

**City of Kodiak Regular Council Meeting Agenda for April 26, 2018**  
**7:30 p.m., at 710 Mill Bay Road, Assembly Chambers (Room 232)**

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<b>I. Call to Order/Roll Call</b>	
Invocation/Pledge of Allegiance	
<b>II. Previous Minutes</b>	
Approval of Minutes of the April 12, 2018, Regular Council Meeting.....	1
<b>III. Persons to Be Heard</b>	
a. Oath of Office to Incoming Chief of Police Timothy Putney.....	8
b. Proclamation: Clerk’s Week.....	10
c. Public Comments (limited to 3 minutes) (486-3231)	
<b>IV. Unfinished Business</b>	
a. Second Reading and Public Hearing, 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.....	14
<b>V. New Business</b>	
a. First Reading, Ordinance No. 1376, Amending Chapter 3.28 of the Kodiak City Code to Condition Future Deposits Into the City Enhancement Fund on the Existence of a Minimum Fund Balance of Six Months of General Fund Operating Expenditures.....	28
b. Authorization of Janitorial Services Contract for Kodiak Police Department.....	34
<b>VI. Staff Reports</b>	
a. City Manager	
b. City Clerk	
<b>VII. Mayor’s Comments</b>	
<b>VIII. Council Comments</b>	
<b>IX. Audience Comments</b> (limited to 3 minutes) (486-3231)	
<b>X. Presentation to Outgoing Councilmember</b> .....	50
<b>XI. Adjournment</b>	

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**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, APRIL 12, 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 Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, and Richard H. Walker were present and constituted a quorum. Councilmembers Laura B. Arboleda and John B. Whiddon were absent. Deputy City Manager Matt Van Daele, City Clerk Debra Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

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

**II. PREVIOUS MINUTES**

Councilmember Bishop MOVED to approve the minutes of the March 22, 2018, regular meeting.

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

**III. PERSONS TO BE HEARD**

**a. Proclamation: Week of the Young Child**

Councilmember Bishop read the proclamation, which encourages all citizens to work to make a good investment in early childhood education.

**Cassie Keplinger** accepted the proclamation. She invited everyone in the community to the Kodiak High School on April 14, 2018, from 10 a.m. until 2 p.m. for the children's fair, which recognizes those from birth to five years of age. She encouraged caretakers and families to attend, and she expressed appreciation to the child educators.

**b. Proclamation: Month of the Military Child**

Councilmember Walker read the proclamation, which encourages all citizens to show appreciation and understanding to the military children in our communities, and recognize their commitment, courage, sacrifice, and continued resilience.

**Michael** and **Kim Chynoweth** and their children Noelle, Nicole, Mikkell, Ethan, Evon and Keigan accepted the proclamation. Mr. Chenowith thanked the Mayor and said they are pleased to be in Kodiak. He thanked his family and the military families for their service.

**c. Public Comments**

**Molly MacIntosh** shared her admiration for Katie Baxter's performance as Library Director. She gave an overview of her employment with the City of Kodiak beginning in 2009 and her experience with the director and staff. Ms. MacIntosh expressed her disappointment in the process used for the investigation of the Library Director.

**Jeff Garcia**, from the Alutiiq Museum, spoke in support of Ordinance No. 1374. He said the Alutiiq Heritage Foundation has reached 64 percent of their funding goal, and they are excited about their financial progress.

**Aimee Williams** gave a third quarter report from Discover Kodiak. She provided an overview of the committees on which she serves. She stated that Holland America is coming to Kodiak, and Larsen Bay is expecting a cruise ship. She said they recently welcomed three new Board members. She said the Discover Kodiak's office redesign is underway, the future of tourism is strong, and she thanked the Council for their support.

#### IV. UNFINISHED BUSINESS

**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**

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 Walker MOVED to adopt Ordinance No. 1373.

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

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

**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**

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 Davidson MOVED to adopt Ordinance No. 1374.

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

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

## 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**

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.

Councilmember Bishop MOVED to pass Ordinance No. 1375 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 Bishop, Davidson, Saravia, and Walker in favor. Councilmembers Arboleda and Whiddon were absent. The motion passed.

### 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)**

The last Wastewater Treatment Plant (WWTP) upgrade was completed in 1999. Generally, WWTP's are evaluated and upgraded approximately every 20 years. A concept plan was developed 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 the previously adopted resolution.

Councilmember Walker MOVED 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)

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

### c. **Acceptance of Resignation of Councilmember Gabriel Saravia, Effective May 4, 2018**

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.

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

Councilmember Davidson expressed his appreciation for Mr. Saravia. He said he has not seen a more dedicated Councilmember that cares for the community.

Councilmember Walker said he has kept the citizens as his focus and he has appreciated Mr. Saravia's commitment to the community for 14 years.

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

## **VI. STAFF REPORTS**

### **a. City Manager**

Deputy City Manager Van Daele said that Manager Tvenge and Fire Chief Mullican were attending a Statewide Emergency Preparedness conference. He shared that he recently went on a ride along with the Kodiak Police Department patrol, and he said it demonstrated the different services provided by staff. He said they are working on a myriad of issue downtown, which includes the police substation in the downtown area. He highlighted the work that has occurred by the Mayor to facilitate the community summit on the opioid crisis. He said there is a spring cleanup on May 5, and there will be focus on safety precautions for those participating. He commented on a contest to increase community involvement and the winner having a luncheon with the Mayors.

