

City of Kodiak Regular Council Meeting Agenda for April 12, 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	
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III. Persons to Be Heard	
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a. Second Reading and Public Hearing, Ordinance No. 1373, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2017 and Ending on the Thirtieth Day of June 2018	14
b. Second Reading and Public Hearing, Ordinance No. 1374, Approving a Memorandum of Agreement Between the City of Kodiak and the Alutiiq Heritage Foundation Allowing the Alutiiq Heritage Foundation to Enter Block 17, Lot 2 New Kodiak Townsite for the Purpose of Constructing and Maintaining a Memorial Park for an Initial Term of Ten Years	24
V. New Business	
a. First Reading, Ordinance No.1375, Levying Taxes in the Amount of 2 Mills and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2018 and Ending on the Thirtieth Day of June 2019.....	48
b. Amendment of Previously Adopted Resolution No. 2017–26 to Provide the Interest on the Loan Shall Not Exceed the Rate Calculated Pursuant to 18 AAC 76.080(b)(1)	60
c. Acceptance of Resignation of Councilmember Gabriel Saravia, Effective May 4, 2018 .	68
VI. Staff Reports	
a. City Manager	
b. City Clerk	
VII. Mayor’s Comments	
VIII. Council Comments	
IX. Audience Comments (limited to 3 minutes) (486-3231)	
X. Adjournment	

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DRAFT

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, MARCH 22, 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'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 March 8, 2018, regular meeting.

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 Hearing About Increasing the City Mill Rate to 4 Mills

The City Council sets its mill rate each year in the budget ordinance. The last mill rate increase was in 1985. June 15 is the legal deadline to present the Borough Assembly with a statement of the rate.

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

b. Public Hearing About Changing the Method of Publishing Meeting Notices

Kodiak City Charter and Code provide that publishing public notices may be accomplished by publishing in a newspaper of general circulation or by posting notices in at least five conspicuous places. The City Clerk's Office currently publishes agendas, public hearing notices, and ordinance passed notices in the newspaper which costs approximately ten thousand dollars annually. At the Council's direction, City departments are exploring ways to reduce annual operating costs for the FY2019 budget.

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

Clerk Marlar requested direction from the Council for the method to publish meeting notices.

Councilmember Whiddon recommended the Clerk's Office continue to use the local newspaper to publish meeting notices and draft a social media policy that could assist in public notification options.

Councilmember Davidson stated he supports publication in the local newspaper.

Mayor Branson confirmed consensus from the Council that the local newspaper will continue to be the method of publishing meeting notices, and the Council will review this in the future if a social media policy is in place.

c. Public Comments

Stosh Anderson commented on the feasibility of City business licenses. He said if businesses are not paying sales tax they would probably not be compliant with business licenses and commented the State of Alaska issues business licenses. He suggested using the State's licenses requirements to track and collect City sales tax. He said the local businesses are the tax collectors and supported the two percent discount they previously received for early tax filing.

IV. UNFINISHED BUSINESS

a. Direction to City Manager to Increase the City Mill Rate to 4 Mills Beginning With the FY2019 Budget

During the January 2 planning work session, staff 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. The Council voiced a consensus at the planning work session to increase the mill rate to 4.0 mills in an effort to balance the FY2019 budget and stabilize revenue.

{Clerk's Note: The motion is on the floor from the March 8, 2018, regular meeting, to direct the City Manager to increase the City mill rate to 4 mills beginning with the FY2019 Budget.}

Councilmember Whiddon MOVED to substitute for the pending motion the following: Direct the City Manager to maintain the current City mill rate at 2 mills.

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

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

V. NEW BUSINESS

a. First Reading, Ordinance No. 1373, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2017 and Ending on the Thirtieth Day of June 2018

The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2017 and ending on the thirtieth day of June 2018 is in the amount of \$677,596. It is

customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted.

Councilmember Davidson MOVED to pass Ordinance No. 1373 in the first reading and advance to second reading and public hearing at the next special or regular Council meeting.

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

b. First Reading, Ordinance No.1374, Approving a Memorandum of Agreement Between the City of Kodiak and the Alutiiq Heritage Foundation Allowing the Alutiiq Heritage Foundation to Enter Block 17, Lot 2 New Kodiak Townsite for the Purpose of Constructing and Maintaining a Memorial Park for an Initial Term of Ten Years

The Alutiiq Heritage Foundation, through the Alutiiq Museum, is requesting a Memorandum of Agreement with the City of Kodiak, which would allow the creation of a new monument downtown honoring our community's Alutiiq heritage, culture, and ancestral significance.

Councilmember Arboleda MOVED to pass Ordinance No. 1374 in the first reading and advance to second reading and public hearing at the next special or regular Council meeting.

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

c. Authorization of Change Order No. 1 for the Wastewater Treatment Plant Centrifuge Project No. 7519

In October 2017, installation of the new WWTP Centrifuge began. The project is now complete, and the centrifuge is exceeding expectations. During the installation a number of issues were found that required additional engineering and construction modifications. These modifications were performed by Change Order pursuant to City Code 2.08.060 (f) and 3.12.020. The amount of the change order exceeds the \$35,000 City Manager's limit and is being brought before the City Council for acknowledgement and authorization of funding.

Councilmember Walker MOVED to authorize Change Order No. 1 to the construction contract with Bering Industrial Contractors Inc. for the Wastewater Treatment Plant Centrifuge Installation Project No. 17-03/7519 in the amount of \$49,883.06 with funds coming from the Sewer Capital Improvement Fund, Waste Water Treatment Plant Centrifuge Project No. 7519.

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

d. Authorization of Survey and Professional Services Agreement for Annual Inspection and Preventative Maintenance of the Kodiak Police Department Building Control Systems

This authorization would award a three-year agreement to Long Building Technologies Inc. (Long) to provide preventative maintenance and correction of minor deficiencies encountered during routine inspections of the fire, security, and mechanical systems utilized within the Kodiak Police Station. This authorization also includes an initial survey to assess the condition of the existing HVAC and Johnson Controls.

Councilmember Walker MOVED to authorize the initial survey in the amount \$7,584 and a three-year professional service agreement for maintenance services with Long Building Technologies Inc. in the proposed amounts of \$15,324 for FY2019, \$15,324 for FY2020, and \$15,324 for FY2021, with first-year funding from the FY2019 General Fund, Police Administration, Repair and Maintenance account 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.

e. Recommendation for Appointment to City Seat on the Planning and Zoning Commission

Three of the seven seats on the Planning and Zoning Commission are designated as City seats. There is one vacant City seat, and the Council needs to recommend an applicant for appointment.

Councilmember Arboleda MOVED to recommend James Scholz for appointment to the vacant City seat on the Planning and Zoning Commission for a term to end in December 2020.

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

VI. STAFF REPORTS

a. City Manager

City Manager Tvenge said the City filed public comment to the Department of Environmental Conservation (DEC) on the regulation changes regarding the pollutant discharge elimination system changes that will affect the Wastewater Treatment Plant. The proposed regulation will cost the City approximately four million; therefore, the City is asking for additional time to complete the facility assessment. He said there were two additional comments on the discharge permit process, and he would provide more information in the future. He said the 2018 lead and copper water samples are completed: staff collected 60 water samples from the public to test. He thanked the public that volunteered to help the City complete their required sampling.

b. City Clerk

Clerk Marljar asked the Council if the majority of the Council could be present for a budget work session on April 2, 2018, at 6:30 p.m. in the Library. There was consensus to schedule the work session on the suggested date and time. She gave an overview of the upcoming April meetings.

VII. MAYOR'S COMMENTS

Mayor Branson referenced the Stanley cup and the longevity of the award in hockey. She thanked Parks and Recreation Director Gronn for the City's hockey rink and for providing the popular service to the community. She said she is pleased that the Alutiiq Memorial Park is moving forward and confirmed they hope to break ground this spring. She thanked Mr. Scholz for volunteering for the vacant P&Z seat. She said there was a joint work session to discuss consolidation, merger, unification, and annexation; she referred to the packet material that was compiled. She thought the work session had an open dialogue and she hopes for continued partnership with the Borough for all of the residents.

VIII. COUNCIL COMMENTS

Councilmember Walker thanked Manager Tvenge and Finance Director Mayes for their preparation of the budget and he commended their efforts. He said Director Mayes has done a great job making the budget reports user friendly. He commended staff from Parks and Recreation, Public Works, Police department and the Clerk's office for their work. He commented that the City would continue to work on infrastructure projects and acknowledged that they are behind on projects due to funding.

Councilmember Bishop congratulated the hockey state champions. He complimented the Mayor for her leadership at the joint work session. He thanked staff for the materials on consolidation and clarified a statement was made that it was only the Mayor's perspective on consolidation; he clarified it was a Council endorsed perspective.

Councilmember Davidson welcomed the ComFish visitors. He stated the City is one of the best managed municipalities in the State. He commented that a consolidation or merger would equal dollar signs for the community.

Councilmember Saravia thanked staff for the draft budget and working through the proposed changes. He said he thought the joint work session went well. He said he hopes all elected officials continue to work together in the best interest of the people. He believes in a public forum, for people to be respectful, to not personally attack others when expressing their viewpoints, and to keep an open mind. He commented that he is a City and Borough resident.

Councilmember Arboleda said she is happy spring is approaching. She said she heard feedback from citizens that the mill rate increase would be a burden, especially with the recent increase to the sales tax cap, and increased assessed values of homes, which will increase the property tax. She encouraged people to attend the meetings and share their input directly with the Council; she thanked those who attended the meeting. She said she recently went to Baranov Museum's State Write Laureate Ernestine Hayes event and said it was enjoyable and inspiring. She reminded the public ComFish started and encouraged people to go visit the booths.

Councilmember Whiddon said he and Lori were invited and attended a USCG's flight suit formal and commented on the fabulous Coast Guard in town; he thanked them for their service to the community and to the nation. He said there was a fisheries meeting yesterday and stated it was the first meeting without a fisheries analyst and it went well. He said the Fisheries Work Group (FWG) would recommend a letter for Chinook salmon PSC cap adjustment for the Gulf of Alaska, stating the Trawl fleet needs the ability fish. He said they will continue to monitor the

pink salmon disaster funding relief, and the cod declaration letter has gone through the Governor's office. He said the FWG is working through the topics and using local experts. He said everyone has an interest and bias, and the committee works to balance out the issues. He acknowledged the Mayor's positive and effective leadership and commended the Council for their participation at the joint work session. He said the topic of consolidation is complicated and said it will be difficult if the City is not involved. He said the City wants to be part of the solution. He thanked Clerk Marlar for preparing the material for the joint work session.

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 8:27 p.m.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

Minutes Approved:

PERSONS TO BE HEARD

MEMORANDUM TO COUNCIL

Date: April 12, 2018

Agenda Item: III. a. **Proclamation: Week of the Young Child**

SUMMARY: This proclamation encourages all citizens to work to make a good investment in early childhood education.

ATTACHMENTS:

Attachment A: Proclamation: Week of the Young Child

PROCLAMATION
Declaring April 16 through 20, 2018,
Week of the Young Child

WHEREAS, the Kodiak Early Childhood Coalition and other local organizations, in conjunction with the National Association for the Education of Young Children, are celebrating the Week of the Young Child, April 16 through April 20; and

WHEREAS, these organizations are working to improve early learning opportunities, including early literacy programs, that can provide a foundation of learning for children in Kodiak, Alaska; and

WHEREAS, teachers and others who make a difference in the lives of young children in Kodiak, Alaska deserve thanks and recognition; and

WHEREAS, public policies that support early learning for all young children are crucial to young children's futures.

NOW THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim April 16 through April 20 as

WEEK OF THE YOUNG CHILD

in Kodiak, Alaska and encourage all citizens to work to make a good investment in early childhood education.

Dated this 12th day of April 2018.

City of Kodiak

Pat Branson, Mayor

MEMORANDUM TO COUNCIL

Date: April 12, 2018

Agenda Item: III. b. Proclamation: Month of the Military Child

SUMMARY: This proclamation encourages all citizens to show appreciation and understanding to the military children in our communities, and recognize their commitment, courage, sacrifice, and continued resilience.

ATTACHMENTS:

Attachment A: Proclamation: Month of the Military Child

PROCLAMATION Declaring Month of the Military Child

WHEREAS, Alaskans are deeply grateful for the many sacrifices made by our servicemen and women to protect the security and freedom of our great nation; and

WHEREAS, we also appreciate the special courage, strength, and sacrifice of the children and families of members of the military who provide support, endure long periods of separation, and move residences frequently; and

WHEREAS, today, thousands of Alaskan children currently have at least one parent serving in full time or active duty status in the armed forces; and

WHEREAS, the children of military men and women face unique challenges and need our support to help them succeed in the absence of their enlisted parent(s); and

WHEREAS, the Month of the Military Child was established in 1986 to pay tribute to military children for their incredible resilience, commitment, sacrifices, ability to deal with life changing events, and unconditional support for our troops; and

WHEREAS, this year marks Alaska's seventh annual "Purple Up! For Military Kids" observance. All Alaskans are encouraged to wear purple this month, the color symbolizing all branches of the military, as a visible way to show support for Alaska's military children.

