

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JULY 25, 2019  
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, Charles E. Davidson, Terry J. Haines, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Randall C. Bishop was absent. City Manager Mike Tvenge, City Clerk Nova Javier, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Corps Sergeant Major David Blacketer gave the invocation and the Pledge of Allegiance was recited.

**II. PREVIOUS MINUTES**

Councilmember Whiddon MOVED to approve the minutes of the June 13, 2019, regular meeting, as presented.

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

**III. PERSONS TO BE HEARD**

**a. Public Comments**

**Alisha Drabek**, Afognak Native Corporation Executive Vice President, thanked the Mayor and Council for the last five-year land lease. She referred to lease amendment on the Council's agenda for the next five-years and said they plan to continue to use the land for green space and stated they are interested in purchasing the land in the future.

**b. Public Hearing: Retail Marijuana Store Application No. 21069 for Wildflower**

The City received notice from the State of Alaska on June 27, 2019, of a new application from Wildflower for a retail marijuana store license at 158 Alimaq Drive. As part of the license application review process established by Ordinance No. 1378, this hearing allows the public to comment before the Council considers the application later in the agenda.

Mayor Branson closed the regular meeting and opened the public hearing.

**Janiese Stevens**, Wilflower Marijuana Store applicant, thanked the Council and said she looked forward to working with the City.

Mayor Branson closed the public hearing and re-opened the regular meeting.

**c. Public Hearing: Resolution No. 2019–13 Amending Section 14, Utilities (Sewer), of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure**

The City sets its fees and charges for various services by resolution of the Council. This public hearing on proposed fee schedule amendments is scheduled prior to New Business agenda item V.c. Resolution No. 2019–13 Amending Section 14, Utilities (Sewer), of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure. The proposed changes to fees pertain to the sewer rate increases. The sewer rate fee changes are proposed to take effect on August 1, 2019. The Council has requested a public hearing prior to amending fees.

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

**IV. UNFINISHED BUSINESS**

**a. Second Reading and Public Hearing, Ordinance No. 1387, Replacing the Existing Addendum B, Sexual Harassment and Anti-Harassment Policy in the City Personnel Rules and Regulations with a New Addendum B, Non-Discrimination, Anti-harassment and Equal Employment Policy**

Mayor Branson read Ordinance No. 1387 by title. The City of Kodiak entered into a settlement agreement with the Alaska State Commission for Human Rights (ASCHR) as a result of Michael Chiesa v. City of Kodiak, Kodiak Police Department, per Settlement Agreement J-15-068 and J-16-291. The City, as required in the agreement, needs to comply with remedial provisions to include adopting a revised non-discrimination, anti-harassment and equal employment policy by ordinance and provide training to a select group, identified in the agreement.

The existing policy in the Personnel Rules and Regulations, Addendum B needs to be replaced with the new Non-Discrimination, Anti-Harassment and Equal Employment Policy.

Councilmember Davidson MOVED to adopt Ordinance No. 1387.

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

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

**V. NEW BUSINESS**

**a. First Reading, Ordinance No. 1388 Authorizing Amendment No. 4 to the Lease Between the City of Kodiak and NOAA for Office and Warehouse Space on Pier II**

Mayor Branson read Ordinance No. 1388 by title. Ordinance No. 1388 authorizes Amendment No. 4 to the existing NOAA Warehouse Lease at Pier II. Currently NOAA leases warehouse

space totaling 5,400 sf at <sup>21.248</sup>~~\$17.55~~ per square foot per year. The current lease allows for this Amendment No. 4 and is supported by the Harbormaster.

Councilmember Walker MOVED to pass Ordinance No. 1388 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

Councilmember Whiddon stated he appreciated the work of staff to bring the lease rate to market value.

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

**b. Resolution No. 2019–13, Amending Section 14, Utilities (Sewer), of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure**

Mayor Branson read Resolution No. 2019-13 by title. Jacobs (formerly CH2MHill) has prepared several water and sewer rate studies for the City of Kodiak dating back to 1982. The last study was completed in 2011 and the Council adopted five years of the rates projected out over a 10-year period for water and a single-year increase for sewer. In February 2018 staff requested Jacobs to complete the sewer rate structure and make recommendations if rates needed to be adjusted. The study showed rates needed to be increased over a five-year period to meet operational and capital improvement needs. The Council has considered the 2019 rate study at several work sessions including presentations by Jacobs.