Through the Deputy City Manager, Elaina Spraker, Kenai Peninsula/Kodiak Regional Director for U.S. Senator Dan Sullivan gave a congressional update. She expressed her appreciation to Mayor Branson and Deputy Manager Van Daele for going to Washington D.C. and she stated the Senator enjoyed meeting with them. She recapped her awareness of the City's request for capital funding needs for the fire station, harbor infrastructure, WWTP upgrades, and the Shelikof Street project. She said the Senator's office would do what they can if funding becomes available. She spoke about Trump's administration and funding for rural America's infrastructure needs. She said Senator Sullivan advocates the Six Pillars of Optimism: Federal Government as a Partner; Strong Economy; Healthy Communities; Land of the Future; Safe Communities; Frontline of Freedom; She commented that Kodiak has the best USCG in America. She commented on tax reform for 2018 and the anticipated benefits. She commented on the increased funding for military construction. She commented on ANWAR and the success for Alaska. She provided a staff update for the delegation. She said healthcare has been a challenge, and spoke of the 1332 waiver, and thanked the Alaska Legislature. She commented that the Senator did not vote on the Omnibus bill, due to time constraints to review it. She said Senator Sullivan is the Chair of the subcommittee in charge of the USCG, which is currently working on recapitalization of the fleet and on the Magnuson Stevens Act legislation. She said their offices are there to help and appreciates the partnership.

Mayor Branson said the City's priority for capital funding is the Kodiak Firehall; she would like a tour to be arranged for Ms. Spraker, if her schedule allowed, while she was in Kodiak.

**b. City Clerk**

Clerk Marlar thanked Councilmember Saravia for his service and said he has one regular Council meeting before his resignation. She acknowledged and thanked Deputy Clerk/Records Manager Shuravloff-Nelson for her five years of service. She gave an overview of the upcoming April meetings.

**VII. MAYOR'S COMMENTS**

Mayor Branson thanked the Deputy Clerk for her efficiency. She thanked Councilmember Saravia, said his service has been remarkable for 14 1/2 years, and said they will have accolades at his last Council meeting. She said she spoke with KIB Mayor Rohrer and referred to the letter regarding the invitation to the Local Boundary Commission to come to Kodiak to discuss annexation, mergers, and consolidation, which will include representatives from the outlying villages. She thanked Deputy Manager Van Daele for mentioning the community health summit, which was a result of the Providence Medical Center's health needs assessments. She extended her appreciation to Sandi Jackson for her work on the summits, and she thanked Superintendent Larry LeDoux and Nathan Johnson, Providence in Anchorage, for working with her and Mayor Rohrer. She the summit will be on April 25, 2018, at 6 p.m. at the Convention Center in conjunction with the rural forum. She said the summit would help continue with the plan and encourage better understanding of the community's gaps in services. She said the City is working to obtain funds for the Kodiak Fire hall. Mayor Branson said Senator Sullivan has been a good advocate for Kodiak.

**VIII. COUNCIL COMMENTS**

Councilmember Saravia thanked Deputy Clerk Shuravloff-Nelson for her service and hopes she continues into the future. He thanked the City staff for the budget and the work they have done. He commented he has two more meetings before his resignation.

Councilmember Bishop thanked the Finance staff for working on the budget and stated it has been an on-going task and he appreciates the dedication; he thanked the Deputy Clerk for her assistance over the years.

Councilmember Davidson thanked the Deputy Clerk/Records Manager for her commitment to records management for the City. He thanked and commended the Chief of Police for her years of service and the work she has done. He referred to the blue windmills outside of the KPD and acknowledged it represented the children that have been abused; he expressed his sympathy and awareness for child abuse prevention.

Councilmember Walker asked clarification from Ms. Spraker regarding her report on the USCG. Ms. Spraker said the Senator is Chairman of the subcommittee for the Coast Guard and referred to the funding allocations for cutters and housing. She said she would send written material. Councilmember Walker concurred that material would be helpful. Councilmember Walker thanked the Deputy Clerk for her service. He referred to the federal government and fisheries issues. He said Public Works has done a good job and thanked the Fire Department, Police De-

partment, and other City staff. He thanked the City Councilmembers as they continue to work on behalf of the people.

**IX. AUDIENCE COMMENTS**

None

**X. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:31 p.m.

CITY OF KODIAK

\_\_\_\_\_  
MAYOR

ATTEST:

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CITY CLERK

Minutes Approved:



## **PERSONS TO BE HEARD**

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## MEMORANDUM TO COUNCIL

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**Date:** April 26, 2018

**Agenda Item:** III. a. Oath of Office to Incoming Chief of Police

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**SUMMARY:** City Charter Article IV-7 stipulates all officers of the City and such employees as the Council may designate shall take and subscribe to the oath or affirmation of office prescribed by the Alaska constitution, Article XII, Section 5. The oath or affirmation shall be filed and kept in the City Clerk's office.

Historically, the Chief of Police has taken the oath of office prior to taking command. Tim Putney will take over as Chief of Police on May 2, 2018.

**NOTES/ATTACHMENTS:**

Attachment A: Oath of Office

# CITY OF KODIAK, ALASKA

## *Oath of Office*

April 26, 2018

I, Timothy Putney, do solemnly affirm that I will support the Constitution and laws of the United States, the laws of the State of Alaska, the ordinances of the City of Kodiak, and that I will faithfully and honestly perform the duties of Chief of Police, so help me God.