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

MONTH OF THE MILITARY CHILD

in Kodiak, and encourage all citizens to show appreciation and understanding to the military children in our communities, and recognize their commitment, courage, sacrifice, and continued resilience.

Dated this 12th day of April 2018.

City of Kodiak

Pat Branson, Mayor

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UNFINISHED BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Kelly Mayes, Finance Director *KMM*

Date: April 12, 2018

Agenda Item: **IV. a. Second Reading and Public Hearing, Ordinance No. 1373, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2017 and Ending on the Thirtieth Day of June 2018**

SUMMARY: The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2017 and ending on the thirtieth day of June 2018 is in the amount of \$677,596. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted.

PREVIOUS COUNCIL ACTION:

- On June 8, 2017, Council adopted Ordinance No. 1363 for the FY2018 budget in the amount of \$37,386,307 commencing on the first day of July 2017 and ending on the thirtieth day of June 2018.
- Council action thus far in FY2018 includes the following:
 - Adopted Resolution No. 2017-24 to assign \$250,000 of unassigned funds from the Sewer Improvement Fund to Project No. 7509 for Sewer Lift Stations 3 and 4
 - Adopted Resolution No. 2017-29 to transfer \$650,000 from the General Fund to the Sewer Improvement Fund for Project No. 7509 for Sewer Lift Stations 3 and 4
 - Adopted Resolution No. 2017-29 to assign \$1,200,000 of unassigned funds from the Sewer Improvement Fund to Project No. 7509 for Sewer Lift Stations 3 and 4
 - Adopted Resolution No. 2017-30 to transfer \$48,750 from the General Fund to the General Capital Projects Fund Project No. 4052 for City Timekeeping
- On March 22, 2018, Council passed Ordinance No. 1373 in the first reading and advanced to second reading and public hearing at the next special or regular Council meeting.

DISCUSSION: The adoption of the budget by the City Council puts the budget into effect for the budget year July 1 through June 30. Amendments to the budget can occur anytime during the fiscal year

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by resolution, ordinance, or through a supplemental budget ordinance, which is introduced at one Council meeting and typically adopted at the next Council meeting.

All new appropriations are authorized by resolution or ordinance that amends the annual budget ordinance. The Supplemental No. 1 is requesting the addition of \$677,596 to the adopted budget bringing the total amended budget to \$40,911,403 for FY2018.

The Supplemental No. 1 Appropriation is requesting an increase in revenues due to increase in the State of Alaska Jail Contract, an increased amount received from the State of Alaska Fisheries Business tax, health insurance discounts received from our insurance provider and Federal and State grants received. In addition, General Fund revenue decreased for building permits for the Thelma C project awarded by Council through Community Promotions. Other increases in expenditures include legal expenses of \$25,000, grants received for the Police Department that include equipment expenditures; the Delta Medical Transport Contract of \$183,275 for temporary outsourcing of EMS services; and transfers to the Enhancement Fund by Code for 50 percent of the General Fund surplus determined at the completion of the FY2017 audit. Other budget adjustments include an increase in Enhancement expenses due to investment management fees; an increase in capital project revenues and expenses for Federal grants received; health insurance discounts for Cargo, Harbor, Shipyard, Water, Sewer, and E911 Enterprise Funds; and a transfer of \$332,432 from the Harbor Fund to the Shipyard Fund as determined at the completion of the FY2017 audit. All other adjustments are reclassification of budget expenses within the same department and fund.

FINANCIAL IMPLICATIONS: All expense appropriations requested in Supplemental Appropriation No. 1 are funded by increased revenue sources, additional state and federal grant sources, and use of fund balances and transfers. The ordinance makes a number of changes in the FY2018 budget reflecting increased revenues and expenditures, new project and grant funding, and movement of funds to more accurately reflect current City operations. Details of funding sources and expenses have been submitted in the attachments.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required.

STAFF RECOMMENDATION: Staff recommends that the City Council adopt Ordinance No. 1373.

CITY MANAGER'S COMMENTS: The City traditionally adopts one major budget amendment each fiscal year to make necessary adjustments to cover changes or additions to projects, to account for the receipt of additional revenues, and increased operating expenses. For clarity Resolution No. 2017-29 had two actions approved by Council; a transfer and assignment of funds for sewer lift stations 3 and 4. Overall, this supplemental budget ordinance decreases net appropriations of General Fund balance from \$2.9M to \$2.3M by increasing citywide revenues by \$1.2M, and increases to citywide expenses by

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\$677,596. The ordinance and attachments detail the sections of the City's operating and capital budget that require changes.

ATTACHMENTS:

Attachment A: Ordinance No. 1373

Attachment B: Backup descriptions containing details and summaries by each fund

PROPOSED MOTION:

Move to adopt Ordinance No. 1373.

**CITY OF KODIAK
ORDINANCE NUMBER 1373**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK ESTABLISHING
SUPPLEMENTAL APPROPRIATION NO. 1 TO THE BUDGET FOR THE FISCAL YEAR
COMMENCING ON THE FIRST DAY OF JULY 2017 AND ENDING ON THE THIRTIETH
DAY OF JUNE 2018**

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

Section 1: The following estimated revenues and expenditures are hereby appropriated for the corporate purposes and objects of the City of Kodiak for fiscal year 2018.

	GENERAL FUND			
	Adopted Budget	FY 2018 Council Action	Supplemental #1	Amended Budget
Budgeted Revenues				
Property Tax	\$ 978,500	\$ -	\$ -	\$ 978,500
Sales Tax	11,777,500		-	11,777,500
Licenses and Permits	58,800		(2,039)	56,761
Intergovernmental	1,113,300		471,963	1,585,263
Charges for Services	1,661,217		24,920	1,686,137
Fines and Forfeitures	10,000		-	10,000
Interest Income	15,000		-	15,000
Rental Income	175,000		-	175,000
Other Revenues	22,000		384,674	406,674
Interfund Charges	1,534,343		-	1,534,343
Appropriation (to) from Fund Balance	2,238,227	698,750	(545,976)	2,391,001
Transfers In	-	-		-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Budgeted Revenues	<u>\$ 19,583,887</u>	<u>\$ 698,750</u>	<u>\$ 333,542</u>	<u>\$ 20,616,179</u>
Budgeted Expenditures				
Legislative	\$ 266,408	\$ -	\$ -	\$ 266,408
Legal	75,000		25,000	100,000
Executive	827,691	-	-	827,691
Emergency Preparedness	38,000		-	38,000
City Clerk - Administration	359,905		-	359,905
City Clerk - Records Management	197,115		-	197,115
Finance	1,676,759	-	-	1,676,759

General Fund continued

Police	6,913,240	-	55,438	6,968,678
Fire	2,459,976		183,275	2,643,251
Public Works	2,188,350	-	-	2,188,350
Engineering	281,914		-	281,914
Parks & Recreation	1,434,270		-	1,434,270
Library	929,750		-	929,750
Non-Departmental	624,608	-	2,039	626,647
Transfers	1,310,901	698,750	67,790	2,077,441
Total Budgeted Expenditures	\$ 19,583,887	\$ 698,750	\$ 333,542	\$ 20,616,179

SPECIAL REVENUE FUNDS

	Adopted Budget	FY 2018 Council Action	Supplemental #1	Amended Budget
Budgeted Revenues				
Tourism Development	\$ 189,500	\$ -	\$ -	\$ 189,500
City Enhancement	-	-	6,000	6,000
Total Budgeted Revenues	\$ 189,500	\$ -	\$ 6,000	\$ 195,500
Budgeted Expenditures				
Tourism Development	\$ 189,500	\$ -	\$ -	\$ 189,500
City Enhancement	-	-	6,000	6,000
Total Budgeted Expenditures	\$ 189,500	\$ -	\$ 6,000	\$ 195,500

CAPITAL PROJECTS

	Adopted Budget	FY 2018 Council Action	Supplemental #1	Amended Budget
Budgeted Revenues				
General Capital Projects	50,000	48,750	5,622	104,372
Street Improvements	325,000	-	-	325,000
Building Improvement Fund	-	-	-	-
Water Capital Fund	600,000	-	-	600,000
Sewer Capital Fund	600,000	2,100,000	-	2,700,000
Cargo Development Fund	-	-	-	-
Harbor Development	243,000	-	-	243,000
Parks & Recreation Fund	25,000	-	-	25,000
Vehicle Replacement Fund	260,901	-	-	260,901
Total Budgeted Revenues	2,103,901	2,148,750	5,622	4,258,273

Capital Projects continued

Budgeted Expenditures

General Capital Projects	50,000	48,750	5,622	104,372
Street Improvements	325,000	-	-	325,000
Building Improvement Fund	-	-	-	-
Water Capital Fund	600,000	-	-	600,000
Sewer Capital Fund	600,000	2,100,000	-	2,700,000
Cargo Development Fund	-	-	-	-
Harbor Development	243,000	-	-	243,000
Parks & Recreation Fund	25,000	-	-	25,000
Vehicle Replacement Fund	260,901	-	-	260,901
Total Budgeted Expenditures	2,103,901	2,148,750	5,622	4,258,273

ENTERPRISE FUNDS

	Adopted Budget	FY 2018 Council Action	Supplemental #1	Amended Budget
Budgeted Revenues				
Cargo Fund	\$ 1,290,355	\$ -	\$ -	\$ 1,290,355
Harbor fund	3,807,436	-	332,432	4,139,868
Shipyards (Boat Yard Lift) Fund	1,231,367	-	-	1,231,367
Harbor Electric Fund	626,908	-	-	626,908
Water Utility Fund	3,297,238	-	-	3,297,238
Sewer Utility Fund	4,325,212	-	-	4,325,212
Trident Basin Fund	302,253	-	-	302,253
E-911 Services	13,771	-	-	13,771
Total Budgeted Revenues	\$ 14,894,540	\$ -	\$ 332,432	\$ 15,226,972
Budgeted Expenditures				
Cargo Fund	\$ 1,290,355	\$ -	\$ -	\$ 1,290,355
Harbor fund	3,807,436	-	332,432	4,139,868
Shipyards (Boat Yard Lift) Fund	1,231,367	-	-	1,231,367
Harbor Electric Fund	626,908	-	-	626,908
Water Utility Fund	3,297,238	-	-	3,297,238
Sewer Utility Fund	4,325,212	-	-	4,325,212
Trident Basin Fund	302,253	-	-	302,253
E-911 Services	13,771	-	-	13,771
Total Budgeted Expenditures	\$ 14,894,540	\$ -	\$ 332,432	\$ 15,226,972

INTERNAL SERVICE FUND

	Adopted Budget	FY 2018 Council Action	Supplemental #1	Amended Budget
Budgeted Revenues				
Insurance Internal Service Fund	\$ 614,479	\$ -	\$ -	\$ 614,479
Total Budgeted Revenues	<u>\$ 614,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,479</u>
Budgeted Expenditures				
Insurance Internal Service Fund	\$ 614,479		\$ -	\$ 614,479
Total Budgeted Expenditures	<u>\$ 614,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,479</u>
Total Revenues	\$ 37,386,307	\$ 2,847,500	\$ 677,596	\$ 40,911,403
Total Expenditures	\$ 37,386,307	\$ 2,847,500	\$ 677,596	\$ 40,911,403

Section 2: This ordinance shall be in full force and effect from and after its passage as required by law.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: March 22, 2018

Second Reading:

Effective Date:

GL Acct	Description	Increase	Decrease	Description
100.001.340.100	Boarding of Prisoners	24,920.00		Increase in Jail Contract with State of Alaska
100.001.385.100	GF Appropriations		24,920.00	Increase in Jail Contract with State of Alaska
100.001.320.300	Building Permits		2,039.15	Council awarded Community Promotions for Thelma C Building Permits
100.190.180.440.110	NonDept Contributions-Comm Promo	2,039.15		Council awarded Community Promotions for Thelma C Building Permits
100.001.330.130	Fisheries Business Tax			Fisheries Business Tax - Actual Amount Received Exceeded budget
100.001.385.100	GF Appropriations	401,525.00	401,525.00	Fisheries Business Tax - Actual Amount Received Exceeded budget
100.001.375.605	Discounts Received	384,674.00		Aetna Health Insurance Discounts Received
100.001.385.100	GF Appropriations		384,674.00	Aetna Health Insurance Discounts Received
100.001.385.100	GF Appropriations	25,000.00		Increase in Legal Expenses due to pending litigation
100.100.106.430.110	Legal Professional Services	25,000.00		Increase in Legal Expenses due to pending litigation
100.120.100.450.510	Clerks R&M		250.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.120.100.470.125	Clerks M&E < \$5,000	250.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.100.470.125	KPD Admin Fed Equipment Grant	17,408.00		Federal Grant Received for KPD Equipment
100.140.100.470.126	KPD Admin Fed Equipment Grant	31,740.00		Federal Grant Received for KPD Equipment
100.140.100.430.110	KPD Admin Prof Services	6,290.00		Federal Grant Received for KPD Equipment
100.001.330.325	Federal EMPG Grant	15,000.00		Federal EMPG Grant Received
100.001.330.325	Federal Grant - FBI (Operating)	6,290.00		Federal Grant Received for KPD Equipment
100.001.330.320	Federal Grant - FBI (Capital)	49,148.00		Federal Grant Received for KPD Equipment
100.001.385.100	GF Appropriations		15,000.00	Federal EMPG Grant Received
100.140.142.430.110	KPD Corr Professional Services		1,000.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.142.450.110	Insurance & Bonding	1,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.150.100.430.110	Fire Professional Services	183,275.00		Delta Medical Transport Contract for EMS Services
100.150.100.450.116	Fire Postage	500.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.150.100.450.120	Fire Advertising		500.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.001.385.100	GF Appropriations	183,275.00		Delta Medical Transport Contract for EMS Services
100.160.162.430.110	Streets Prof Svcs		500.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.160.162.450.120	Streets - Advertising	500.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.100.450.510	Nondept Barn Heating Tanks	15,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.100.455.100	Nondept Public Utilities		15,000.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.100.450.510	KPD Admin R&M	18,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.100.430.110	KPD Admin Prof Services		18,000.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.148.450.135	KPD Canine Training		2,500.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.140.148.410.140	KPD Canine OT	2,500.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget

