all previous agreements, negotiations, understandings, arrangements or communications between the Parties with respect to the subject matter, either written or oral. Any changes or amendments to this Agreement must be in writing.

9. Counterparts. This Agreement may be executed in counterparts by each of the Parties, each of which, when executed by all of the Parties, shall be deemed an original and all of which together shall be effective as fully as if one original copy had been signed by all of the Parties. Electronic signatures shall be binding on the Parties. Facsimiles or PDF copies of the Agreement, including PDF images of signature pages or electronic signatures, shall be deemed the same as the original for all purposes.

10. Disputes Involving this Agreement. The Parties acknowledge that they have negotiated the terms of this Agreement and that the rule that any ambiguity in an agreement is construed against the drafter is hereby waived as to this Agreement. All disputes arising under this Agreement shall be governed by the laws of the State of Alaska, and any litigation arising from such a dispute shall be brought in the U.S. District Court for the Western District of Washington and the Parties agree to submit to that court's jurisdiction.
11. Advice of Counsel. The Parties also warrant that they have carefully reviewed each term of this Agreement with counsel and that hereafter no Party shall deny the validity of this Agreement on the grounds that the Party did not have advice of counsel. Each Party has had the opportunity to receive independent legal advice with respect to the advisability of making the compromise and settlement provided herein and with respect to the advisability of executing this agreement.
12. Representations and Warranties. Each of the Parties expressly warrants and represents as a material consideration for the Agreement to the others as follows, except that Kodiak's representations and warranties are conditioned upon the City Council of the City of Kodiak ratifying this Agreement:
 - a) that the Party has not assigned, transferred, conveyed, sold or otherwise disposed of or agreed to assign, transfer, convey, sell or otherwise dispose of to any other person or entity, any claim that is released in this Agreement nor in any way impaired the full benefit of the releases provided herein;
 - b) that it is in good standing in its respective place of domicile and incorporation;
 - c) that the execution of this Agreement is fully authorized by it and that this Agreement is legal, valid and binding and enforceable against it in accordance with its terms;
 - d) that it has full power and authority to deliver and perform its obligations hereunder;
 - e) that the person or persons executing this Agreement have the necessary and appropriate authority to do so and to execute and legally bind such Party to it, including but not limited to the representations and warranties in this section;
 - f) that there are no pending agreements, transactions or negotiations to which it is a party that would render this Agreement or any part thereof void, voidable or unenforceable; and
 - g) that, except for ratification of the Kodiak City Council, it has taken all necessary corporate or legal actions to duly approve the making and performance of this Agreement and that no further authorization, consent, or approval is required to make this Agreement valid and binding upon it.

13. Authority. Dominion certifies and agrees that Bruce Martens is duly authorized to sign on behalf of Dominion and that his signature is binding upon Dominion. Kodiak certifies and agrees that Mike Tvenge shall have the authority to sign on behalf of Kodiak and that his signature, upon ratification by the Kodiak City Council shall bind Kodiak. Likewise, Pacific Pile certifies and agrees that Wil Clark shall have the authority to sign on behalf of Pacific Pile and that his signature shall bind Pacific Pile.

14. Effective Date. This Agreement shall be effective upon execution by all Parties and ratification by the City Council of the City of Kodiak.

15. No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

DOMINION PIPE & PILING

DATED: _____ By: _____
 Bruce Martens

CITY OF KODIAK

DATED: _____ By: _____
 Mike Tvenge
 City Manager

PACIFIC PILE & MARINE, L.P.

DATED: _____ By: _____
 Wil Clark
 President

EXECUTIVE SESSION

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Date: March 8, 2018

Agenda Item: X. a. Discuss Finance Director Position

SUMMARY: The City Manager will discuss with the City Council the Finance Director position in executive session. The Finance Director does not object to the executive session.

PROPOSED MOTION:

Move to enter into executive session, as authorized by Kodiak City Code 2.04.100(b)(2) to discuss the Finance Director position.

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Agenda Item X. a. Memo Page 1 of 1