CITY OF KODIAK

\_\_\_\_\_  
Timothy Putney, Chief of Police

ATTEST:

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Debra L. Marlar, City Clerk

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## MEMORANDUM TO COUNCIL

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**Date:** April 26, 2018

**Agenda Item:** III. b. Proclamation: Municipal Clerks Week

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**SUMMARY:** This proclamation recognizes our Municipal Clerks for the vital services they perform and their dedication to our community.

**ATTACHMENTS:**

Attachment A: Proclamation: Declaring Municipal Clerks Week

# Proclamation

## Declaring Municipal Clerks Week

May 6–May 12, 2018

WHEREAS, the Office of the Municipal Clerk, a time honored and vital part of local government, that exists throughout the world, and the office of Municipal Clerk is the oldest among public servants; and

WHEREAS, Municipal Clerks are public administrators who play intrinsic and essential roles in the communities in which they serve; and

WHEREAS, the Office of the Municipal Clerk provides the professional link between the citizens, the local governing body, and agencies of government at other levels; and

WHEREAS, Municipal Clerks have pledged to be ever mindful of neutrality and impartiality, rendering equal service to all; and

WHEREAS, the Municipal Clerk adapts to the ever changing elements of government and serves as the information center on functions of local government; and

WHEREAS, Municipal Clerks continually strive to improve the administration of the affairs of the Office of the Municipal Clerk through participation in education programs, seminars, workshops, and annual meetings of their state and international professional organizations; and

WHEREAS, it is most appropriate that we recognize the accomplishments of the Office of the Municipal Clerk.

NOW, THEREFORE, I, Pat Branson, Mayor of the City of Kodiak, do hereby proclaim the week of May 6 through May 12, 2018, as

### Municipal Clerks Week

in Kodiak and extend appreciation to our Municipal Clerks for the vital services they perform and for their dedication to our community.

Dated this 26th day of April 2018.

City of Kodiak

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Pat Branson, Mayor

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# **UNFINISHED BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

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

**Thru:** Kelly Mayes, Finance Director

**Date:** April 26, 2018

**Agenda Item:** **IV. a. Second Reading and Public Hearing, 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**

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**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 adopt Ordinance No. 1375 after the second reading and public hearing.

**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.
- Council passed Ordinance No. 1375 in the first reading and advanced to second reading and public hearing on April 12, 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 FY2018 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) Adopt Ordinance No. 1375 in the second reading after the public hearing. 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 after the public hearing.

**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 adopt Ordinance No. 1375.

**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	
<b>Total Anticipated Revenues</b>	<b>22,219,086</b>	
		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
<b>Total Planned Expenditures</b>	<b>22,219,086</b>

### SPECIAL REVENUE FUND

	Anticipated Revenues	
Tourism Fund	\$ 170,500	
City Enhancement Fund	-	
<b>Total Anticipated Revenues</b>	<b>170,500</b>	
		Planned Expenditures
Tourism Fund		\$ 170,500
City Enhancement Fund		-
<b>Total Planned Expenditures</b>		<b>170,500</b>

### 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
<b>Total Anticipated Revenues</b>	<b>3,487,148</b>

**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
<b>Total Planned Expenditures</b>	<b>3,487,148</b>

**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
<b>Total Anticipated Revenues</b>	<b>15,247,456</b>

	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
<b>Total Planned Expenditures</b>	<b>15,247,456</b>

**INTERNAL SERVICE FUNDS**

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

**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: April 12, 2018

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:

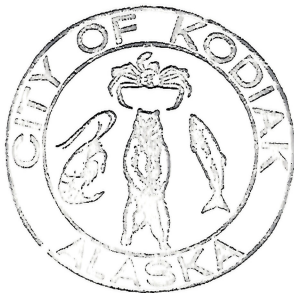
- Show impacts on rates or taxpayers, or
- Analyze financial capacity for proposed capital projects, or
- Determine if the debt is required for projects mandated by the state or federal government, needed for economic development, environmental, aesthetic or quality of life, or health and safety improvements.

**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

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MAYOR

ATTEST:

*[Handwritten signature]*  
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 DEPUTY CLERK

Adopted: January 25, 2018

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# **NEW BUSINESS**

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers

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

**Thru:** Kelly Mayes, Finance Director

**Date:** April 26, 2018

**Agenda Item:** V. a. **First Reading, Ordinance No. 1376, Amending Chapter 3.28 of the Kodiak City Code to Condition Future Deposits Into the City Enhancement Fund on the Existence of a Minimum Fund Balance of Six Months of General Fund Operating Expenditures**

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**SUMMARY:** This ordinance amends Chapter 3.28 Enhancement Fund deposits and adds additional criteria for inflation-proofing the Enhancement Fund. Over the most recent two fiscal periods, the City has been reviewing ways to provide services in a more efficient manner and to rebuild the fund balance of the General Fund. The City of Kodiak's Municipal Code Chapter 3.28 provides that at the completion of the prior year audit and issuance of the financial statements, should the general fund have a surplus, then one half of this surplus is transferred to the Enhancement Fund in the succeeding fiscal year. This ordinance amends the code to only transfer one-half of the general fund surplus when the fund balance of the General Fund reaches six months of budgeted operating expenses.