GL Acct	Description	Increase	Decrease	Description
100.190.100.430.110	Nondept Prof Services		6,000.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.100.430.112	Nondept Janitorial Services	6,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.185.430.140	Nondept Criminal Prosecution	2,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.185.430.150	Nondept Indigent Defense		2,000.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
100.190.198.490.299	Transfers to Enhancement	67,790.00		Per City Code, Transfer 1/2 GF Surplus to Enhancement Fund
100.001.385.100	GF Appropriations	67,790.00		Per City Code, Transfer 1/2 GF Surplus to Enhancement Fund
299.001.390.100	Transfers In - General Fund	67,790.00		Per City Code, Transfer 1/2 GF Surplus to Enhancement Fund
299.001.385.100	Enhancement Appropriations		67,790.00	Per City Code, Transfer 1/2 GF Surplus to Enhancement Fund
251.260.100.440.100	Tourism Contributions	4,350.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
251.260.100.485.100	Tourism Contingency		4,350.00	Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
299.290.100.430.165	Enhancement - Bank fees	6,000.00		Investment Management Fees for Enhancement Fund
299.001.385.100	Enhancement Appropriations	6,000.00		Investment Management Fees for Enhancement Fund
300.001.330.320	Federal Grant Revenue	5,622.00		Federal Grant Received for EOC Training
300.300.450.450.135	Travel	5,622.00		Federal Grant Received for EOC Training
500.510.100.460.140	Cargo - reimbursed expense	10,000.00		Budget Adjustment for nonbudgeted expenses that were not anticipated
500.001.385.100	Cargo Appropriations		10,000.00	Budget Adjustment for nonbudgeted expenses that were not anticipated
510.520.198.490.512	Transfers Out - Shipyard	332,432.00		Transfer to Shipyard from Harbor Fund due to FY 2017 Deficit in Shipyard
510.001.385.100	Harbor Appropriations	332,432.00		Transfer to Shipyard from Harbor Fund due to FY 2017 Deficit in Shipyard
512.001.390.510	Transfers In - Harbor	332,432.00		Transfer to Shipyard from Harbor Fund due to FY 2017 Deficit in Shipyard
512.001.385.100	Shipyard - Appropriations		332,432.00	Transfer to Shipyard from Harbor Fund due to FY 2017 Deficit in Shipyard
512.530.100.430.310	SY Supplies	5,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
512.530.100.450.520	SY R&M Misc	5,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
512.530.100.450.560	SY R&M Equip	10,000.00		Reclassification of Expense - net result is no increase or decrease to FY 2018 Budget
500.001.375.605	Discounts Received	30,341.00		Aetna Health Insurance Discounts Received
500.001.385.100	Cargo Appropriation Fund Balance		30,341.00	Aetna Health Insurance Discounts Received
510.001.375.605	Discounts Received	43,547.00		Aetna Health Insurance Discounts Received
510.001.385.100	Harbor Appropriation Fund Balance		43,547.00	Aetna Health Insurance Discounts Received
512.001.375.605	Discounts Received	6,272.00		Aetna Health Insurance Discounts Received
512.001.385.100	SY Appropriation Fund Balance		6,272.00	Aetna Health Insurance Discounts Received
550.001.375.605	Discounts Received	17,324.00		Aetna Health Insurance Discounts Received
550.001.385.100	Water Appropriation Fund Balance		17,324.00	Aetna Health Insurance Discounts Received

GL Acct	Description	Increase	Decrease	Description
570.001.375.605	Discounts Received	53,314.00		Aetna Health Insurance Discounts Received
570.001.385.100	Sewer Appropriation Fund Balance		53,314.00	Aetna Health Insurance Discounts Received
585.001.375.605	Discounts Received	350.00		Aetna Health Insurance Discounts Received
585.001.385.100	E911 Appropriation Fund Balance		350.00	Aetna Health Insurance Discounts Received

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Matthew Van Daele, Deputy City Manager *MD*

Date: April 12, 2018

Agenda Item: IV. b. Second Reading and Public Hearing, Ordinance No. 1374, Approving a Memorandum of Agreement Between the City of Kodiak and the Alutiiq Heritage Foundation Allowing the Alutiiq Heritage Foundation to Enter Block 17, Lot 2 New Kodiak Townsite for the Purpose of Constructing and Maintaining a Memorial Park for an Initial Term of Ten Years

SUMMARY: The Alutiiq Heritage Foundation, through the Alutiiq Museum, is requesting a Memorandum of Agreement (Attachment B) with the City of Kodiak, which would allow the creation of a new monument downtown honoring our community's Alutiiq heritage, culture, and ancestral significance. The Council voiced consensus at the February 6, 2018, work session for the City Manager to move forward with the MOA with the Alutiiq Heritage Foundation. The City attorney reviewed the MOA.

BACKGROUND: The parcel of land identified by the Alutiiq Heritage Foundation as being the ideal location for this cultural park is owned by the City of Kodiak (New Kodiak Block 17, Lot 2; or otherwise known as the vacant parcel located beside the Community Baptist Church, the Alutiiq Museum, and the old Alaska Department of Fish and Game building), and has previously been designated by the Downtown Revitalization Committee as an excellent location for a future park site. The Alutiiq Heritage Foundation, through the Alutiiq Museum, is interested in working with the City to enable a park to be built on this site with the City retaining ownership of the land itself, the Museum assuming the responsibility of upkeep and maintenance of the park infrastructure, and the two entities cooperating to conduct simple grounds keeping, namely lawn mowing and snow removal.

PREVIOUS COUNCIL ACTION:

- On August 8, 2017, staff members of the Alutiiq Museum presented information regarding the Alutiiq Ancestors' Memorial concept at the Council work session.
- On February 6, 2018, the Alutiiq Museum Executive Director and staff attended the work session and provided an update on the fundraising for the memorial park.
- On March 22, 2018, Council passed Ordinance No. 1374 in the first reading and advanced to second reading and public hearing at the next special or regular Council meeting.

LEGAL: The City Attorney drafted the ordinance and made modifications to the Memorandum of Agreement.

CITY MANAGER COMMENTS: This memorial park will be a nice addition to downtown and will provide another cultural site to remember our ancestors.

ATTACHMENTS:

Attachment A: Ordinance No. 1374

Attachment B: MOA between the City of Kodiak and the Alutiiq Heritage Foundation

Attachment C: Draft Alutiiq Ancestors' Memorial Design Concept and Planning Documents

PROPOSED MOTION:

Move to adopt Ordinance No. 1374.

**CITY OF KODIAK
ORDINANCE NUMBER 1374**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK APPROVING A MEMORANDUM OF AGREEMENT BETWEEN THE CITY OF KODIAK AND THE ALUTIIQ HERITAGE FOUNDATION ALLOWING THE ALUTIIQ HERITAGE FOUNDATION TO ENTER BLOCK 17, LOT 2 NEW KODIAK TOWNSITE FOR THE PURPOSE OF CONSTRUCTING AND MAINTAINING A MEMORIAL PARK FOR AN INITIAL TERM OF TEN YEARS

WHEREAS, ARTICLE V-17 of the Charter of the City of Kodiak requires that all contracts which by their terms will not be fully executed within five (5) years and which cannot be terminated by the City with not more than one month's notice without penalty to be approved by ordinance; and

WHEREAS, the proposed Memorandum of Agreement between the City of Kodiak and Alutiiq Heritage Foundation attached to this ordinance will not be fully executed within five (5) years and cannot be terminated by the City with not more than one month's notice without penalty; and

WHEREAS, the Memorandum of Agreement will provide for a means to construct and maintain a memorial park celebrating the heritage and culture of the Alutiiq people, will aid the City in developing the downtown area for greater community and visitor use, will provide Kodiak residents and visitors with a beautiful place to visit and learn, and will encourage community dialog and understanding of our diverse cultural heritage;

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

Section 1: Section 2 of this ordinance is not of a permanent and general nature and shall not be included in the Kodiak City Code.

Section 2: The Memorandum of Agreement between the City of Kodiak and the Alutiiq Heritage Foundation attached to this ordinance is hereby approved. The City Manager is authorized to sign the Agreement and to take all steps necessary to implement the Agreement.

Section 3: If one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading: March 22, 2018

Second Reading:

Effective Date:

MEMORANDUM OF AGREEMENT

Between

The Alutiiq Heritage Foundation

215 Mission Road, First Floor
Kodiak, Alaska 99615
Ph: (844) 425-8844
Fax: (866) 335-7767

City of Kodiak

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

This Memorandum of Agreement (“Agreement”) is by and between the City of Kodiak (“the City”), the current owner and responsible authority of the 0.34 acre subject parcel of land with the legal description of: New Kodiak Subdivision Block 17, Lot 2, Plat No. 72-2, Kodiak Recording District, Third Judicial District, State of Alaska (“the subject parcel”); and the Alutiiq Heritage Foundation, dba the Alutiiq Museum and Archaeological Repository (“the Alutiiq Museum”), which desires to use the subject parcel to create an Alutiiq Ancestors’ Memorial park (“the Memorial,”) as described in Attachment A.

WITNESSETH:

WHEREAS, the City owns the subject parcel, located at 210 Mill Bay Road; and,

WHEREAS, the mission of the Alutiiq Museum is to preserve and share the heritage and culture of the Alutiiq people; and,

WHEREAS, the Alutiiq Heritage Foundation desires to create a cultural park to advance the Alutiiq Museum’s mission and to remind visitors of the importance of acknowledging and respecting those who came before us; and,

WHEREAS, the City’s Downtown Revitalization Committee identified the subject parcel as a potential park site; and,

WHEREAS, such a park in downtown Kodiak will aid the City in developing the downtown area for greater community and visitor use; and,

WHEREAS, the Memorial will provide Kodiak residents and visitors with a beautiful place to visit and learn, and will encourage community dialog and understanding of our diverse cultural heritage.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the legal sufficiency of which is hereby acknowledged, the City and the Alutiiq Museum (the “Parties”) agree as follows:

1. **Ownership.** The City shall retain ownership of the subject parcel, and authorizes the Alutiiq Museum to enter upon the subject parcel to construct the Memorial. The City assumes ownership upon completion of construction of any fixtures or improvements on the subject parcel.
2. **Term.** Notwithstanding anything contrary to Kodiak City Code Chapter 18.20, the Council of the City of Kodiak hereby authorizes the Alutiiq Museum to enter the subject parcel for the purposes of constructing and maintaining the Memorial thereon, including coordinating maintenance for the Memorial for a period of ten years from the date of this signed MOA. Upon mutual agreement, at the end of the initial or any extended term this Agreement may be renewed for an additional five year term.
3. **Approval of Plans.** The Alutiiq Museum shall not begin construction of the Memorial until the City has reviewed and approved plans for the construction of the Memorial, which shall be prepared and stamped by an architect or engineer registered in the State of Alaska.
4. **Contractor Requirements.** Any contractor that the Alutiiq Museum shall hire to perform construction work on the Memorial shall be licensed by the State of Alaska, and shall provide the Alutiiq Museum with performance and payment bonds in an amount equal to the contract price. While performing construction work on the Memorial, any such contractor shall maintain insurance that meets the requirements of Section 7 below.
5. **Scope of Work.** The Alutiiq Museum and City of Kodiak shall share responsibility for the upkeep, maintenance, and care of the Memorial. The responsibility will be shared as follows. The Alutiiq Museum shall coordinate or provide:
 - Annual Spring maintenance;
 - Weekly trash pick-up and weeding;
 - Graffiti removal, if needed; and,
 - Work with City on larger maintenance or repair matters, drawing on Museum's park maintenance fund if funds are available.

The City will provide:

- Lawn maintenance during summer months on an as-needed basis; and,
 - Coordinate with the Museum on larger maintenance or repair matters including considering whether such maintenance or repairs could be accomplished by city employees.
6. **Warranties:** The Alutiiq Museum will designate the City of Kodiak as owner for all warranties associated with construction of Memorial fixtures and additions.
 7. **Indemnification.** To the fullest extent permitted by law, the Alutiiq Museum agrees to defend, indemnify, and hold harmless the City, its elected and appointed officials, employees, and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including

costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with the Alutiiq Museum's actions or failures to act pursuant to this Agreement.

