

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, FEBRUARY 27, 2020
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Terry Haines, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Deputy City Manager Josie Bahnke, City Clerk Nova Javier, and Assistant Clerk Annika Woods were also present.

Salvation Army Major Dave Davis was not present to give the Invocation. Mayor Branson asked for a moment of silence instead and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the February 13, 2020, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Public Comments

Pat Holmes thanked the Council for all they do and welcomed Deputy Manager Josie Bahnke. He praised the new radar signs on Mission Road and complimented the City Manager, Public Works, and Kodiak Police Department for working together on the project. He also thanked Public Works for their snow removal efforts. He remarked favorably on the quick efforts of the Fire Department regarding a recent house fire. He thanked the Clerk's Office for swift and cheerful service. He stated that he supported the Online Sales Tax ordinance and did not support the Marijuana Edible ordinance or City and Borough consolidation.

Salvation Army's Major Dave Davis said the Salvation Army took responsibility managing the local Food Bank to prevent its closure. He shared that taking on the Food Bank has impacted the Salvation Army's budget and he plans to request funds from the City's nonprofit grant program to help cover the budget gap.

Kent Cross agreed with Major Dave that the Salvation Army needs more help than before due to taking on the local Food Bank. He supported police officers earning a wage increase. He disagreed with the legalization of marijuana edibles, and the legalization of marijuana in general. He referenced the National Institute of Health and stated that the use of marijuana is unhealthy for the individual and the community.

IV. UNFINISHED BUSINESS

None.

V. NEW BUSINESS

- a. First Reading, Ordinance No. 1393, Amending Chapter 3.08 Sales Tax Amending Title 3 And Chapter 3.08 Sales Tax To: 1) Adopt The Alaska Remote Sellers Sales Tax Code By Reference; 2) To Add And Amend Definitions In Section 3.08.270; 3) To Extend The Time For Filing A Final Return By 15 Days In Section 3.08.140(G); 4) To Eliminate The Registration Deposit In Section 3.08.080; 5) To Add A Late Filing Penalty Of Twenty Five Dollars To Section 3.08.170; And 6) To Provide For Extensions Of Time For Filing Returns, Repayment Plans, And Amended Returns**

Mayor Branson read Ordinance No. 1393 by title. The South Dakota vs. Wayfair U.S. Supreme Court case redefined sales tax across many states and local governments. On June 21, 2018, the U.S. Supreme Court upheld the state of South Dakota's right to require online sellers to collect and remit sales tax on orders delivered to that state.

On November 14, 2019, the Council adopted Resolution No. 2019–23 which authorized the City to enter into an intergovernmental agreement to form a commission for a centralized administration of collection of sales tax imposed by remote sellers. Resolution No. 2019–23 also authorized the City Manager to enter into the Alaska Intergovernmental Remote Sellers Sales Tax Agreement and per Article V of the intergovernmental agreement, the next step for the City is to delegate the remote seller sales tax registration, exemption certification, collection, remittance, and audit authority to the "Commission" by ordinance or resolution. This ordinance meets the terms of the agreement which also require adoption of certain uniform provisions by reference for collection and remittance of municipal sales tax applicable to sales made by remote sellers.

Councilmember Davidson MOVED to pass Ordinance No. 1393 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

- b. First Reading, Ordinance No. 1394, Amending Title 5 Business Licenses and Regulations, Chapter 5.24 Marijuana Regulation by Repealing Section 5.24.040 Manufacture and Sale of Marijuana Edibles Prohibited**

Mayor Branson read Ordinance No. 1394 by title. On November 4, 2014, Alaska voters passed Ballot Measure 2, An Act to Tax and Regulate the Production, Use, and Sale of Marijuana, which initiated the State and Statewide municipalities to begin to determine how to regulate marijuana on both State and municipal levels. Subsequently, the Council adopted Resolution No. 2016–16, Establishing a Marijuana Advisory Special Committee, to recommend guidelines for implementing taxation, regulation, production, sale, and use of marijuana within the Kodiak City limit. The Committee met nine times from June 2016 through April 2017 and brought forward for Council consideration regulations and policies governing marijuana establishments within the Kodiak City limit. One of the regulatory recommendations of the Committee was to prohibit the sale of edibles within the City of Kodiak and, along with the recommendation, advocated to the Council to revisit the topic again within a year. The City Council desires to get substantial public

input before lifting the prohibition and before allowing the sale of marijuana edibles within the City limits.

Councilmember Arboleda MOVED to pass Ordinance No. 1394 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

Councilmember Whiddon stated his intent to vote to pass the ordinance to the second reading and public hearing; however, he also wanted to state his concern with minors having access to marijuana edibles. He stated he researched and visited local marijuana stores along with one in Juneau and didn't see packaging that resembled brands that could appear like candy, however he wanted to make sure the community did everything possible to educate youth on the potential safety and health hazards of underage marijuana consumption.