Other additional changes to this code section relate to inflation-proofing. A section was added to further clarify the transfers between the Enhancement Fund and the General Fund to ensure that inflation-proofing was achieving the desired results.

**PREVIOUS COUNCIL ACTION:**

- On March 6, 2018, Council discussed this ordinance at the work session and directed staff to proceed.

**ALTERNATIVES:** Council may pass in the first reading, amend, or fail to pass Ordinance No. 1376.

**CITY MANAGER'S COMMENTS:** The use of fund balance is used to balance the operating budgets. One must maintain a balanced budget; however, one must also replenish that fund balance when possible, this way it is again available in the future. A conservative practice is to build back the fund whenever possible. This ordinance is meant to do just that until the fund balance of the General Fund reaches an accumulation of six months of operating expenditures. Council can review this ordinance each year during the planning meeting.

**ATTACHMENTS:**

Attachment A: Ordinance No. 1376

**MOTION:**

Move to pass Ordinance No. 1376 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 1376**

**AN ORDINANCE OF THE COUNCIL OF THE CITY OF KODIAK AMENDING  
CHAPTER 3.28 OF THE KODIAK CITY CODE TO CONDITION FUTURE DEPOSITS  
INTO THE CITY ENHANCEMENT FUND ON THE EXISTENCE OF A MINIMUM  
FUND BALANCE OF SIX MONTHS OF GENERAL FUND OPERATING  
EXPENDITURES**

WHEREAS, the City of Kodiak Enhancement fund was established from appropriations to be maintained separate and apart from all other funds and accounts of the City; and

WHEREAS, the Enhancement fund receives deposits through general fund surplus, gross proceeds from the sale and/or lease of municipal property, or other Council approved appropriations; and

WHEREAS, the unassigned fund balance of the General Fund has been reduced slowly over time; and

WHEREAS, it is a goal of the Council to strive for an accumulation of unassigned fund balance of the General fund to equal or exceed six months of General fund operating expenditures.

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

Section 1: Section 3.28.020 Deposits, of the Kodiak City Code, is hereby amended to add the following language to subsection (a) to read as follows [new language is underlined]:

**3.28.020 Deposits**

- (a) If the unassigned fund balance of the general fund equals or exceeds six months of general fund operating expenditures as of July 1 of the current fiscal year, fifty percent of the prior fiscal year's general fund surplus shall be deposited in the city enhancement fund by January 1 of the succeeding year. For purposes of this subsection, a "general fund surplus" is defined as the excess of revenues and other financing sources over expenditures and other financing uses, plus any residual equity transfers in less any residual equity transfers out, as identified in the audited general fund statement of revenues, expenditures, and changes in fund balance.
- (b) Fifty percent of the gross proceeds from the sale or lease of municipal real property will be deposited in the city enhancement fund; provided, however,



that proceeds allocated to enterprise funds and proceeds from the lease of property with an annual income of less than \$10,000 shall be exempt from these deposit requirements.

- (c) Any actual earnings from the fund shall be deposited in the city enhancement fund until the reconciliation of the inflation proofing at the end of each fiscal year.
- (d) The council may, by ordinance, make additional appropriations to the fund at any time.

Section 2: Section 3.28.040 Inflation Proofing, of the Kodiak City Code, is hereby amended to add a new subsection (c) to read as follows;

**3.28.040 Inflation Proofing**

- (a) Each fiscal year, the funds shall be inflation proofed from the earnings of the city enhancement fund as calculated by multiplying the city enhancement fund balance at the beginning of each fiscal year by an inflation factor. The inflation factor will be determined by calculating the average percentage increase in the U.S. Department of Commerce Consumer Price Index for U.S. city average, all items' indices, January index, for the five-year period ending with the current fiscal year.
- (b) Earnings in excess of the inflation-proofing amount shall be deposited in the general fund by the close of each fiscal year.
- (c) If the unassigned fund balance of the general fund equals or exceeds six months of general fund operating expenditures as of July 1 of the current fiscal year, and earnings of the city enhancement fund are not in excess of the inflation-proofing amount, the general fund shall transfer to the enhancement fund the amount by which earnings do not equal the inflation-proofing amount by the close of each fiscal year.

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

Section 4: This ordinance shall be effective one month after final passage and publication.

CITY OF KODIAK

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MAYOR

ATTEST:

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CITY CLERK

First Reading:  
Second Reading:  
Effective Date:

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## MEMORANDUM TO COUNCIL

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**To:** Mayor Branson and City Councilmembers  
**From:** Mike Tvenge, City Manager *MT*  
**Thru:** Tim Putney, Support Services Lieutenant  
**Date:** April 26, 2018

**Agenda Item:** V. b. Authorization of Janitorial Services Contract for Kodiak Police Department

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**SUMMARY:** The Kodiak Police Department is requesting that Council authorize a contract with MH Island Cleaning Services to provide regular janitorial services at the Kodiak Police Department for a period of three years commencing on July 1, 2018, and expiring on June 30, 2021. Staff recommends the Council authorize this contract in the amount of \$42,900, with funds to come from the FY2019 Kodiak Police Department's operational budget for janitorial services.

**PREVIOUS COUNCIL ACTION:**

- On June 24, 2010, the Council authorized a janitorial services contract with Tuan's Island Professional Cleaning Service for the Kodiak Police Department.
- On May 9, 2013, the Council authorized a two-year contract with Tuan's Island Professional Cleaning Service to provide regular janitorial services expiring on June 30, 2015.
- On June 11, 2015, the Council authorized a three-year contract with Tuan's Island Professional Cleaning Services in the amount of \$52,615 for each year.