To the fullest extent permitted by law, the City agrees to defend, indemnify, and hold harmless the Alutiiq Museum, its appointed Board Members, employees, and volunteers against any and all liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, arising out of or in any way connected or associated with the City of Kodiak's actions or failures to act pursuant to this Agreement.

In instances where liabilities, claims, demands, lawsuits, or losses, including costs and attorney fees incurred in defense thereof, are alleged to arise out of or in any way be connected or associated with actions or failures to act of both the City and the Alutiiq Museum under this Agreement the indemnity obligations of the City and Alutiiq to each other shall be allocated on the basis of proportionate fault.

8. **Insurance.** The Alutiiq Museum, at its expense, shall provide the following insurance coverages for its performance under this Agreement, and shall provide to the City certificates of insurance and/or policies acceptable to the City at the time this Agreement is executed:
 - a. Commercial General Liability Insurance, with a minimum of \$1,000,000.00 per occurrence and/or aggregate combined single limit, bodily injury, and property damage.
 - b. Workers' Compensation Insurance shall be provided and maintained for all employees of the Alutiiq Museum engaged in work under this Agreement as required by AS 23.30.045 or any other applicable statutes or regulations. The Alutiiq Museum shall require Workers' Compensation Insurance for any subcontractor who directly or indirectly provides services under this Agreement.
 - c. Volunteer Insurance - Volunteer Insurance, with a minimum of \$1,000,000.00 per occurrence and/or aggregate combined single limit, bodily injury, and property damage.
 - d. Additional Insurance Requirements are as follows; (1) list the City as an additional insured, including all elected and appointed City officials, all City employees and volunteers, all City boards, commissions, and/or authorities and their board members, employees, and volunteers; (2) waive subrogation; (3) provide coverage that is primary to the City and not contributing with any other insurance or similar protection available to the City, whether other available coverage be primary, contributing, or excess; and, (4) Require sixty (60) days written notice of cancellation non-renewal, reduction, and/or material change addressed to: City Clerk, 710 Mill Bay Road, Room 220, Kodiak, Alaska 99615.
 - e. If the above coverage expires during the term of this Agreement, the Alutiiq Museum shall deliver renewal certificates and/or policies to the City at least ten (10) days prior to the expiration date. The Alutiiq Museum shall not commence operations under this Agreement until it has obtained the coverage required under the terms of this Agreement. All coverage shall be with insurance carriers licensed and admitted to do business in the State of Alaska and acceptable to the City. If the Alutiiq Museum fails to comply with the insurance requirements of this Agreement, the City may terminate this Agreement on sixty (60) days written notice. The Alutiiq Museum covenants to maintain all insurance policies required in this Agreement for the period of time in which a person may commence a civil action as prescribed by the applicable statute of limitations. The coverage required by this Agreement shall cover all claims arising in connection with the Alutiiq Museum's

performance under this Agreement, whether or not asserted during the term of this Agreement and even though judicial proceedings may not be commenced until after this Agreement expires.

9. **Termination.** Upon the expiration or earlier termination of this Agreement, the Alutiiq Museum shall relinquish any and all claims to the subject property and the improvements thereon, and the City may use the subject property and any improvements thereon in any manner and for any purpose that the City deems appropriate.
10. **No Waiver.** No waiver of any condition or provision of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be deemed or construed as a waiver of any other or similar provision or of any future event, act, or default.
11. **Assignment or Delegation.** The Alutiiq Museum may not assign its rights or delegate its duties under this Agreement, or any part of it, except with the prior written consent of the City.
12. **Notice.** Any notice required by this Agreement must be hand delivered or sent by first class mail to the appropriate party at the address set forth above the signatures below, or any other address which the party subsequently designates in writing.
13. **Authority of Signers.** Each individual executing this Agreement hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof with full power and authority to bind the Party on whose behalf he or she is executing this Agreement to the terms hereof.
14. **Effectiveness of Agreement.** This Agreement shall not become effective until authorized by Ordinance adopted by the Kodiak City Council.

IN WITNESS WHEREOF, the Parties hereto have hereunder set their hands this ____ day of _____, 2018.

CITY OF KODIAK
710 Mill Bay Road
Kodiak, Alaska 99615

ALUTIIQ HERITAGE FOUNDATION dba
Alutiiq Museum and Archaeological
Repository
215 Mission Road, First Floor
Kodiak, Alaska 99615

Mike Tvenge, City Manager

Margaret Roberts, Chair

Attest:

Witness:

Debra Marlar, City Clerk

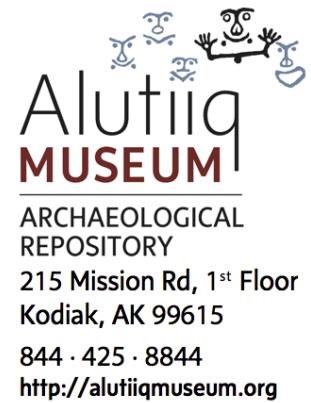


PROPOSAL TO THE CITY OF KODIAK

BY

THE ALUTIIQ HERITAGE FOUNDATION

AUGUST 8TH, 2017



July 24th, 2017

Kodiak City Council
c/o Mike Tvenge, City Manager
71 Mill Bay Road,
Kodiak, AK 99615

RE: ALUTIIQ ANCESTORS' MEMORIAL PARK PROPOSAL

Honorable Council Members,

Attached please find a proposal for a new city park honoring Kodiak's Alutiiq heritage. We ask for your careful consideration of this important cultural landmark, and pledge our financial and logistical assistance to create an attractive, useful, and educational community space.

Briefly, the Alutiiq Heritage Foundation (D.B.A. Alutiiq Museum & Archaeological Repository) requests authorization from the Kodiak City Council to establish the *Alutiiq Ancestors' Memorial* on the .34 acre plot of city land on the corner of Kashevaroff Ave. and Upper Mill Bay Rd (210 Mill Bay Rd; New Kodiak BK. 17 LT. 2). The City of Kodiak would retain ownership of the parcel, and the Alutiiq Museum would fundraise to support the costs of establishing park facilities and paying for selected, ongoing maintenance. Details of our collaboration would be outlined in an MOA negotiated between the City and the Alutiiq Museum.

There is a need for this park. The *Alutiiq Ancestors' Memorial* will honor Kodiak's Alutiiq heritage, and will remind all visitors of the importance of acknowledging and respecting those who come before us. Establishment of a cultural park is aligned with the Alutiiq Museum's mission, which is to *preserve and share the heritage and culture of the Alutiiq people* – and our goal to expand our reach and relevance beyond the Museum walls to a larger public audience. This park in downtown Kodiak will also aid the City in developing a lot for community and visitor use that has been vacant since 1964—a lot which has been identified as a potential park site by the Downtown Revitalization Committee. In short, the *Alutiiq Ancestors' Memorial* will provide Kodiak residents and visitors with a beautiful place to visit and learn, and will encourage community dialogue and understanding.

The Alutiiq Heritage Foundation is well-prepared to implement the attached proposal. Since our inception 22 years ago, we have successfully partnered on large-scale, multi-year projects requiring significant fundraising, time management, and logistics. From major archaeological research projects to

international exhibits and facilities improvements, our staff has an excellent record of project implementation. We have completed numerous large initiatives on time, on budget, and with significant benefit to the Kodiak community. Our past partners have included the Smithsonian Institution, University of Alaska Fairbanks, Harvard University's Peabody Museum, and the City of Boulogne-Sur-Mer, France. Moreover, we bring strong relationships to this project. In addition to conducting community fundraising across the Kodiak Archipelago, we plan to leverage our relationships with foundations to seek grant support for the park. As such, our fundraising plan will minimize costs to the City and establish a fund for ongoing park maintenance.

Kodiak is a beautiful town, and its public spaces would be enhanced with an Alutiiq cultural landmark. The proposed *Alutiiq Ancestors' Memorial* will provide a respectful Native cultural presence in the downtown area, while also serving to inform and inspire. Collaborations between Native-run non-profits and municipalities are uncommon, but this project could serve as a model for other communities who seek to honor their unique Indigenous histories. *Quyanaa* – We thank you for your consideration.

Sincerely,



Margaret Roberts
Chair, Board of Directors



April Laktonen Counciller, Ph.D.
Executive Director

ALUTIIQ ANCESTORS' MEMORIAL: PROPOSAL



EXECUTIVE SUMMARY

The Alutiiq Museum proposes to establish of an *Alutiiq Ancestors' Memorial* park, featuring a circular memorial feature, interpretive signage, low-maintenance plantings, and paved walkways (See Appendix II). The purpose park is to honor Kodiak's Alutiiq heritage, acknowledge the contributions of Alutiiq people to the cultural fabric of Kodiak, and encourage respectful treatment of ancestral sites and burials. We propose that the City of Kodiak retain ownership of the property, and authorize the Alutiiq Museum to develop the park it on the corner of Kashevaroff Ave. and Upper Mill Bay Road (210 Mill Bay Road; New Kodiak BK. 17 LT. 2). The proposed location is directly diagonal from the Alutiiq Museum (See Fig. 1).

The Alutiiq Museum will fundraise to pay for the costs of establishment of the memorial and contribute to ongoing maintenance. We request that the City of Kodiak maintain the property at the same level as other city-owned properties (i.e., mowing & snow removal). Additional upkeep (e.g., weeding, litter pick up) would be contributed by the museum and its volunteers. Details of the collaboration would be outlined in an MOA between the City and the Alutiiq Heritage Foundation, the Alutiiq Museum's governing body. We understand that this collaboration will require long-term commitment.



FIGURE 1 - AERIAL VIEW OF PROPOSED MEMORIAL PARK SITE (A), NEAR ALUTIIQ MUSEUM (B).

BACKGROUND

The Alutiiq Ancestors' memorial idea came from ongoing efforts in the Kodiak Native community to address historic and contemporary issues surrounding the treatment of ancestral remains and archaeological sites. The focus of the memorial has broadened since the formation of a community steering committee. The committee recommended the space be used to honor Kodiak Island's Alutiiq heritage and ancestry, and encourage all visitors to consider the contributions of the Alutiiq people to Kodiak's heritage. It is with this perspective that we approach the City of Kodiak. We are not seeking a place for ancestral burials. Instead, we seek a monument that can be used to promote cultural understanding.

The Alutiiq Museum has worked on repatriations with local tribes since its inception, under the Native American Graves Protection & Repatriation Act (NAGPRA). Repatriation refers to the return of human remains, funerary objects, sacred objects, and objects of cultural patrimony to their tribes of origin. Myths of vanishing races and discrimination against Native Americans led to numerous excavations in Kodiak and around the country, some with the goal of removing as many human remains as possible for scientific study. This work was done without the consent of Alutiiq communities. Such treatment is no longer acceptable, and repatriations to Kodiak tribes are ongoing. However, there are still issues with preservation and protection of Kodiak Alutiiq archaeological sites and their contents, including our ancestors remains. Site vandalism, illegal artifact trade, disrespectful treatment of ancestral remains, and misunderstandings about Native culture continue in the Kodiak region. This memorial will help visitors understand the ethical and legal imperatives surrounding ancestral resources.

There is great potential to enhance the cultural landscape of the City of Kodiak with an Alutiiq Ancestors' Memorial, and the Alutiiq Heritage Foundation is committed to developing this park to encourage positive cultural dialog and reflection for all of Kodiak's residents and visitors.

PROJECT PLAN

The project plan outlined here is contingent on approval of this proposal by the City Council. We seek authorization for the park now, so that we can begin active fundraising by September, 2017.

Initial communications with the City and the Alutiiq Heritage Foundation board (AHF) began in May and June, 2017. Museum staff met with City management and Mayor Branson, and formed a volunteer steering committee to guide decisions about the memorial. Following a presentation to the City Council at a work session, this plan and budget were developed for the city's consideration.

While the project is in initial planning, we have begun to receive offers of in-kind services and donations from local businesses. This indicates community support for the memorial. As fundraising has not officially begun, we have not sought business or individual donations, but the Museum has begun laying the groundwork for contributions of support from with our founding Native corporations, local tribes, and foundations we have worked with on other projects.

PROJECT TIMELINE

Under the proposed plan, the park will be developed by Summer 2018, and ready for an official ribbon-cutting ceremony by August 2018. At the museum, the project will be led by Executive Director April Counciller, Ph.D., with help from Development Assistant Jeff Garcie (See Appendix IV, Museum Staff).

The work plan chart shown on the next page outlines major project activities.