Councilmember Arboleda MOVED to adopt Resolution No. 2019–13.

Councilmember Whiddon referred to Resolution No. 2019–13 and stated the Council agreed to adopt the five-year rate structure with the condition that the rates be reviewed on an annual basis, which is stated within the resolution.

Councilmember Davidson referred the infrastructure costs of the sewer system and regulatory requirements.

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

**c. Consideration of Retail Marijuana Store Application No. 21069 for Wildflower**

The City received notice from the State of Alaska on June 27, 2019, of a new application from Wildflower for a marijuana retail store license at 158 Alimaq Drive.

Ordinance No. 1378 established the license application review process for the City Council in Section 4. As required by Section 4 of Ordinance No. 1378, the City Clerk sent inquires to the Chief of Police, Fire Chief, Finance Director, and Building Official asking if any had concerns about the proposed license. None expressed concerns that would require the Council to object to the issuance of the license. This section also stipulates, for the purpose of public hearing and Council action, that the clerk place the matter of the application upon the agenda for a regular or special meeting of the Council held not less than fifteen or more than 50 days from receipt of the

notice from the Alcohol and Marijuana Control Office. A public hearing was held earlier in tonight's meeting.

Councilmember Haines MOVED to direct the City Clerk to issue a letter of non-objection with conditions that prohibit the sale of edible marijuana products to the Marijuana Control Board for Marijuana Retail Store Application No. 21069 for Wildflower.

Councilmember Haines reminded the public that the City prohibits marijuana edibles. He encouraged citizens to share their viewpoints as they continually review the City's regulations.

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

**d. Authorization of the Regional and Community Jail Contract with the Alaska Department of Corrections**

The Alaska Department of Corrections (DOC) has proposed a new one-year contract with the City to provide short-term Regional and Community Jail Services for persons held for violations of State law. The new contract would be effective July 1, 2019, and continue in force through June 30, 2020. The contract can be terminated upon ninety (90) days' notice from the terminating party, and contract amendments for additional work could be incorporated through mutually agreed upon appendices or attachments. The base contract amount is \$991,552 with additional amounts for services the City provides, to include: \$37,380 for Pretrial Electronic Monitoring Services; \$53,400 for Pretrial Supervision; and \$10,000 for Sentenced Electronic Monitoring. The total FY2020 contract amount is \$1,092,332. The Kodiak Community Jail is an integral piece to the overall public safety of Kodiak.

Councilmember Walker MOVED to authorize a one-year professional services contract for Regional and Community Jail services with the Alaska Department of Corrections (DOC Contract No. 2001006) commencing on July 1, 2019, and ending on June 30, 2020, for \$1,092,332 and authorize the City Manager to sign the agreement on behalf of the City.

Councilmember Whiddon commended staff for the work on this contract and increasing the revenue that will be earned.

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

**e. Authorization of Lease Amendment 1 to Adjust the Rental Rate for the 5-Year Renewal of a City of Kodiak – Afognak Lease.**

The City of Kodiak and Afognak Native Corporation entered into a lease agreement in 2014 on a City-owned property. During that time, the Council's decision was not sell City land, therefore the discussions with Afognak Native Corporation turned to the idea of leasing property for the purposes of viewshed protection. City Council intended to complete an updated land use study on Near Island before entering into long-term property leases, therefore approved a 2014 lease,

which was for a short duration and staff believed it was a benefit to Afognak Native Corporation and the City. Council adopted Ordinance No. 1316 in May 2014.

Councilmember Davidson MOVED to authorize Lease Amendment # 1 to adjust the rental rate for the five-year renewal of a City of Kodiak – Afognak Lease and authorize the City Manager to sign documents on behalf of the City.

Councilmember Whiddon complimented the Afognak Native Corporation and indicated that there are many community events held at the facility.

Councilmember Haines supports the usage of the land lease for the viewshed.

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

**f. Authorization of FY2020 Marketing and Tourism Development Agreement With Discover Kodiak**

Council has authorized agreements with the Kodiak Island Convention and Visitors Bureau, known as Discover Kodiak, to provide marketing and tourism outreach for Kodiak since FY2009. This Council action will approve the agreement for FY2020 in the amount of \$108,000, which was approved in the FY2020 budget.