**DISCUSSION:** The City of Kodiak outsources janitorial services to qualified vendors, including for the Kodiak Police Department building. This building is 16,025sf, and encompasses multiple rooms and areas requiring specialized janitorial procedures and stipulations, particularly within the Public Safety Answering Point (Dispatch). Our proposed recipient, MH Island Cleaning Services, is a locally owned and operated company, and their client list contains some of the larger facilities within our community, which are roughly equivalent to KPD in terms of size and requirements. These services were agreed to be provided by MH for three years at the rate of \$42,900 per year, which is a decrease from the last janitorial services contract, and the cost is within the proposed FY2019 budget.

On March 16, 2018, staff issued a request for proposals (RFP) to provide janitorial services for the Kodiak Police Department. The RFP was made available on the City's website and a series of advertisements were placed in the Kodiak Daily Mirror until the proposal period closed on April 13, 2018. Staff received two (2) proposals from local businesses and on Monday April 17, 2018, the proposals were opened and evaluated by Tim Putney, Mark Kozak, Craig Walton, and Matt Van Daele.

Staff independently came to a consensus that the proposal from MH Island Cleaning Services offered the City the best value as well as the most opportune quality and scope of services.

**ALTERNATIVES:**

- 1) Authorize a three-year contract with MH Island Cleaning Services in the amount of \$42,900 per year. This is staff's recommendation because the overall cleanliness of the facility is paramount to efficiency, operation, and professionalism.
- 2) Do not authorize this contract, which is not recommended, due to the requirement of maintaining the Kodiak Police Department as a high-functioning department and a professional, clean, and like-new facility.

**FINANCIAL IMPLICATIONS:** The contract amount is within the FY2019 operating budget for janitorial services.

**LEGAL:** The proposed recipient of this contract would be considered a related-party transaction conducted at arms'-length with the City of Kodiak. Related-party transactions conducted at arms'-length are made transparent through the awarding of the contract and disclosed in the Comprehensive Annual Financial Report. The two related parties in question both are employed by the Kodiak Police Department (a Corrections Sergeant and a Police Services Specialist), neither of whom have authority to award contracts, nor are they or were included in purchasing, bid, or award services for any contracts within the Kodiak Police Department or the City of Kodiak as a whole. Therefore, though these two parties are related to the proposed company, this contract is considered initiated, bid and awarded, and to be performed at arms'-length. This award does not conflict with city code, or policy.

**STAFF RECOMMENDATION:** Staff recommends the Council authorize this contract in the amount of \$42,900, with funds coming the FY2019 Kodiak Police Department, Operational Budget, Janitorial Services.

**CITY MANAGER'S COMMENTS:** This proposal by MH Island Cleaning Services met the requirements in the RFP and is the lowest price, therefore I recommend this award.

**NOTES/ATTACHMENTS:**

- Attachment A: Bid Tabulation
- Attachment B: MH Island Cleaning Services
- Attachment C: Request for Proposal - Janitorial Services

**PROPOSED MOTION:**

Move to authorize a three-year janitorial services contract for the Kodiak Police Department to MH Island Cleaning Services in the amount of \$42,900 annually, with the first year funds coming the FY2019 Kodiak Police Department, Operational Budget, Janitorial Services and authorize the City Manager to execute the necessary documents on behalf of the City.



# CITY OF KODIAK BID TABULATION



Project Name: Police Department Janitorial Services

Project Number: 2018-002

Date: April 16, 2018  
 Time: 4 p.m.  
 Date of Invitation: March 16, 2018  
 Opened By:

Tim Putney
Matt Van Daele
Craig Walton
Mark Kozak

1. Tuan’s Island Professional Cleaning Service

X	Proposed Cost \$51,518
	Qualifications
X	Reputation/ Customer Service

2. MH Island Cleaning Services

X	Proposed Cost \$42,900.00
X	Qualifications
X	Reputation/ Customer Service

**Comments:** All four evaluators agree that the proposal from MH Island Cleaning Services offered the City the best value, and it responded to the qualification described in the RFP.

MH ISLAND CLEANING SERVICES

Maria I. Sandoval

AK. Business # 1009421

Liberty Mutual Insurance Corporation

P.O. Box 434

Kodiak, AK. 99615

(907) 942 - 7592 [suarezusa7@hotmail.com](mailto:suarezusa7@hotmail.com)

**Janitorial service proposal prepared for the City of Kodiak \*KODIAK POLICE DEPARTMENT\*.**

MH ISLAND CLEANING SERVICES will provide all supplies such as:

- 1) Toilet tissues
- 2) Paper towels
- 3) Trash can liners
- 4) Hand soaps
- 5) Air fresheners sprays
- 6) All cleaning agents & equipment to perform janitorial services

**A). - DAILY SERVICES:**

- 1) Will be performed 5 days per week between 5 PM and 6 AM (Including City Holidays).  
*\$2,950.00 per month x 12 months = \$35,400.00 per year*

**B). - WEEKLY SERVICES:**

- 2) Under close supervision to ensure that standards are met.  
*Free of Charge*

**C). - MONTHLY SERVICES:**

- 3) Spray buff uncarpeted flooring.  
*\$75.00 per month x 12 months = \$900.00 per year*

**D). - QUARTERLY SERVICES:**

- 4) Under close supervision to ensure that standards are met.  
*Free of charge*

**E).- BI-ANNUAL:**

- 5) Clean all carpet areas (shampoo / hot water extraction) & upholstery furniture.  
*Carpet \$1,400.00 per visit (2 visits) = \$2,800.00 per year*  
Upholstery (*Free of charge*) & will be performed at time of carpet cleaning if needed.