WORK PLAN

Alutiiq Ancestors Memorial: Workplan		2017										2018							
Activity	Personnel	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		
Initial city communications	ED, DA	■																	
Alutiiq Museum board review	ED, Museum Board		■					■			■			■					
Meeting of steering committee	ED, DA, Steering		■	■		■		■		■			■	■					
Presentation at City work session	ED, DA		■						■		■					■			
Develop budget/workplan	ED, DA, CC		■	■															
Site survey work	DA, Surveyors		■																
Negotiate MOU with City	ED, City Mgmt.					■													
Site design & approval	Designer, DA, ED, City Mgmt			■	■	■													
Brick fundraising website developed	DA, ED, Contractor				■	■													
Groundbreaking Ceremony (Indigenous Peoples' Day?)	All						■												
Apply for foundation support	ED, CC, DA					■	■	■	■										
Sell fundraising bricks*	ED, DA					■	■	■	■	■	■	■	■	■	■	■	■		
Local fundraising/sponsorships	DA, ED, Steering					■	■	■	■	■	■	■	■	■	■	■	■		
Develop contracts	ED, AD, DA					■	■	■	■										
Site preparation	Contractors						■	■	■	■	■	■	■	■	■	■	■		
Sign design, approval & ordering	DA, CC, Contractors, City Mgmt.						■	■	■	■	■	■	■	■	■	■	■		
Pathway, signage, fence installation	Contractors									■	■	■	■	■	■	■	■		
Hydroseeding, planting	Contractors										■	■	■	■	■	■	■		
Site work complete, engraved brick placement	DA, Contractor														■	■	■		
Advertising, invitation of dignitaries for opening	DA, AD, Steering														■	■	■		
Opening ceremony	Museum, City, Steering, Public																■		

Personnel: ED=Executive Director, DA=Development Assistant, AD=Assistant Director, CC=Chief Curator, Steering=Steering Committee

*brick sales before deadline will be placed before grand opening. Ongoing sales for 1 year for upkeep fund

Once an MOU is negotiated between the City and Alutiiq Heritage Foundation, we will increase our fundraising efforts and seek grant support for the project. The Rasmuson Foundation has agreed to consider a Tier 1 proposal, which could provide up to \$25,000 in support. Additionally, museum staff and steering committee members will begin active outreach to increase local support and fundraise, ensuring the City's needs and concerns are addressed. A well promoted October 2017 groundbreaking ceremony will also increase public awareness and generate press coverage.

Local businesses will be contracted to develop the park, including donated groundwork by Golden Alaska Excavating, and donated plantings by Kodiak Lawn Care. The majority of cost for the memorial, ca. \$70,000.00 will be raised through sales of engraved pathway bricks and pavers that will be integrated in the site design, with businesses and individual donors recognized (see Budget, below).

STEERING COMMITTEE

The Alutiiq Museum formed a steering committee to guide the development of the memorial.

Participants outside of the Alutiiq Museum include:

- Mike Brady, USF&WS
- Nanette Foster, Artist
- Mayor Pat Branson
- Fr. Innocent Dresdow, Russian Orthodox Church
- Sven Haakanson, Jr., Ph.D., Burke Museum

- Alisha Drabek, Ph.D., Afognak Native Corporation
- Frank Peterson, Jr., Koniag, Inc. & Sun’aq Tribe of Kodiak
- Stacy Studebaker, Master Gardener
- Margaret Roberts, KANA & Alutiiq Heritage Foundation
- Shauna Hegna, Koniag, Inc., and Alutiiq Heritage Foundation
- Jeanine Marsh, Sun’aq Tribe of Kodiak
- Lisa Hupp, USF&WS

Two steering committee meetings have been held so far. The committee is open to anyone interested in consulting on the project or assisting with fundraising. Interested parties can contact the Alutiiq Museum to join the project on the email list. We also plan to create a project specific website that will share project news, promote paver sales, and help people communicate with the museum about park development.

SITE DESIGN

The park site is a roughly rectangular lot about 120 feet long. It is .34 acres, and the long edge of the property abuts Upper Mill Bay Road. It is adjacent to the old Fish & Game building, and diagonal from the Alutiiq Museum’s back door.

Site designing services have been donated by Appian Way Pavers. Landscape architect Yvette Burlette has contributed a draft site plan (Figure 2). The current plan is encircled by low open fencing, with three entrances. One entrance is on Upper Mill Bay, while an ADA-accessible entrance path is planned for the side facing Kashevaroff Drive. Additionally, a small set of steps will provide access to the main park pathway out of the existing parking area.

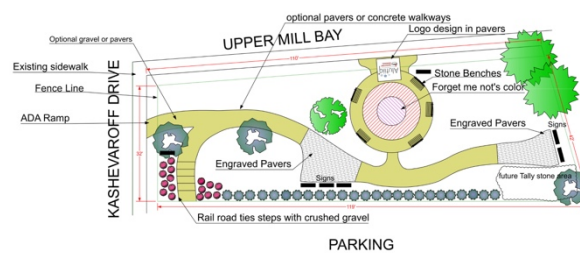


FIGURE 2: DRAFT PARK DESIGN. SEE LARGER VERSION IN APPENDIX II.

The park design features a meandering pathway, with sections near the planned

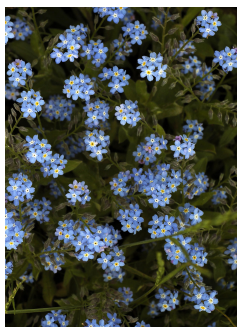


FIGURE 3: FORGET-ME-NOT FLOWERS.

interpretive signs reserved for engraved donor bricks. The center of the park will contain a concrete ring memorial, planted with perennial dwarf forget-me-nots. The circle is an important symbol in Alutiiq culture. Circles represents the universe in Alutiiq art, and circular holes can act as passageways between the human and the spirit world. Informative signs will share these interpretations, introduce Kodiak’s Native history, and tell the project story.

Visitors will be invited to leave a pebble or small stone at the circle as a gesture of respect. A corner of the park is planned for a “tally stone” to commemorate human remains that have been returned to Kodiak Island through repatriation.

The parking side of the park, opposite Mill Bay Road, has an embankment ranging from a few inches where the steps are located, to 11 feet above the parking level at the opposite end. To reduce access and erosion, foot traffic will be directed away from the brush-covered embankment with fencing along the upper edge, and bushes planted on the embankment itself.

SELECTED MATERIALS

To reduce future maintenance needs, plantings for the park will be low-maintenance and suited for Kodiak’s climate. Museum staff have consulted with professionals and local gardeners for input on plantings. For ease of maintenance, much of the park will be grass only.

Similarly, the park’s hardscaping is planned to be durable and low maintenance. Fencing will be made from treated heavyweight posts and beams. The type of engraved bricks used in pathways will use laser vitrification rather than sandblasting to preserve surface integrity and increase lifespan (they come with a lifetime warranty). Concrete benches will be treated with a sealer and re-sealed on a semi-annual basis as needed. Signage will be produced by iZone, a leading company in outdoor signage for parks and national monuments, using a patented, long-lasting, synthetic material.



FIGURE 4: EXAMPLE BRICKS FROM FUNDRAISINGBRICK.COM. MEMORIAL BRICKS WILL BE GRAY.

BUDGET

The total cost of the park development is approximately \$156,000.00. This includes all costs to the Alutiiq Museum from the current date through the groundbreaking in 2018. This budget does not include ongoing annual costs to the Alutiiq Museum for maintenance and upkeep, nor does it include the City’s costs of the collaboration.

See Budget sheet on the following page.

DRAFT 7/18/2017 Ancestors Memorial Capital Budget				
Cost Item	RATE/Provider	Budget	Notes	
Personnel				
Museum ED & Dev. Asst.	16 months, at 20 & 30 hrs.mo.	\$ 42,564.92	thru 7/2018. non-budgeted hours in-kind	
Archaeological Survey	P.Saltonstall, Curator of Archaeo	\$ 500.00	Verify no prehistoric features	
Volunteer Memorial Commit	est. \$25/hr, 12 mtngs 1.5	\$ 4,500.00	Donated time from Committee members	
Contractual				
Geophysical survey	Underground feature documen	\$ 300.00	Donated Services from Ryan Cross	
Topographical Survey	Kodiak Land Surveying	\$ 4,000.00	Donated Services by Kodiak Land Surveying	
Site Design	Yvette Burlette, Appian Way	\$ 10,000.00	Donated Services from Yvette Burlete	
Two entrance signs	Island Trails Network	\$ 800.00	Wooden Signs, approx. 20X40"	
Ground work, grading	Golden Alaska	\$ 10,000.00	Donated by Golden Alaska Excavating	
Low-maintenance Plantings,	Kodiak Lawn Care	\$ 5,000.00	Donated by Kodiak Lawn Care	
Reg. paver installation, bench	Belarde Custom Concrete	\$ 28,550.00	Incl. pavers	
Fencing	labor+ low-maintenance comp	\$ 13,200.00	Pending quotes	
Memorial Logo	Alisha Drabek, Nunaworks	\$ 500.00	Donated by Nunaworks	
Fundraising website	Sparkem Studio	\$ 871.00	Online donations & Brick ordering	
Fixtures				
Fundraising Bricks and Paver	Fundraisingbrick.com	\$ 10,600.00	300 engraved bricks/pavers + ship from Seattle	
Interprative signs	iZone (Used by Parks Svc.)	\$ 3,509.07	Weatherproof interpretive signage, 24X36"	
Additional Fixtures	As determined by Design Com	\$ 5,000.00	estimated cost	
concrete bench stones,	Doty & Sons, price includes shi	\$ 13,640.00	Specialty Concrete products	
Other				
Advertising costs	Fundraising & events	\$ 1,400.00		
Ribbon Cutting & Grand Ope	performers, refreshments, sup	\$ 1,000.00		
	Total Cost:	\$ 155,934.99		
	Donated Services:	\$ (34,300.00)		
	Fundraising brick gross Profit:	\$ (76,250.00)		
	Still Needed:	\$ 45,384.99		

CONCLUSION

The town of Kodiak will benefit from the establishment of the Alutiiq Ancestors' Memorial. Creation of a memorial park for Kodiak's first peoples will contribute to community understanding, educate students and visitors, and provide a place of beauty and contemplation in the downtown area.

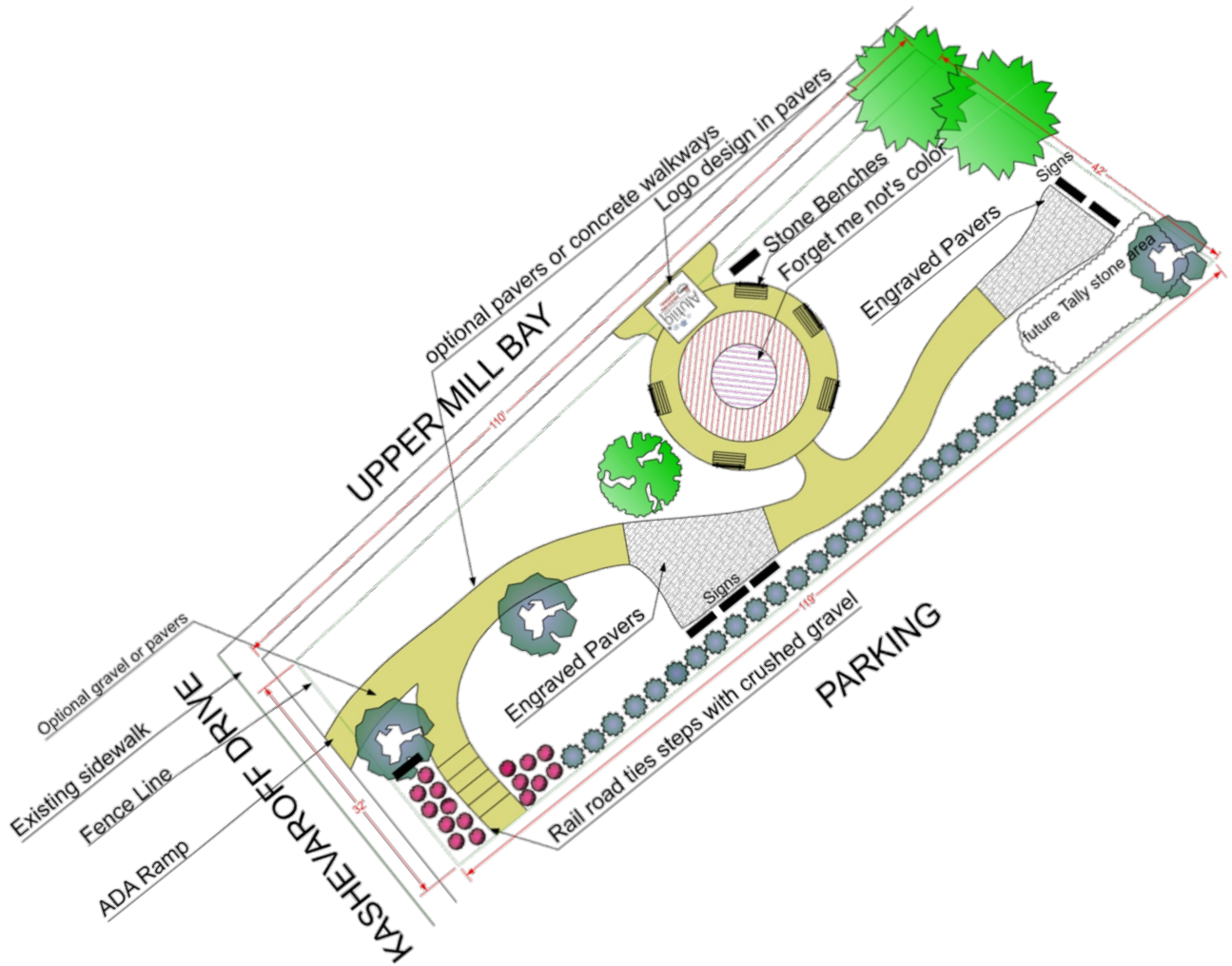
The Alutiiq Heritage Foundation (Alutiiq Museum) seeks authorization to enter an MOA with the City of Kodiak regarding the development of the site. With approval of this plan by September, 2017, and successful fundraising for the costs, we feel that this park will be ready for a grand opening by late Summer 2018. This plan has been developed to minimize financial impact to the City of Kodiak through fundraising and grant support covering all development costs. Additionally, the Alutiiq Museum commits to both volunteer coordination for park upkeep, and establishment of a maintenance fund for intermittent or unexpected future costs.