Councilmember Arboleda MOVED to authorize the FY2020 Marketing and Tourism Development Agreement with Discover Kodiak in the amount of \$108,000 with funds coming from the Special Revenue Funds, Tourism Development Fund and authorize the City Manager to sign the agreement on behalf of the City.

Councilmember Whiddon MOVED to amend the motion to approve a two-year authorization for FY2020 and FY2021 Marketing and Tourism Development Agreement with Discover Kodiak in the amount of \$108,000 annually with funds coming from the Special Revenue Funds, Tourism Development Fund and authorize the City Manager to sign the agreement on behalf of the City.

Councilmember Whiddon said that Discover Kodiak has presented measurable outcomes and been very productive. He said by amending and authorizing the agreement for a two-year timeframe will allow Discover Kodiak to hire new staff and have an easier time projecting budgetary expenses.

Councilmember Haines complimented Discover Kodiak and the increase in tourism to the community.

Councilmember Davidson stated that Kodiak has become more widely known for tourism and he supports the amendment.

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

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

**g. Authorization of Bid Award for Bid No. 2019-009 Sodium Chloride FY 2020**

Each year Public Works combines deicing salt with ¼ inch rock chips for winter deicing and traction control on City streets and parking lots. Annually the quantity of product requested is based on the remaining stock on hand and the previous winter's consumption. A bid was advertised on May 6, 2019 for 150 tons of salt for winter deicing. Bids were opened on June 6 and we had two bidders.

Councilmember Haines MOVED to authorize the FY2020 sodium chloride bid to Round Butte Products in the amount of \$57,920 with funds coming from the FY20 Public Works Department, Street Supplies account and authorize the City Manager to sign documents on behalf of the City.

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

**h. Authorization of Bid Award for FY2020 Petroleum Products**

Each year the Public Works Department issues bids for the City's petroleum products. Bids were opened on June 6, 2019, for petroleum products FY2020. Two bids were received. Petro Marine Services was the low bidder for heating and equipment fuel and North Pacific Fuel was low bidder for unleaded gasoline. Staff recommends Council authorize the bid award for the purchase of unleaded gasoline to North Pacific Fuel and heating and equipment fuel to Petro Marine Services.

Councilmember Walker MOVED to authorize award of the City's FY2020 petroleum products bid to Petro Marine Services for heating and equipment fuel and to North Pacific Fuel for unleaded gasoline fuel for all four fuel types with funds coming from each department's FY2020 line items and authorize the City Manager to sign documents on behalf of the City.

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

**i. Authorization to Purchase a Cat 950GC Loader from NC Machinery**

Public Works budgeted to replace our 1995 Case 821 B Loader in the FY 2020 budget. After evaluating the options of bidding on our own for a replacement loader or attaching to the State of Alaska bid, we opted to attach to the State of Alaska's bid as allowed in City Code 3.12.070 (c). NC Machinery currently has a contract with the State to supply Cat loaders. NC Machinery has offered a Cat 950GC equipped as the City requested for \$229,211.

Councilmember Davidson MOVED to authorize the purchase of a Cat950GC from NC Machinery in an amount not-to-exceed \$229,211 with funds coming from the Streets Improvement Fund Project No. 5040 Streets Capital Equipment and authorize the City Manager to execute the documents on behalf of the City.

Councilmember Whiddon stated that he appreciates that the staff was cost effective by attaching to the state contract and he commented that this effort saved tax dollars. He commented that it is expensive to maintain services and unfortunately Kodiak's climate can be harsh on equipment.

Councilmember Davidson asked Manager Tvenge about the budget for this item and Manager Tvenge stated that it was purchased under budget by approximately \$100,000.

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

**j. Recommendation of Appointment of City Applicant to the Planning and Zoning Commission**

Three of the seven seats on the Planning and Zoning Commission are designated as City seats. There is currently one City seat that is vacant for a term to expire December 2021, which was vacated by Mr. Barry Altenhof.

An application was received from Mr. Duane Dvorak and he was interviewed by Mayor Branson and Councilmembers on Tuesday, July 23, 2019. Mr. Dvorak served on the Commission as a Borough representative and due to his recent move to the City, he resigned from the Borough seat and desires to serve on the City seat.