**F). - ANNUAL SERVICES:**

- 6) Strip and re-finish all uncarpeted areas.  
*\$3,800.00 (each time)*
- 7) \*BONUS\* for the City of Kodiak included in our annual service:

\*Exterior window cleaning\* using de-ionized water system once a year on May.  
*Free of charge*

On call services \$19.50 an hour and will NOT be added into the annual cost, as it may never occur.

**TOTAL ANNUAL COST**

*\$42,900.00*

*Choosing the right cleaning products makes a difference ...*

**"P&G Professional"**

**"SPARTAN"**

**"WAXIE" Sanitary Supply"**

THANK YOU ...





# CITY OF KODIAK POLICE STATION



## **Request for Proposal – Janitorial**

*Solicitation for proposals for  
janitorial services from qualified  
individuals and/or companies for  
City of Kodiak Police Station  
located at 2160 Mill Bay Road,  
Kodiak, AK 99615*

**Coordinator: Chief of Police**

## Table of Contents

Purpose and Scope of Work .....	3
Anticipated Timeline .....	3
Evaluation Process/Selection Criteria .....	3
Proposal Format.....	3
Review of Proposals.....	4
Vendor Communications/Appeals .....	4
Right of Selection/Rejection, Waiver of Informalities/Irregularities .....	5
RFP Cancellations/Revisions .....	5
Business License .....	5
Insurance Requirements .....	5
Service Requirements/Conduct of Work .....	6
Exceptions.....	6
Implementation Plan.....	6
Staffing Qualifications and Disqualifiers .....	6
Equipment/ Supply Storage.....	7
Client References.....	7
Cost Proposal.....	7
Janitorial Services Matrix Described .....	7

**City of Kodiak**  
**Request for Proposals**  
**Janitorial Services for Kodiak Police Station**  
**Location: 2160 Mill Bay Road, Kodiak, AK 99615**

**Purpose and Scope of Work**

The City of Kodiak is soliciting proposals for janitorial services from qualified individuals and/or companies for the Kodiak Police Station located at 2160 Mill Bay Road, Kodiak, Alaska, 99615. Vendors will comply with all applicable federal and state labor, wage and hour, safety and associated laws which have bearing on the services provided. The selected vendor will provide all labor, tools, equipment, materials, supervision, and supplies needed to perform the work described in this request.

**Anticipated Timeline**

RFP Issued: March 16, 2018  
Proposals Due: April 13, 2018  
Evaluation/Selection: April 17, 2018  
Council considers Contract Award: April 24, 2018  
  
Contract to begin on or about July 1, 2018

**Evaluation Process/Selection Criteria**

Vendor will be selected based on evaluation of cost, qualifications and references.

**Proposal Format**

Submit one (1) original and one (1) copy of the proposal. The proposal must contain a statement of qualifications and a concise narrative, which addresses the tasks set forth in the Janitorial Services Matrix section on page 7. The proposal shall also include a cover page, table of contents, letter of transmittal, and requested attachments.

**PLEASE NOTE:** The City of Kodiak will not be responsible for the premature opening of, or the failure to open a proposal not properly addressed and identified. Faxed and emailed proposals will not be accepted, and proposals received after 4:00 pm, April 13, 2018, shall be considered non-responsive and returned after recommendations of the award.

**Submit Proposals To:** Chief of Police, 2160 Mill Bay Road, Kodiak, AK 99615.  
Proposals should be bound and organized according to the following outline:



1. Letter of transmittal: A letter shall include the following:
  - a. Vendor's name and address;
  - b. Statement that indicates the proposal is valid for at least ninety (90) days from date of submission;
  - c. Statement that indicates the vendor's willingness to perform the services described in this RFP;
  - d. Statement that all staff and other resources which are required to perform the services described in this RFP will be made available by the vendor over the anticipated course of the contract;
  - e. Statement that the signatory has authority to bind the contract; and
  - f. Signature of authorized individual.
2. Table of Contents
3. Vendor Qualifications
4. Vendor Methodology
5. Schedule
6. Requested Attachments

## Review of Proposals

**Evaluation process:** An evaluation committee will evaluate proposals. Each proposal will be independently evaluated by each member of the evaluation committee.

**Interviews:** At the City's option, vendors may be requested to interview with the selection committee. Vendors will be notified in writing of the interview requirements, date, time, location, and amount of time allowed for an interview/presentation and question and answer period.

The evaluation committee will select the firm that provides the best overall value to the City of Kodiak. The selected vendor will meet with the City to finalize the scope of work/contract and submit a fee proposal for acceptance by the City Council.

## Vendor Communications/Appeals

Upon release of the RFP, all communications concerning the overall RFP should be directed to the RFP Coordinator listed below in writing. Unauthorized contact regarding this RFP with City employees will not help. Any oral communications will be considered unofficial and non-binding on the City.