We sincerely appreciate this opportunity to collaborate. Should there be any questions, please contact April Counciller at 1-844-425-8844 (844-4ALUTIIQ) x12.

APPENDIX I – AERIAL IMAGE OF SITE, SOURCE: KIB GIS WEBSITE

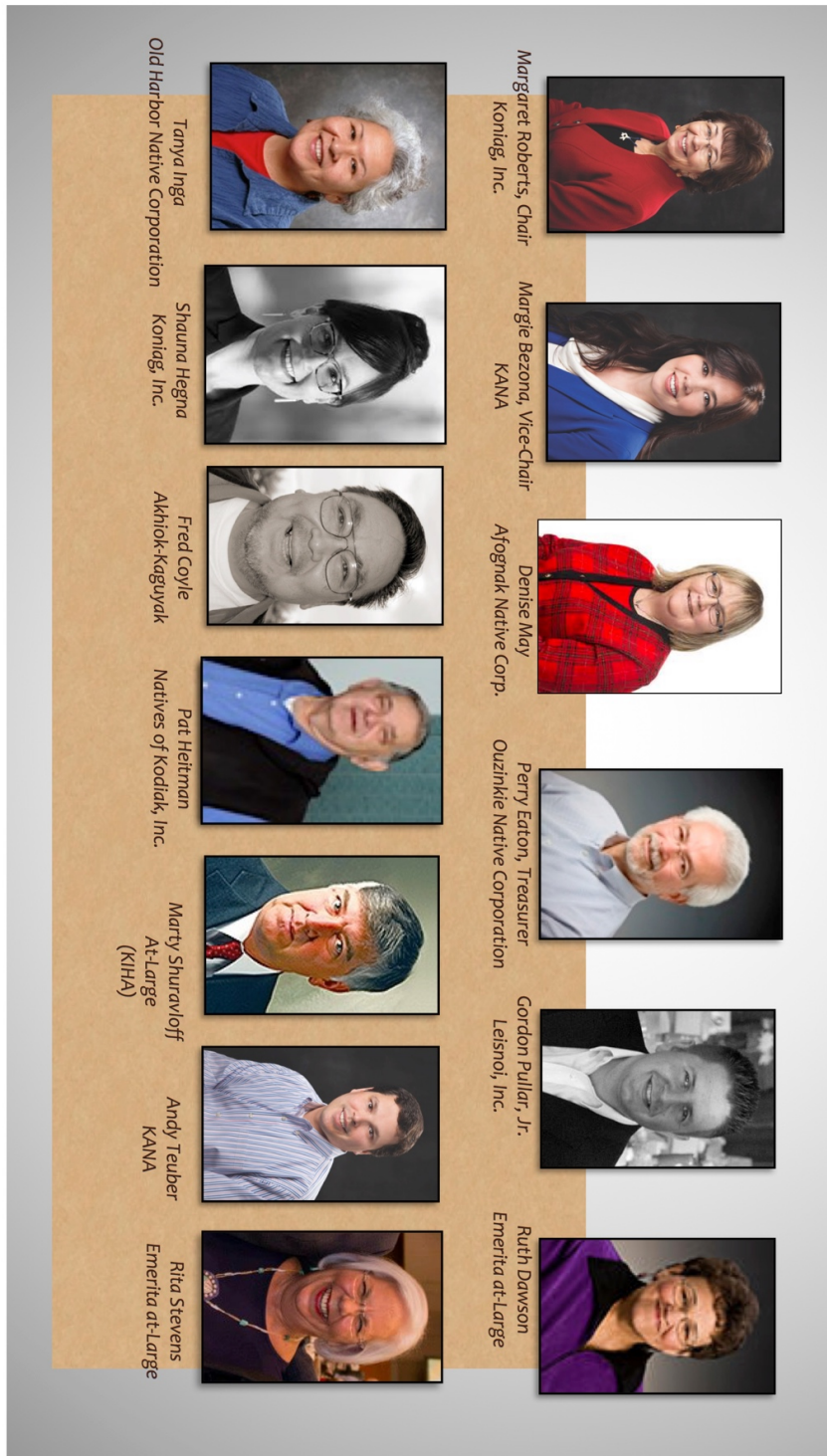


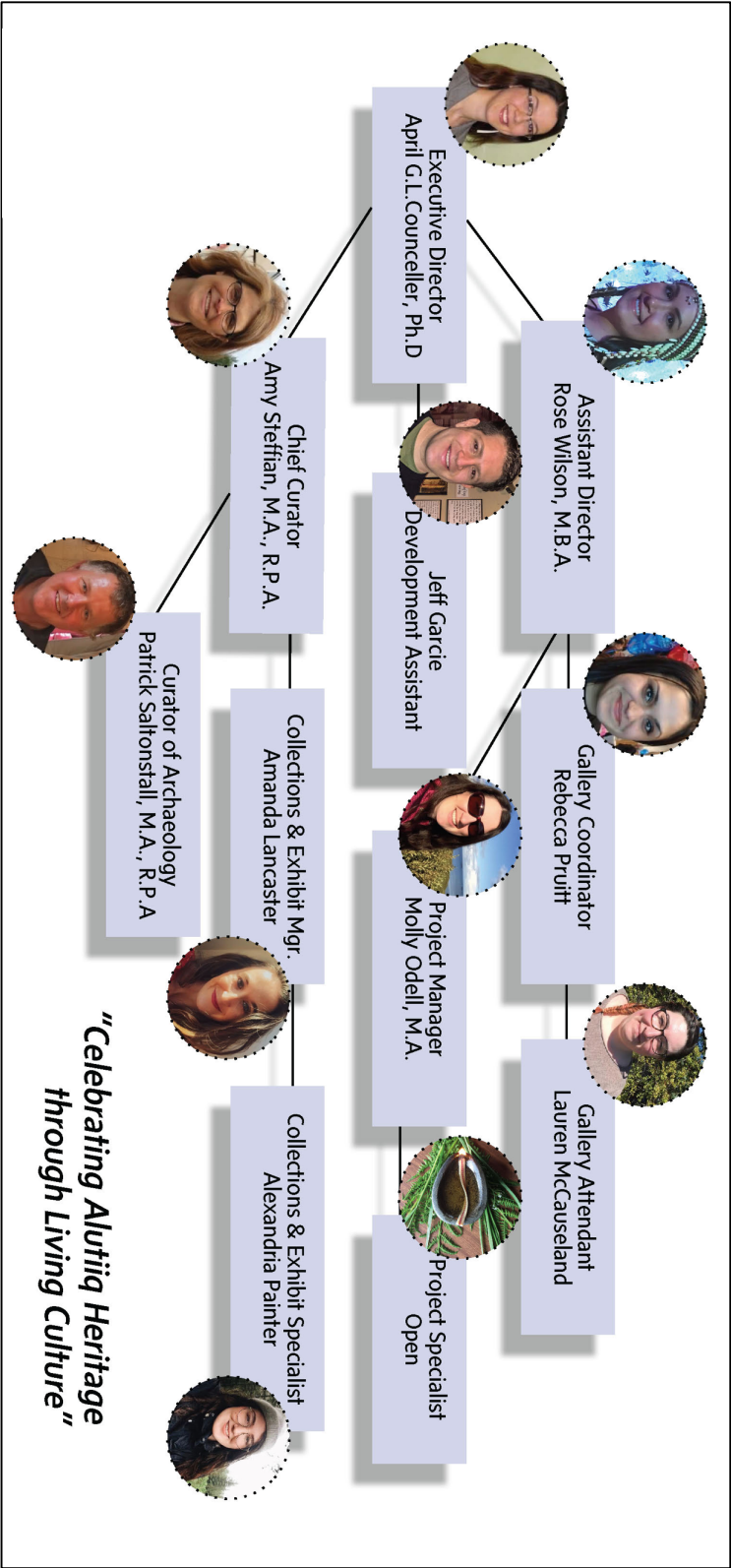
PROPOSED MEMORIAL SITE: 210 MILL BAY ROAD; NEW KODIAK BK. 17 LT. 2



DRAFT ALUTIIQ ANCESTORS' MEMORIAL DESIGN, PENDING COMMITTEE AND CITY APPROVAL.

APPENDIX IV – ALUTIIQ HERITAGE FOUNDATION BOARD





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NEW BUSINESS

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

Thru: Kelly Mayes, Finance Director *KMM*

Date: April 12, 2018

Agenda Item: V. a. **First Reading, Ordinance No.1375, Levying Taxes in the Amount of 2 Mills and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2018 and Ending on the Thirtieth Day of June 2019**

SUMMARY: Ordinance No. 1375 provides for the adoption of the City of Kodiak's FY2019 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2018, and June 30, 2019. The budget document also establishes an operating and capital expenditure plan for FY2019 that is based on staff's assessment of operational and community needs, and the Council's FY2019 budget goals. Staff made the FY2019 budget presentation to Council and the public during a special budget work session on March 10, 2018. Staff recommends Council pass Ordinance No. 1375 in the first reading and advance the ordinance to second reading and public hearing at the next regular or special meeting.

PREVIOUS COUNCIL ACTION:

- Prior to the start of each fiscal year, the City Council adopts the City's operating and capital budget by ordinance.
- Council reviewed projected FY2019 revenues and the FY2019 budget calendar on January 2, 2018.
- Council adopted Resolution No. 2018-04, establishing budget goals for FY2019, on January 25, 2018.
- Staff presented the proposed FY2019 budget to the Mayor and Council at a special work session on March 10, 2018.

DISCUSSION: The FY2019 budget funds the services provided by the City of Kodiak to residents and visitors: law enforcement (including animal control and contract jail services), fire and emergency medical services (including ambulance services), public works (public water system, wastewater system, street and property maintenance, building inspections), engineering, port and harbor facilities, parks and recreation facilities and programs, public library, and general administrative functions (municipal recordkeeping, financial management and information technology).

The proposed FY2019 budget was developed as a maintenance level budget and will attempt to provide the same level of services as the current year's budget with a reduction in expenses. This is a prudent

approach since revenues are expected to remain static as expenses continue to increase. The City Council adopted FY2019 budget goals by resolution in January of this year (Attachment B), and staff used the goals to develop and evaluate the proposed operating budget. The proposed budget is consistent with the Council's FY2019 budget goals.

Combined Revenues and Expenses for All Funds

The FY2019 budget projects combined revenues from all funds, excluding capital projects, to be \$38,349,360, which is an increase of 6.5 percent from FY2018's combined budgeted revenues of \$35,981,156. Revenues are forecasted based on the current fiscal year even though some sources may fluctuate slightly. Expenses for all City funds, excluding capital projects, is expected to also be \$38,349,360, an overall increase of 6.5 percent from FY2018. Increases are due to changes to the maximum taxable sale for sales tax purposes and increased capital outlays and infrastructure requirements.

Operating Budget

The FY2019 operating budget is primarily a maintenance budget as it has been for at least the past nine years. As directed, City staff developed a conservative budget. The City, like everyone in the community, continues to face rising costs, but the departments are careful to absorb cost increases whenever and wherever possible. As outlined in the City Council FY2019 goals, a review of all categories of General Fund expenditures was conducted to identify ways to decrease expenses. General fund expenses in professional services, contributions, support goods and services, repairs and maintenance, public utility services, and administrative services resulted in a combined decrease of 8.05 percent in general fund expenses as compared to FY 2018 while increased capital outlays and transfers for infrastructure projects is the primary driver for the increase to the general fund expenses for a total increase of 9.7 percent.

General Fund

The General Fund provides funding for those City services that aren't required to be accounted for differently, like the enterprise funds. The General Fund uses revenues from sources such as sales and property taxes to fund the City's administrative functions such as tax collection and audits, billing, emergency preparedness, information technology, and management of all City functions. It also funds services such as municipal recordkeeping functions, law enforcement, fire and ambulance, library and recreational services and facilities, and public works and engineering services.

General Fund revenues for FY2019 are projected at \$22,219,086, an increase of approximately four percent from FY2019 revenue projections presented on January 2, 2018, with the largest changes due to an increase in the appropriation of the fund balance, which was required in FY2019 to fund the operating expenses and capital equipment and infrastructure needs. The General Fund is projected to recognize a deficit in the amount of \$901,707. These budget figures are consistent with Council's FY2019 goal that the General Fund would be budgeted without a deficit with appropriations from the

fund balance when/if necessary, and that General Fund operating expenses (non-personnel) will be consistent with those of FY2018.