Councilmember Haines MOVED to recommend Mr. Duane Dvorak for appointment to the vacant City seat on the Planning and Zoning Commission for a term ending December 2021.

Councilmember Davidson thanked Duane for volunteering, and commended him for being well prepared during the interview. Councilmember Haines agreed with Councilmember Davidson and stated that Mr. Dvorak is a knowledgeable individual and he believes he will be a good representative.

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

**VI. STAFF REPORTS**

**a. City Manager**

Manager Tvenge said the third annual employee picnic will be held at Baranof Park on Friday, August 9 from 3 p.m. to 6 p.m. He said the Alaska Division of Homeland Security and Emergency Management announced yesterday that the City of Kodiak was awarded \$586,063 for tsunami sirens, emergency radios and emergency shelter cots. He shared that a second award for \$20,000 will be used for emergency management. He highlighted that the State of Alaska must accept the federal funding source making the funding available to the City for expenditure October 1. Manager Tvenge acknowledged the work of Fire Chief Mullican and Chief of Police Putney to secure this funding for the community.

Manager Tvenge said that the East Addition Dog Park is now open. He stated that a new section of the park is fenced for temporary use while the Parks & Recreation Department continue to

make improvements to the original site. He shared that the City has signed an agreement with the State Department of Transportation for temporary use of the Center Street parking lot while sidewalk improvements are constructed next summer. The exception will be during Kodiak's Crab Festival where the entire parking lot will be available. The temporary use includes a narrow stretch along Center Street, not the entire parking lot.

**b. City Clerk**

Clerk Javier gave an overview of the upcoming meeting schedule work session and regular Council meetings. She indicated that candidate nominating petitions are now available in the Clerk's office in room 110.

**VII. MAYOR'S COMMENTS**

Mayor Branson thanked Fire Chief Mullican and Chief of Police Putney for their work to obtain grant funding for sirens. She thanked the City Manager for his monthly report. She thanked Duane Dvorak for volunteering to represent the City on the Planning & Zoning Commission and she thanked Councilmember Haines for volunteering to represent the City on the Consolidation Committee. She shared current legislative updates. She said HB2001 is open for public comments and she explained the overall content of the state budget and the restored funding proposed. She said it will now go to the Senate and said the lobbyist keeps the City well informed. She said the Alaska Marine Highway System (AMHS) has a proposed draft winter schedule that eliminated a ferry service from January to April 2020; she said the City wrote a letter to Department of Transportation (DOT) encouraging a ferry service at least once a week. She said she attended the marine highway advisory board meeting and there was lengthy discussion and she requested a narrative that explains the proposed schedule. She said comments can be made with DOT directly on Monday, July 29; Mayor Branson provided the contact information for DOT and encouraged the public to make comments. She said they received a letter regarding concerns with the updated senior sales tax exemption and follow-up occurred individually, which will include written response.

**VIII. COUNCIL COMMENTS**

Councilmember Haines said the weather has been nice. He encouraged to provide public input on the Governor's budget and stated that this is the time to contact your legislators.

Councilmember Whiddon said several letters have gone out from the City regarding fisheries. He said they commented on the Bristol Bay environmental impact statement and he said they continue to support electronic monitoring. He said USCG's 229th birthday on August 4 and he thanked the USCG for their service.

Councilmember Arboleda thanked the Chiefs for securing the funding for sirens and emphasized the public safety service for Kodiak. She commended the Discover Kodiak's Executive Director for her work on marketing and tourism. She encouraged citizens to reach out to the legislature.

Councilmember Davidson wished everyone a wonderful summer. He thanked the City staff.



Councilmember Walker acknowledged the Chiefs' for their work. He said he is pleased to hear about the City's employee picnic. He encouraged citizens to comment on the ferry system and budgetary issues within the state, and he said to be bear aware.

**IX. AUDIENCE COMMENTS**

Michael Queen, Inlandboatmen's Union of the Pacific Executive Boardmember, said he is available to speak to anyone with questions outside of the regular Council meeting.

**X ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

The meeting adjourned at 8:36 p.m.

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

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Minutes Approved: August 8, 2019