Councilmember Haines stated that we as a community shouldn't hold marijuana to a higher standard than anything else that is legal, such as alcohol or prescription drugs. He stated edibles made by retail stores are tested and regulated whereas the ones that consumers make at home are not. He said it is the responsibility of parents to keep marijuana out of the reach of their children.

Councilmember Davidson stated that the majority of the people of Alaska voted in favor of marijuana, and said that it is heavily regulated by the State. He echoed Councilmember Haines by saying parents have to be responsible, drawing the comparison that parents don't leave their liquor or pills out within children's' reach.

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

c. Resolution No. 2020-10, Approving the City Council's Budget Goals for FY2021

Mayor Branson read Resolution No. 2020-10 by title. The Council reviewed and discussed the proposed budget goals for FY2021 at the annual planning meeting on January 25, 2020. The goals are similar to those of FY2020 with some changes to the following sections: enterprise funds and economic development. Staff will use the approved goals during the development of the FY2021 City budget and future operations.

Councilmember Walker MOVED to adopt Resolution No. 2020-10.

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

d. Authorization to Award a Light Rescue Vehicle Purchase for the City of Kodiak Fire Department to Braun Northwest

The Fire Department budgeted for one vehicle in fiscal year 2020 and issued a request for sealed bids for a 2020 model or newer Light Rescue Vehicle. Bids were due on Friday, February 14 and one sealed bid was received. Staff recommends the Light Rescue Vehicle for Kodiak Fire Department be awarded to Braun Northwest as the qualifying bidder in Bid No. 2020-004.

Councilmember Davidson MOVED to authorize the award for the purchase of a Light Rescue Vehicle in an amount not to exceed \$210,568.00 with funds coming from the Fire Department Machinery and Equipment Greater than \$5000 account and authorize the City Manager to execute documents on behalf of the City.

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

e. Authorization of Payment to Highmark Marine Fabrication, LLC for the Operation of the Marine Travelift for the Kodiak Shipyard

On May 22, 2019, the City of Kodiak entered into a technical service agreement with Highmark Marine Fabrication, LLC for the operation of the marine travelift for the Kodiak shipyard. The term and duration of the agreement began May 22, 2019 and ended on December 31, 2019. The scope of services in the service agreement as exhibit A.

During the term of the agreement, the invoice received from Highmark Marine Fabrication, LLC amounted to \$51,762.50 which exceeded the manager's authority of \$35,000. Since the nature of the agreement with Highmark Marine Fabrication, LLC is that of a professional service agreement, it is exempt from the bidding requirements in the City code.

Councilmember Walker MOVED to authorize the payment of the invoice for the operation of the marine travelift for the Kodiak shipyard to Highmark Marine Fabrication, LLC in the amount of \$51,762.50 with funds coming from the Shipyard Administration Professional Services.

Councilmember Whiddon acknowledged and complimented Highmark Marine for stepping in and providing a dedicated and professional service to the City.

Councilmember Haines commended the City and stated the travelift is open for business and there will be professional contractors.

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

f. Authorization of a Professional Services Agreement with ECI Alaska Architecture for Design Work on Project #9018 Baranof Park Improvements

The Baranof Park Ice Rink enclosure project has been the No. 1 priority for the Parks and Recreation Advisory Board and the department. The ice rink improvements include enclosing the building, new bathrooms, adding changing rooms, office space, storage and skate rental space, and a ground level three lane walking area. To further advance this project, ECI Alaska Architecture has provided the City with a fee proposal (attachment A) that will detail out cost estimates, generate marketing images (for fundraising efforts), and bring the project to a 35% design. During this design work, ECI will also perform a structural and basic geotech analysis.

Councilmember Davidson MOVED to authorize the professional services agreement award with ECI Alaska Architecture for Design Work on Project #9018 Baranof Park Improvements agreement in the amount of \$66,288 with funds coming from the Baranof Park Improvements account

line item, professional services account and authorize the City Manager to execute the documents on behalf of the City.

Councilmember Whiddon stated the Council has heard nothing but strong support of this project from the community due to the growth of the local hockey league and the desire of an indoor walking track. Hockey League and Friends of Baranof Park are working to find matching funds for the project. He stated this motion will help determine the actual cost of the project and how to take steps to complete it.

Councilmember Davidson supported the project and said it would greatly benefit the community.

Haines stated the Council heard overwhelming support of the project, and that he is also excited about the indoor walking track.

