

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD MARCH 24, 2005,  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Carolyn L. Floyd called the meeting to order at 7:30 p.m. Councilmembers Charles E. Davidson, Dennis A. McMurry, Josefina F. Rosales, Gabriel T. Saravia, Thomas D. Walters, and David M. Woodruff were present and constituted a quorum. City Manager Linda L. Freed, City Clerk Debra L. Marlar, and Deputy Clerk Patricia J. Kirkpatrick were also present.

After the Pledge of Allegiance, Salvation Army Captain Dave Davis gave the invocation.

**II. PREVIOUS MINUTES**

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to approve the minutes of the February 24, 2005, regular meeting as presented.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**III. AGENDA AMENDMENT**

None

**IV. PERSONS TO BE HEARD**

**a. Public Comments**

**Bill Oliver**, Brechan Enterprises, Inc., requested that a mining plan be developed for the Trident Basin quarry that would provide access for additional contractors to extract rock from that area. He explained that Brechan Enterprises would finish quarrying at its existing St. Herman Harbor location within the next two years, and they would be looking for additional areas to extract rock.

**V. UNFINISHED BUSINESS**

**a. Second Reading and Public Hearing, Ordinance No. 1184, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2004 and Ending on the Thirtieth Day of June 2005**

Mayor Floyd read Ordinance No. 1184 by title. The ordinance reflected current City operations through increased revenues and expenditures, new project funding, grant funding, and movement of funds to better reflect current City operations. Ordinance No. 1184 passed in first reading February 24, 2005, and since that time bids were received for several harbor projects, which exceeded the current budget, and staff recommended the ordinance be amended prior to adoption to adjust the total revenues and expenditures by \$300,000.

**March 24, 2005**

Councilmember Walters MOVED, seconded by Councilmember Saravia, to adopt Ordinance No. 1184.

Councilmember McMurry MOVED, seconded by Councilmember Woodruff to amend Ordinance No. 1184 by increasing the anticipated revenues for the Cargo Development Fund (307) by \$300,000, with funds from the fund balance and increasing the planned expenditures for Pier III repairs (PN 8002) by \$200,000, and increasing the planned expenditures for Pier II pavement and dock repairs (PN 8004) by \$100,000, thereby adjusting total revenues and expenditures by \$300,000.

Mayor Floyd 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 on the motion to amend was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

The roll call vote on the motion as amended was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**b. Resolution No. 05-5, Supporting Legislation Requested by the Alaska Board of Fisheries Concerning Allocations of Gulf of Alaska Groundfish Fishery Resources and Allocations of Fishery Resources to Fishermen's Cooperatives**

Mayor Floyd read Resolution No. 05-5 by title. At the January 18th joint City and Borough work session, the City's Fisheries Consultant Joe Sullivan provided both elected bodies with an update on Federal and State activities related to the Gulf of Alaska Groundfish fisheries. At the conclusion of Mr. Sullivan's presentation, direction was given that a resolution focusing on the State of Alaska related aspects of Gulf Groundfish rationalization be drafted for presentation to the two elected bodies for consideration. Resolution No. 05-5 was the result of that direction. Prior to the February 24th regular meeting, Senate Bill 113 (SB 113), which affected Federal and State Fishery activities was introduced in the Alaska State Senate. In order to allow the community time to review SB 113, the City Council postponed action on Resolution No. 05-5 to its March 24th regular meeting. Due to the continued need to review and understand the implications of SB 113, staff recommended that Resolution No. 05-5 be postponed to the April 14th regular meeting.

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to postpone Resolution No. 05-5 to the April 14, 2005, regular meeting.

The roll call vote on the motion to postpone was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**VI. NEW BUSINESS**

**a. First Reading of Ordinance No. 1185, Repealing Ordinance No. 1172 and Authorizing a Lease with Horizon Lines of Alaska, LLC for Property at Pier II**

March 24, 2005

Mayor Floyd read Ordinance No. 1185 by title. City Charter required that the sale or lease of any City property, real or personal, or the sale or other disposal of any interest therein, the value of which property, lease, or interest was more than \$30,000, shall be made only by authority of an ordinance passed by the City Council. Ordinance No. 1185 repealed Ordinance No. 1172, which authorized a new warehouse lease with Horizon Lines in August 2004. After the Council approved the contract, attorneys for Horizon Lines requested changes be made to the contract, which were also reviewed by the City attorney. Ordinance No. 1185 would authorize a four and a half year lease with Horizon Lines, until June 30, 2009, for an initial annual amount of \$90,084, which was a 2.5% increase over the current annual amount for the building portion of the lease. The lease included van rows 8 and 9 and a 2.5% increase on July 1 in each subsequent year of the lease.