Name: RFP Coordinator – Chief of Police  
Address: Kodiak Police Department, 2160 Lower Mill Bay Road, Kodiak, AK 99615  
Telephone: 907-486-8000  
FAX: 907-486-8925  
Email: [rwallace@city.kodiak.ak.us](mailto:rwallace@city.kodiak.ak.us)

### **Right of Selection/Rejection, Waiver of Informalities/Irregularities**

The City of Kodiak reserves the right to reject any or all proposals, to waive any minor informalities or irregularities contained in any proposal, and to accept any proposal deemed to be in the best interest of the City. Selection of a vendor solution shall not be construed as an award of contract, but as commencement of contract negotiation, including but not limited to the contract price proposed.

### **RFP Cancellations/Revisions**

The City reserves the right to cancel or issue the RFP at any time. Amendments or a notice of cancellation will be posted to the City's web site. The City reserves the right to change the schedule or issue amendments to the RFP at any time. It is the sole responsibility of the proposer to monitor the City's web site for the posting of such information.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the vendor of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and vendor.

### **Business License**

The proposer awarded the contract will be required to have a current State of Alaska's business license, any applicable City of Kodiak business license and be registered for sales tax collected as per City Code 3.08.

### **Insurance Requirements**

The City will require the selected vendor to comply with the insurance requirements as regulated by Alaska State Statutes and provide certificate of insurance(s). Proof of Workers' Compensation Insurance, Commercial General Liability Insurance, and Commercial Automobile Liability Insurance for company vehicles should be submitted with the proposal. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of the contract and will be grounds for termination of the contract.



## **Service Requirements/Conduct of Work**

All work must be performed in a thorough manner and in accordance with industry best practices. The vendor will be held responsible for the quality of the service, maintenance and inspections. Service, maintenance and inspections that are improperly done will be done over, by the vendor, at the vendor's own risk and expense.

Vendors need to include a list of the equipment that will be used during the term of the contract, alternative equipment (for back-up use) and Safety Data Sheets (SDS) for all chemicals and cleaning agents used during the performance of the contract. Changes to equipment, personnel and/or chemical agents requiring an SDS must be made five (5) days before, and in writing, for approval by the Chief of Police or their designee. Any deviations or changes made without prior approval will be grounds for termination of the contract.

Acceptable safe practices must be followed at all times. Vendor will comply with all standards prescribed by the State of Alaska, Department of Labor, Division of Labor Standards and Safety. The safety of the building's occupants is to be considered at all times.

All work performed shall be completed without interfering with the proper performance of the department's operations. Vendor and vendor employees will not disturb materials on desks, open drawers or cabinets, or use department equipment or telephones. Vendor or vendor employee shall not unplug computer terminals at any time. Furniture and wastebaskets removed for cleaning convenience will be replaced in their original locations and all electrical items will be reconnected to their outlets.

## **Exceptions**

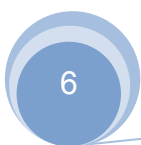
Proposers may take exception to any of the stated requirements so long as all such exceptions are expressly noted and clarified in the response. Alternatives may be shown and quoted as options.

## **Implementation Plan**

Proposals must provide a detailed work plan including vendor's methodology (i.e.: check lists, verifications forms, etc.) for implementing the proposed janitorial services/ task matrix. Vendors must include a discussion of their management approach specifically addressing staffing qualifications and disqualifiers.

## **Staffing Qualifications and Disqualifiers**

A list of personnel anticipated to be working in the building is required when the proposal is submitted. Vendors and their staff will be required to pass a background check; any felony conviction is an automatic disqualification. Misdemeanor convictions for crimes against a person, theft, fraud, embezzlement or unsworn falsification are also grounds for automatic disqualification.



Vendor and vendor employees must be capable of being lawfully employed in the United States of America. Minors under eighteen (18) years of age, including family members of the vendor or the vendor's employee are prohibited from performing any work.

Vendor and vendor employees shall be capable and experienced in the type of work to be performed. Removal of any employee may be required for anyone deemed incompetent, insubordinate, otherwise objectionable, and/or whose continued employment is deemed contrary to the public or department's best interest.

Vendor shall notify the Chief of Police or their designee thirty (30) days, or with as much advance notice possible, related to employee changes so background checks can be conducted.

### **Equipment/ Supply Storage**

The Kodiak Police Station has an assigned storage room for janitorial services. This storage room is for storage of equipment, materials and supplies used in the performance of this contract only. The vendor and vendor employees will be responsible for keeping this area clean and free of odors at all times.

All materials labeled "hazardous" or requiring special storage will be handled and stored as recommended by the manufacturer. All cleaning agents or chemicals will be appropriately labeled and kept in manufacturer approved containers. All chemical agents shall have an approved SDS on file with the department and in labeled containers that in compliance with OSHA standards.

### **Client References**

Proposal must include a minimum of three (3) current references no more than three (3) years old for directly applicable services, preferably with a city or government agency. Additional references are allowable if the vendor chooses. References must include the name of the client/agency, contact information (address, phone number and email), contact person who was directly responsible for overseeing the implementation for work, dates services were provided, and cost of services.

### **Cost Proposal**

Proposal must include the projected costs, to be broken down by major activity. The contract prices confirmed by the City Council will remain firm from the date of award through June 30, 2019, unless scope of work has changed by written notice of the City.