Fund Balance

The City's General Fund balance has been accumulated from various revenue sources, large and small. Even with conservative budgeting, this fund no longer takes in more revenues than it must spend for expenses to operate the General Fund departments and to provide the necessary services. The FY2018 budget is projected to have \$5.8 million remaining in the fund balance. The FY2019 budget is projected to have an estimated \$4.9 million remaining in the fund balance after the FY2019 deficit of \$901,707 and transfers in the operating budget. The estimated FY2019 fund balance, if projections are correct, will be needed to offset expenses and provide the City with approximately 2.65 months of future operating reserves. Of course, there are many budget variables, so this is only a projection and cannot be guaranteed so early in the budgeting process. The proposed FY2019 budget anticipates less use of fund balance than the FY2018 budget because sales tax projections are increasing due to the change in the maximum taxable sale amount that drives sales tax revenues.

Personnel

Salaries, wages and benefits are the single largest expense in the City's annual budget, totaling 51 percent. Salaries and wages for FY2019 are estimated to total \$9.8 million or 26 percent of the City's overall expenses. This is less than one percent change from FY2018 citywide salaries and wages and reflects the Personnel Rules and Regulations scheduled salary increases. Employee benefit costs are projected at \$9.4 million, 25 percent of the City's overall expense budget, which is a two percent increase from FY2018.

The FY2019 budget reflects an increase of one full-time maintenance technician for parks and recreation; one full-time fiscal specialist for the finance department; two part-time maintenance personnel for parks and recreation, a reduction in temporary staff in parks and recreation; and a reduction of one part-time personnel in the Harbor. This increases the number of City employees from 129.15 to 133.20 for FY2019. The City's work force for FY2019 includes 127 regular full-time employees and 6.20 regular part-time positions working from 20-30 hours per week for a total of 133.20 FTEs.

These changes to the FY2019 budget meet Council's personnel goals. The tracking of part-time personnel is a necessary step in meeting Council's goal to complete an analysis of the need, costs, and hiring process for the City's use of temporary or seasonal employees.

Enterprise Funds

The City has eight separate enterprise funds; the Harbor Department's Cargo Terminal, Boat Harbor, Harbor Electric Utility, and the Boat Yard/Vessel Lift funds, the Water, Sewer, and Trident Basin funds managed by Public Works, and the E911 Fund. The FY2019 budgets for these funds reflect a balance of revenues to expenses.

The E911 Fund was established in FY2010 in preparation for the transfer of E911 extraterritorial authority from the Borough to the City. This transfer has not yet taken place, but the Borough staff has agreed to work toward the transfer of authority or find another way to fairly share in the expenses and responsibilities of providing the service to Kodiak.

Enhancement Fund

The FY2019 budget proposes no use of Enhancement Fund monies. Enhancement Fund monies have not been used since FY2013, so the fund balance can build up, per Council's budget goals. The projected fund balance for the Enhancement Fund in FY2019 is estimated to be \$4.3 million, which is an increase of \$58,900 from the FY2018 balance.

Capital Projects

The FY2018 budget recommends \$3.4 million in capital project expenditures. This includes six new capital projects in FY2019 ranging in size from \$2,000 to \$400,000. It also includes additional funding for established or ongoing capital projects such as annual curb and sidewalk repairs, maintenance projects, and the vehicle replacement fund. Costs for the projects will be covered through use of capital project fund balances and a transfer from the General fund. Staff presented the capital projects in detail at the budget work session on March 20, 2018.

ALTERNATIVES:

- 1) Pass Ordinance No. 1375 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting. This is staff's recommendation.
- 2) Council may also amend Ordinance No. 1375.

FINANCIAL IMPLICATIONS: The City Council must make appropriations and adopt an annual budget. As presented, this budget retains ongoing service levels while meeting maintenance level budgetary criteria established by Council. The budget meets operational needs and estimates an adequate retention of fund balance in the General Fund.

LEGAL: The Kodiak City Charter and Kodiak City Code grant Council the authority to make appropriations and adopt and amend budgets as required. Article V, Section 2 of the City Charter states the City Manager will prepare and present a proposed budget to the City Council in advance of the fiscal year which begins on July 1st and ends on June 30th. Article V, Section 4 of the City Charter gives the City Council the authority to make appropriations for the next fiscal year and may approve or amend the budget. Appropriations must be made and the budget approved by a majority vote of the City Council no later than the third day before the beginning of the new fiscal year, and if the Council fails to approve the budget by that date, the budget as submitted shall go into effect and be considered adopted by the Council.

STAFF RECOMMENDATION: Staff recommends Council adopt Ordinance No. 1375 in the first reading with advancement to second reading and public hearing at the next regular or special Council meeting.

CITY MANAGER'S COMMENTS: We have managed to provide Council with another lean budget without affecting services provided, per Council's FY2019 budget goals. The task becomes more challenging as costs continue to rise and other sources of governmental funding become more limited. We do expect to have a modest amount of projected revenues for use on capital project needs, many of which are critical. The preparation of this document and the presentations at the March 10, 2018, budget work session reflect a great deal of work by the City staff, including an assessment of operational and community needs necessary to create this annual financial plan. I want to thank our management team for their serious commitment to meeting Council's goals and for their fiscal responsibility, not just in preparation of this draft budget, but throughout the year.

ATTACHMENTS:

Attachment A: Ordinance No. 1375

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

PROPOSED MOTION:

Move to pass Ordinance No. 1375 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

**CITY OF KODIAK
ORDINANCE NUMBER 1375**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK LEVYING TAXES IN THE AMOUNT OF 2 MILS AND APPROPRIATING FUNDS FOR THE EXPENSES AND LIABILITIES OF THE CITY OF KODIAK FOR THE FISCAL YEAR COMMENCING ON THE FIRST DAY OF JULY 2018 AND ENDING ON THE THIRTIETH DAY OF JUNE 2019

BE IT ORDAINED by the Council of the City of Kodiak as follows:

- Section 1:** A tax in the amount of 2.0 mills is hereby levied against all taxable real property within the City of Kodiak for the fiscal year commencing on the first day of July 2018 and ending on the thirtieth day of June 2019.
- Section 2:** The following sums of money are hereby appropriated for corporate purposes and objects of the City of Kodiak for the fiscal year commencing on the first day of July 2018 and ending on the thirtieth day of June 2019 to defray expenses and liabilities of the City during the fiscal year.

FY2019 BUDGET SUMMARY

GENERAL FUND

	Anticipated Revenues	
Taxes	\$ 16,827,500	
Licenses & Permits	58,800	
Intergovernmental Revenues	1,052,800	
Charges for Services	1,661,217	
Fines & Forfeitures	3,000	
Interest	20,000	
Rents & Royalties	81,900	
Miscellaneous	4,500	
Interfund Charges	1,607,662	
Appropriation from Fund Balance	901,707	
Total Anticipated Revenues	22,219,086	
		Planned Expenditures
Legislative		\$ 259,869
Legal		75,000
Executive- Administration		830,555
Executive-Emergency Preparedness		38,000
City Clerk- Administration		379,101
City Clerk-Records Management		193,877

GENERAL FUND EXPENDITURES CONTINUED

Finance	1,918,688
Police	7,481,641
Fire	2,697,735
Public Works	2,452,191
Engineering	297,225
Parks & Recreation	1,616,880
Library	907,992
Non-Departmental	3,070,332
Total Planned Expenditures	22,219,086

SPECIAL REVENUE FUND

	Anticipated Revenues	Planned Expenditures
Tourism Fund	\$ 170,500	\$ 170,500
City Enhancement Fund	-	-
Total Anticipated Revenues	170,500	170,500

CAPITAL PROJECTS FUND

	Anticipated Revenues
General Capital	\$ 860,062
Street Improvements	450,000
Building Improvement Fund	315,000
Water Capital Fund	660,000
Sewer Capital Fund	390,000
Cargo Development Fund	-
Harbor Development Fund	500,000
Parks & Recreation Fund	50,000
Vehicle Replacement Fund	262,086
Total Anticipated Revenues	3,487,148

CAPITAL PROJECTS FUND CONTINUED

	Planned Expenditures
General Capital	\$ 860,062
Street Improvements	450,000
Building Improvement Fund	315,000
Water Capital Fund	660,000
Sewer Capital Fund	390,000
Cargo Development Fund	-
Harbor Development Fund	500,000
Parks & Recreation Fund	50,000
Vehicle Replacement Fund	262,086
Total Planned Expenditures	3,487,148

ENTERPRISE FUNDS

	Anticipated Revenues
Cargo Fund	\$ 1,247,287
Harbor Fund	3,939,637
Boat Yard Lift	1,146,794
Harbor Electric Fund	626,680
Water Utility Fund	3,427,535
Sewer Utility Fund	4,105,618
Trident Basin Fund	303,555
E-911 Services	450,350
Total Anticipated Revenues	15,247,456

	Planned Expenditures
Cargo Fund	\$ 1,247,287
Harbor Fund	3,939,637
Boat Yard Lift	1,146,794
Harbor Electric Fund	626,680
Water Utility Fund	3,427,535
Sewer Utility Fund	4,105,618
Trident Basin Fund	303,555
E-911 Services	450,350
Total Planned Expenditures	15,247,456

INTERNAL SERVICE FUNDS

		Anticipated Revenues	
Insurance Fund	\$	675,718	
Total Anticipated Revenues		675,718	
			Planned Expenditures
Insurance Fund	\$		675,718
Total Planned Expenditures			675,718
Grand Total Anticipated Revenues	\$	41,805,908	
Grand Total Planned Expenditures			\$ 41,805,908
		Non- Projects	38,318,760
		Non- Projects	38,318,760
		Projects	3,487,148
		Projects	3,487,148
		Total	41,805,908
		Total	41,805,908

Section 3: All unexpended appropriation balances, with the exception of capital project fund appropriations, shall lapse to the appropriate fund as of June 30, 2019.

Section 4: This ordinance shall go into effect July 1, 2018.

CITY OF KODIAK

MAYOR

ATTEST:

CITY CLERK

First Reading:
Second Reading:
Effective Date:

**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:

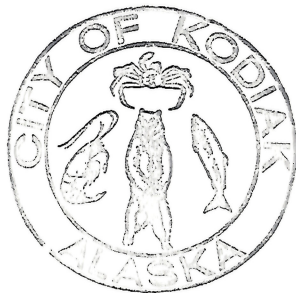
- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

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

Pat Mear

MAYOR

ATTEST:

Marika Shroyer-Tison
DEPUTY CLERK

Adopted: January 25, 2018

MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

From: Mike Tvenge, City Manager *MT*

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

Date: April 12, 2018

Agenda Item: **V. b. Amendment of Previously Adopted Resolution No. 2017-26 to Provide the Interest on the Loan Shall Not Exceed the Rate Calculated Pursuant to 18 AAC 76.080(b)(1)**

SUMMARY: The last Wastewater Treatment Plant (WWTP) Upgrade was completed in 1999. Generally, WWTP's are evaluated and upgraded approximately every 20 years. We have developed a concept plan using four phases to complete the project. In 2017 Council adopted Resolution No. 2017-26, which authorized the borrowing from the Alaska Clean Water Fund of an aggregate amount not to exceed six hundred thousand dollars (\$600,000) to pay part of the cost of Phase I of an upgrade to the City of Kodiak Wastewater Treatment plant condition and process assessment. Staff requests Council amend Resolution No. 2017-26, which amends Section 4 of previously adopted resolution.

PREVIOUS COUNCIL ACTION:

- On June 2017, Council approved the FY2018 budget of \$600,000.00 for the WWTP Upgrade. The budget is contingent on using the Alaska Clean Water Fund (ACWF) loan.
- On November 9, 2017, Council approved Resolution No. 2017-26, which authorized the application for a \$600,000 loan from the ACWF loan program.

BACKGROUND: The FY2018 budget included \$600,000 to begin a condition assessment of the WWTP. This funding was based on the use of and ACWF loan. The name of the program has changed to State Revolving Fund (SRF) loan program.

DISCUSSION: Staff has identified a plan using a four-phase approach. Phase I will be a complete condition assessment of the facility, as well as an assessment of all process systems. Phase II will be preliminary design of the facility upgrade, Phase III will be final design, and Phase IV will be construction. The four phase approach can be used as a basis for multiple project delivery methods.

Phase I Condition and Process Assessment will identify all aspects of the WWTP facilities condition and define the scope of the plant upgrade project. It will allow us to clearly understand every aspect of work that needs to be done including site, buildings, electrical systems, SCADA system, and process systems. Based on this assessment, a preliminary project budget can be established to seek funding for the project.

Staff included the assessment of both Lift Station 5 (last lift station before the WWTP for the entire City) and Lift Station 1B (primary lift station for most of the service district), as well as the force mains from these stations to the WWTP. Including these two lift stations and force mains within the scope of the loan will make them part of the initial phase I assessment. This will identify upgrade needs for future expansion of the wastewater collection system as well as assess the condition of these two critical lift stations. In addition, how these two lift stations pump into the WWTP is a known problem, and this issue can be addressed as part of the upgrading of the plant.