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

VI. STAFF REPORTS

a. City Manager

Deputy City Manager Bahnke shared the WWTP UV Disinfection Mandatory Pre-Bid Conference was held today and six general contractors attended. She stated the Tsunami Siren RFP is also out, and the City included the Borough's as an added alternative; however, they are two separate projects. A mandatory pre-bid conference for the Tsunami Siren RFP will be held March 12. She shared that since arriving eight months ago on the F/V Kennecott, she has found Kodiak to be a special place to live, and sensed an incredible amount of community pride. She said is refreshing to work with a Mayor and Council that have a strong sense of purpose and deep obligation to Kodiak. She thanked the Council for their dedicated service to the people of Kodiak.

Councilmember Whiddon stated a good portion of the funding for the sirens came from grant funding, and wanted to inform the public that the Council is taking the replacement of the tsunami sirens seriously and is prioritizing the safety of the community. He thanked Deputy Manager Bahnke for her steadfast efforts on their replacement.

b. City Clerk

City Clerk Javier informed the public of the next scheduled Council work session and regular meeting. The next City Council Work Session is Tuesday March 10, 2020 at 7:30 P.M. at the Public Library, and the next Regular Meeting is Thursday March 12, 2020 at 7:30 P.M. in the Borough Assembly Chambers.

VII. MAYOR'S COMMENTS

Mayor Branson thanked Deputy Mayor Whiddon for stepping in for her while she traveled. She said she thought the Council's trip to Juneau for Alaska Municipal League was very successful, and they were able to advocate for several issues, including the Ferry system and online sales tax. She thanked AML for their assistance with both.

She also said the Council met with Admiral Bell and that went well. They also met with Governor Dunleavy and again invited him to visit Kodiak. She said she listened to the Alaska Marine Highway Reshaping Work Group and talked about the members of the committee and their areas of state residency. She thanked City Staff, especially Public Works for their snow removal efforts, and encouraged the public to be patient when sharing the road with snowblowers. She also thanked City staff that assisted with the FY2021 budget.

She gave condolences to the families of Dr. Bob and Joe Floyd, and said they were both Kodiak legends who made the community better.

VIII. COUNCIL COMMENTS

Councilmember Arboleda echoed Mayor Branson's statements of Dr. Bob and Joe Floyd, agreeing they were indeed Kodiak legends who shaped the community. She also thanked Medevac staff for their professionalism and care. She shared that she is excited for upcoming City projects, especially the new Fire Station and the Baranof Park renovations. She thanked Deputy Manager Bahnke for her comments. She stated she reciprocates Deputy Manager Bahnke's feelings of the City and complimented City department heads and their staff.

Councilmember Whiddon expressed condolences to the Johnson and Floyd families. He talked about both legacies left behind that showed long dedication to the community. He reiterated his stance on edibles, and that adults imbibing recreationally was not his concern, however minors were another issue. Especially small children that may not know what they're eating. He stated his primary concern is how to mitigate the risk.

Councilmember Davidson stated Floyd and Bob contributed greatly to the community and that they would both be greatly missed. He cautioned the community to drive carefully on the road.

Councilmember Bishop expressed condolences to the families. He thanked Public Works, Parks and Recreation, and the Police Chief for a job well done.

Councilmember Walker said his prayers are with the grieving families and the departed will be missed. He thanked the rest of the Council and staff for their hard work for the State of Alaska, acknowledging that they often travel to represent Kodiak in Juneau. He thanked Parks and Recreation for their service to the community by providing services to kids and adults. He also commended the Fire Department and Police Department for responding to an abundance of calls.

Councilmember Haines congratulated Assistant Clerk Annika Woods for earning a scholarship to pay for additional training. He elaborated on his stance on the Marijuana Edible ordinance and talked about the importance of looking at the risks of marijuana as well as the benefits. He said he felt Coach Floyd and Dr. Bob represented the best of Kodiak. He said it was an honor to know both of them.

Mayor Branson echoed Councilmember Haines and congratulated Assistant Clerk Annika Woods. She stated the scholarship was well deserved and reflected the quality of work the City Clerk's office produces.

Councilmember Whiddon commended Mayor Branson for her dedication to Kodiak and how much time she puts in to representing and working for Kodiak. He stated she is a voice for Kodiak in the state and in D.C.

Mayor Branson thanked Councilmember Whiddon. She said the accomplishments of the City is a team effort from the Council and City staff.

Councilmember Davidson thanked the citizens of Kodiak for being supportive of City projects during his 27 years as a Councilmember. He felt proud to be a Kodiak resident and stated Kodiak is a community of people working together.

IX. AUDIENCE COMMENTS

None.

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:26 p.m.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Minutes Approved: March 12, 2020