### **Janitorial Services Matrix Described**

**Work Areas Included:** The work area is approximately 16,000 square feet and includes all entrances, offices, foyers, copier room, break room, hallways, conference room,



Emergency Operations Center, restrooms, locker rooms, fitness center and Forensics Bay. This also includes mirrors and glass portions on interior doors.

**Work Areas Excluded:** No work is required in mechanical rooms, the server room, armory or within the secured area of the Kodiak Jail.

**Miscellaneous Supplies:** The vendor shall furnish all rest room supplies such as toilet seat covers and tissue, liquid hand soap, deodorizers, urinal screens and deodorizers, paper towels, and appropriate plastic liners for trash cans. All restroom and cleaning supplies will be environmentally safe and used as intended.

**Trash Removal:** Trash should be disposed of into the dumpster. Trash will not be stored inside the station.

**Daily Services (Sunday night through Thursday night):** The services listed below shall be accomplished between 5:00 pm and 6:00 am, every night, Sunday through Thursday of each week. NOTE: the floor in dispatch requires the use of a static dissipative polish only.

1. Thoroughly vacuum all carpeted areas: entryways, walk-off mats, offices, conference room, Emergency Operations Center.
2. Empty all trash receptacles, wipe down wastebaskets when soiled and replace plastic liners.
3. Furnish and maintain adequate supplies of toilet tissue, seat covers, urinal deodorizers, liners for sanitary napkin receptacles, paper towels, liquid hand soap and room deodorizer. These supplies shall be standard or better quality, environmentally safe, proper dispensers will be provided by vendor when needed.
4. Restrooms, locker rooms and fitness room: Dirty, residue-covered, and/or discolored grout is not acceptable.
  - Clean, disinfect and deodorize rest room floors, locker room floors, and fitness room floor.
  - Clean, disinfect and deodorize plumbing fixtures, sinks, shower stalls and shower decks.
  - Clean, disinfect and deodorize all toilets, urinals and partitions.
  - Clean, disinfect and deodorize all dispensers, mirrors, counters and cabinets.
5. Clean and disinfect drinking fountains, counter tops and sinks. Mineral and calcium deposits are not acceptable.



6. Sweep and then damp mop all uncarpeted floor. Continuous rinsing will be used to remove dirt, black marks, scuff marks, stains, and other dirt and grime from uncarpeted floors. Remove mop marks from rubber base boards.
7. Remove finger print smudges from entryway door glass, interior door glass, interior windows, and glass showcases.
8. Keep janitorial storage closet clean and deodorized.

NOTE: All cleaning materials will be disposed of properly. No cleaning wipes can be flushed down toilets.

**Weekly Services (Sunday night):** In addition to daily services, weekly services shall be performed on Sunday each week between the hours of 5:00 pm and 6:00 am.

1. Thoroughly vacuum all carpet. This includes vacuuming in the daily services section and around and under desks of all offices/ cubicles.
2. Clean and disinfect Kitchen surfaces: counter tops, table tops and stove top.
3. Clean and disinfect fitness equipment.
4. Dust horizontal surfaces and wipe down doors/ window jams and sills.
5. Sweep floor in the Forensic Bay (when accessible)

**Monthly Services (First Sunday night of each month):**

- All uncarpeted flooring in hallways, common rooms and offices will be spray buffed/ waxed according to manufactures guidelines and industry best practices.

**Quarterly Services: (First Sunday night in January, April, July and October)**

- In addition to daily and weekly services, clean coffee maker, coffee pots, oven and refrigerator

**Bi-Annual Services (Services shall be performed over a weekend in April and October):** The vendor will coordinate this service with the Chief of Police or their designee five (5) days before it takes place. Any additional employees used by the vendor to complete this service need to undergo a background check (State requirement). Vendor should allow thirty (30) days for this process to be completed.

1. Shampoo all carpets and rugs using steam extraction or agitation and immediately follow with hot water extraction method to remove all soap. Spot removal shall be performed with a commercial grade spot remover. Cleaning will be scheduled to allow maximum drying time before next business day.
2. Remove smudges and marks from walls, doors, handrails with soap and water. Rinse thoroughly with clean water.



3. Upholstered furniture and/or office furniture cleaned as needed (priced per item). The Chief of Police or their designee will notify vendor ahead of time.

**Annual Services (Service shall be performed over a weekend in May):** The vendor will coordinate this service with the Chief of Police or their designee five (5) days before it takes place. Any additional employees used by the vendor to complete this service needs to undergo a background check. Vendor should allow thirty (30) days for this process to be completed.

1. Remove all wax from uncarpeted flooring by mopping or scrubbing with a detergent or wax remover. Rinse floors thoroughly and apply good skid resistant wax recommended for use on the flooring type. After wax is dry, machine buff floor to a luster finish. Remove spills and splashes from walls and rubber base boards. Vendor will supply recommended product specific additional ventilation during this process. **NOTE:** The floor in dispatch will need to be serviced using method that limits exposure to all police employees working in a confined space who cannot leave.
2. Vendor and vendor employees will use the least harmful stripper and floor wax available. If the manufacturer recommends the use of protective personal equipment (PPE), then onsite vendor and vendor employees will use it and supply on duty department employees with necessary PPE.

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## MEMORANDUM TO COUNCIL

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**Date:** April 26, 2018

**Agenda Item: XI. Presentation to Outgoing Councilmember**

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**SUMMARY:** Councilmember Gabriel Saravia has served on the City Council since 2003. Mayor Branson will present him with a token of the City's appreciation for his service.