With the Alaska Pollution Discharge Elimination System (APDES) permit having completed public comment period on March 19, 2018, the new permit includes requirements that will require capital improvement to the existing WWTP to comply with. This work can be included in the assessment but may require a much faster capital improvement than the overall plant upgrade.

This resolution also addresses the change to the SRF loan program interest of loans. In September 2017, a change was made that if the Bond Buyer's Municipal Bond Index is greater than 4 percent, they use a calculation to determine the interest rates of a loan. If the bond market is below 4 percent, than interest rate is 1.5 percent on a loan with terms between 5 and 20 years. Attached is a page from the State program addressing interest rate calculations (Attachment B).

ALTERNATIVES:

- 1) Staff recommends Council amend Resolution No. 2017-26. In addition, loan funds through this program help with future funding of the project. For example having and executed SRF loan improves points on any future application for a grant through the Alaska Department of Environmental Conservation (ADEC). In September 2017, the State made a change to the interest rates of future loans based on a calculation if the Bond Buyer's Municipal Bond Index is greater than 4 percent.
- 2) Do not amend Resolution No. 2017-26, which is not recommended, since it would delay the project until funds can be arranged through another funding source.

FINANCIAL IMPLICATIONS: Applying for the SRF loan for this project will provide a start to a project that will take multiple years to accomplish. Currently, use of SRF loan funds on a phase of a project improves score on future loan or grant questionnaires in order to complete the project. Until the assessment phase of this project is complete, staff really does not have a good idea of the total cost of the project.

When the last project was completed, the cost added to the City assets was slightly over \$14 million. Staff did not research this in detail, but it gives an approximate size of the project we are expecting. In the initial questionnaire submitted to ADEC for this \$600,000, ACWF loan staff estimated approximately \$15 million in construction and noted that is just a guess. Also, staff has estimated

approximately \$4 million in engineering, design, and construction management work. Again, these are very rough estimates based on the last WWTP upgrade.

It is very critical that the project budget be built off of the complete facility assessment. When the last upgrade was budgeted, the project budget fell way short of the original bid openings. This required significant downsizing and reprioritizing of the project to fit within the existing budget. The significant compromising has led to years of operating challenges that now really need to be addressed.

The primary goal with our current approach is to clearly understand the need of the facility and build a project budget to fully upgrade the plant, if possible, in order to be set for the next 20 plus years. We have used these loans on other City water and sewer projects, and the program is one of the best funding sources available for municipalities operating public water and wastewater systems.

LEGAL: The City attorney drafted the amended resolution and stated the amendment will be made by motion as contemplated by KCC Section 2.04.090(k).

STAFF RECOMMENDATION: Staff recommends Council amend Resolution No. 2017–26.

CITY MANAGER’S COMMENTS: This amendment of Resolution No. 2017–26 allows for the loan interest rate to be calculated at the time the loan is offered/accepted. Therefore, that rate is undeterminable at this time.

NOTES/ATTACHMENTS:

Attachment A: Resolution No. 2017–26 Amended

Attachment B: Alaska State Revolving Loan Fund Finance Rate Information

PROPOSED MOTION:

Move to amend Section 4 of previously adopted Resolution No. 2017–26 to provide that the interest on the loan shall not exceed the rate calculated pursuant to 18 AAC 76.080(b)(1).(Repayment; finance charges)

**CITY OF KODIAK
RESOLUTION NUMBER 2017-26**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF KODIAK
AUTHORIZING THE BORROWING FROM THE ALASKA CLEAN WATER FUND
OF AN AGGREGATE AMOUNT NOT TO EXCEED SIX HUNDRED THOUSAND
DOLLARS (\$600,000) TO PAY PART OF THE COST OF PHASE I OF AN UPGRADE
TO THE CITY OF KODIAK WASTEWATER TREATMENT PLANT
CONDITION AND PROCESS ASSESSMENT**

WHEREAS, pursuant to AS 46.03.032 the Alaska Department of Environmental Conservation ("DEC") may make loans to municipalities from the Alaska Clean Water Fund ("Clean Water Fund") to pay the cost of planning, designing, building, constructing, and rehabilitating public wastewater collection, treatment and discharge systems; and

WHEREAS, the City of Kodiak ("City") is eligible to borrow from the Clean Water Fund for the purpose described above, and the interest rates to be paid by the City on loans from the Clean Water Fund are favorable compared to the rates charged by other sources of funds that are available to the City; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter authorizes the City to borrow money and issue evidences of indebtedness therefor, the principal and interest of which are payable solely out of and the only security for which is the revenue of a revenue-producing utility or enterprise when authorized by the Council for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the utility or enterprise; and

WHEREAS, Article VI, Section 3 of the Kodiak City Charter requires that utility revenue obligations of the City be ratified by a majority of the qualified voters of the City only so long as voter approval is required by state law, and under the constitution and statutes of the State of Alaska the City may issue utility revenue obligations without voter approval; and

WHEREAS, the City Council has previously authorized spending \$600,000 in FY 2018 to pay for a complete condition assessment of the Wastewater Treatment Plant ("WWTP") including site, buildings, Lift Station #5, Lift Station #1B, force mains, electrical systems, SCADA system and all process systems as Phase I of an anticipated four phase upgrade of the WWTP ("the Project") contingent on obtaining a loan of \$600,000 from the Clean Water Fund ("the Loan"); and

WHEREAS, the Loan is necessary and in the best interest of the City and its residents to pay part of the cost of the Project.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Kodiak, Alaska,
that:

Section 1. Definitions. In addition to the terms defined in the recitals above, the following terms shall have the following meanings in this Resolution:

"Gross Revenues" means all rates and charges and other income, in each case derived by or for the account of the City from the ownership, leasing, or operation of the Wastewater Utility, except proceeds from the sale of bonds or notes, any grants received for the Wastewater Utility, and interest received and profits derived from the investment of moneys obtained from such sources or from moneys held in any fund solely to pay or secure the payment of any bonds or notes issued in connection with the Wastewater Utility.

"Operating Expenses" means the current expenses incurred for operation, maintenance, or repair of the Wastewater Utility of a non-capital nature, and shall include without limitation payments required by any source of supply expenses; fuel expenses; treatment, transmission and distribution expenses; customer accounts expenses, administrative and general expenses, insurance premiums, lease rentals, legal, regulatory and engineering expenses; payments to pension, retirement, group life insurance, health and hospitalization funds; or other employee benefit funds which are properly chargeable to current operations; interest on customers' deposits, payroll tax expenses, and any other expenses required to be paid by law or permitted by standard practices for public utility systems similar to the properties and business of the Wastewater Utility (adjusted to reflect public ownership) and applicable in the circumstances. Operating Expenses shall not include any allowances for depreciation or amortization or any principal, redemption price or purchase price of, or interest on, any obligations of the City incurred in connection with the Wastewater Utility and payable from Gross Revenues or any fee or charge in lieu of City taxes.

"Wastewater Utility" means the wastewater utility of the City as the same may be added to, improved and extended for as long as the Loan is outstanding.

Section 2. Obligation of Loan. The obligation to repay the Loan shall be a special obligation of the City, payable and secured only as provided herein. Neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal of or interest on the Loan. The Gross Revenues less the Operating Expenses of the Wastewater Utility are hereby pledged to repayment of the Loan.

Section 3. Authorization and Purposes of Loan. For the purpose of providing part of the funds required to pay the cost of the Project, the City is hereby authorized to borrow money from the Clean Water Fund in the form of the Loan in an aggregate principal amount not to exceed \$600,000.

Section 4. Loan Agreement. The City hereby is authorized to submit an application for and to enter into a loan agreement with DEC for the Loan ("Loan Agreement"). Subject to the limitations provided in Sections 2 and 3, the City Manager is hereby authorized to determine the principal amount, interest rate, maturity, and other details of the Loan; provided that the final maturity of the Loan shall not be more than 20 years from the date of the Loan Agreement and the interest on the Loan shall not exceed ~~one and one-half percent per annum~~. [the rate calculated pursuant to 18 AAC 76.080\(b\)\(1\)](#).

Section 5. Authority of Officers. The City Manager, the acting City Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this resolution, to the end that the City may carry out its obligations under the Loan Agreement and this resolution.

Section 6. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Loan.

Section 7. Effective Date. This resolution shall become effective upon adoption by the Council.

CITY OF KODIAK

MAYOR

ATTEST:

CLERK

Adopted: November 9, 2017
Amended:

**Alaska State Revolving Loan Fund
Finance Rate Information**

ADEC adopted revisions to Title 18 Chapter 76 of the Alaska Administrative Code (18 AAC 76) on September 10, 2017 that modified the calculation of finance charges to reflect the current market trend. The table below shows the finance rates for loan agreements effective September 10, 2017.

Finance Rates (after September 10, 2017)

Loan Term	Finance Rate for any Bond Rate* Less than 4 Percent	Finance Rate for Bond Rate* Greater than 4 Percent
20-30 Years	2%	$2 + (0.75 \times (\text{Bond Rate}^* - 4))$
5-20 Years	1.5%	$1.5 + (0.625 \times (\text{Bond Rate}^* - 4))$
0-5 Years	1%	$1 + (0.5 \times (\text{Bond Rate}^* - 4))$

*Bond Buyer's Municipal Bond Index Current Day – Yield to Maturity

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MEMORANDUM TO COUNCIL

To: Mayor Branson and City Councilmembers

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

Date: April 12, 2018

Agenda Item: V. c. **Acceptance of Resignation of Councilmember Gabriel Saravia, Effective May 4, 2018**

SUMMARY: Councilmember Gabriel Saravia contacted the City Clerk and requested to tender his resignation from the City Council effective May 4, 2018, because he will be moving from Kodiak.

PREVIOUS COUNCIL ACTION: The Council has previously accepted Council resignations in accordance with Kodiak City Code 2.08.040(b)(3). (Attachment A)

DISCUSSION: The Kodiak City Code empowers the Council to accept Councilmember resignations, which facilitates the recruitment and appointment of another Councilmember to ensure the continuity of City business. Once the Council accepts a Councilmember resignation, the City Code requires that the Council appoint a qualified person to fill the vacancy within 30 days. The appointee would serve until an elected Councilmember takes office after the October 2018 election is certified.

ALTERNATIVES:

- 1) Accept the resignation and determine how to fill the vacancy.
- 2) Do not accept the resignation. This option is not recommended because the lack of a full Council impedes the flow of City business.

FINANCIAL IMPLICATIONS: N/A

ATTACHMENTS:

Attachment A: Resignation Letter

Attachment B: Kodiak City Code Section 2.08.040 Vacancies

PROPOSED MOTION:

Move to accept the resignation of Gabriel Saravia from the Kodiak City Council effective May 4, 2018.



Office of the Mayor and City Council

710 Mill Bay Road, Room 220, Kodiak, Alaska 99615

April 20, 2018

Dear Mayor Branson and Councilmembers,

I am submitting my resignation as a City Councilmember effective May 4, 2018. I will be leaving Kodiak in early May for a position off island.

I have been honored to serve the citizens of Kodiak since 2003 and have enjoyed serving with all of you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gabriel T. Saravia".

Gabriel T. Saravia
Councilmember

Kodiak City Code

2.08.040 Vacancies

The term of mayor or any councilmember may be terminated in accordance with City Charter Sections II-8 and II-9. In addition:

(a) The council shall, by concurring vote of five of its members, declare the office of mayor vacant only when the person elected:

- (1) Fails to qualify or take office within 30 days after election or appointment.
- (2) Unless excused by the council, is physically absent for 90 consecutive days.
- (3) Resigns and the resignation is accepted.
- (4) Is physically or mentally unable to perform the duties of the office.
- (5) Is convicted of a felony or of an offense involving a violation of the oath of office.
- (6) Is convicted of a felony or misdemeanor described in AS [15.56](#).
- (7) Is convicted of a violation of AS [15.13](#).
- (8) No longer physically resides in the city.

(b) The council shall declare a council position vacant when the person elected:

- (1) Fails to qualify or take office within 30 days after election or appointment.
- (2) Unless excused by the council, is physically absent for 90 consecutive days.
- (3) Resigns and the resignation is accepted.
- (4) Is physically or mentally unable to perform the duties of office as determined by concurring vote of five councilmembers.
- (5) Is convicted of a felony or offense involving a violation of the oath of office.
- (6) Is convicted of a felony or misdemeanor described in AS [15.56](#) and five councilmembers concur in expelling the person elected.
- (7) Is convicted of a violation of AS [15.13](#).
- (8) No longer physically resides in the city.

(c) If a vacancy occurs in the office of mayor, the council shall, within 30 days, appoint a qualified person to fill the vacancy. The person appointed serves until the next regular election when a successor is elected to serve the balance of the term. If a member of the council is appointed mayor, the member appointed shall resign the seat on the council.

(d) If a vacancy occurs in the office of councilmember, the remaining members shall, within 30 days, appoint a qualified person to fill the vacancy. A person appointed under this section serves until the next regular election, when a successor shall be elected to serve the balance of the term. However, if the number of vacancies is such that the

council is reduced to fewer than the number required to constitute a quorum, the provisions of City Charter Section II-10 shall apply. [Ord. 801 §4, 1986]