Councilmember Davidson MOVED, seconded by Councilmember Woodruff, to pass Ordinance No. 1185 in first reading and to advance to second reading and public hearing at the next regular meeting.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**b. First Reading of Ordinance No. 1186, Repealing Ordinance No. 1173 and Authorizing a Terminal Operation Contract with Horizon Lines of Alaska, LLC**

Mayor Floyd read Ordinance No. 1186 by title. Ordinance No. 1186 repealed Ordinance No. 1173, which authorized a terminal operations contract with Horizon Lines in August 2004. After the Council approved the contract, attorneys for Horizon Lines requested changes be made to the contract, which were also reviewed by the City attorney. The proposed terminal operations contract contained two revisions: Section 3.B of the contract was revised to provide that Horizon Lines had the exclusive right to perform loading, discharging, and stevedoring of vessels twenty-four (24) hours per day, seven (7) days per week for the Port of Kodiak and contained a revised, explicit list of vessels that were exempted from those services. Section 3.C. (13) of the contract was revised to reflect current port security arrangements. The term of the contract was for four and a half years, until June 30, 2009.

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to pass Ordinance No. 1186 in first reading and to advance to second reading and public hearing at the next regular meeting.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**c. First Reading of Ordinance No. 1187, Authorizing a Preferential Use Agreement With Horizon Lines of Alaska, LLC**

Mayor Floyd read Ordinance No. 1187 by title. City Charter required that the sale or lease of any City property, real or personal, or the sale or other disposal of any interest therein, the value of which property, lease, or interest was more than \$30,000, shall be made only by authority of an ordinance passed by the City Council. Ordinance No. 1187 authorized a preferential use agreement (PUA) between the City of Kodiak and Horizon Lines of Alaska, LLC. The prior PUA expired in June 2004, and the new agreement would expire June 30, 2009.

March 24, 2005

Councilmember Rosales MOVED, seconded by Councilmember Walters, to pass Ordinance No. 1187 in first reading and to advance to second reading and public hearing at the next regular meeting.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**d. Resolution No. 05-6, Rescinding Resolution No. 02-1 and Adopting Special and Standing Rules of the Council**

Mayor Floyd read Resolution No. 05-6 by title. The Council discussed its Special and Standing Rules at its January 22, 2005, planning work session and expressed a consensus to amend the Rules to better reflect the Council's parliamentary process.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05-6.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**e. Resolution No. 05-7, Designating the "Kodiak Fisheries Development Association" as Kodiak's "Eligible Crab Community Entity" in Connection With the Bering Sea/Aleutian Islands Crab Rationalization Program**

Mayor Floyd read Resolution No. 05-7 by title. The resolution supported the creation of the "Kodiak Fisheries Development Association" (Association) as discussed at the March 1, 2005, joint City and Borough work session. The resolution designated the Association as the entity to represent Kodiak in exercising processor quota share rights of first refusal (ROFR) under the Bering Sea Aleutian Island (BSAI) crab rationalization program. The Articles of Incorporation made the Association solely an ROFR entity and created an initial interim Board composed of Linda Freed, Jerome Selby, and Joe Sullivan, who would also serve as the incorporators. The Bylaws provided the initial Board with the authority to incorporate the Association and qualify it with the National Marine Fisheries Services. The authority to take all other actions would be reserved for a future Board to be appointed by the City Council and the Borough Assembly. This would allow the City and Borough to establish a public Board member solicitation process and put the Association in a position to exercise ROFR by the June 1, 2005, deadline.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 05-7.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**f. Resolution No. 05-8, Supporting the Construction of a New Alaska Department of Fish and Game Building on Near Island**

March 24, 2005

Mayor Floyd read Resolution No. 05-8 by title. The resolution provided for the joint support of the City and Borough for the construction of a new Alaska Department of Fish and Game (ADFG) Research and Administration building on Near Island and the utilization of the existing ADFG building by the Kodiak community.

Councilmember Saravia MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05-8.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**g. Authorization of Bid Award for Potato Patch Lake, Project No. 01-05**

Three bids were received and were opened March 18, 2005, with the following results:

Red Hook Construction, LLC	\$143,935
Anderson Construction, LLC	\$163,900
Brechan Enterprises, Inc.	\$197,235
Engineer's Estimate	\$170,204

Councilmember Walters MOVED, seconded by Councilmember Saravia, to award the Potato Patch Lake Enhancement Project, Project No. 01-05 to Red Hook Construction, LLC in the amount of \$143,935, with funds from the Capital Projects Fund, Parks and Recreation Improvement Fund, Potato Patch Lake Account.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**h. Authorization To Approve Additional Architectural Services With USKH for Municipal Facilities Replacement, Project No. 04-23**

USKH was nearing completion of the work authorized under the first phase of the municipal facilities replacement project and was ready to move forward to the design phase of the project. Staff had recently been informed by the United States Postal Service (USPS) that its building and property could become available to the City because the USPS intended to construct a larger facility in another location. Staff recommended that the City investigate acquiring the existing postal facility and converting it for use as a replacement library, which would save money and keep the library near its present site. Although it would be premature to start the design process for a replacement library until more information was received regarding the USPS's plans and schedule, staff recommended that the City proceed with the design of the replacement of the fire and police facilities. A geotechnical investigation and hazardous materials survey of the existing buildings and sites needed to be completed as part of the design process. Staff recommended that USKH be authorized to proceed with the geotechnical investigations, hazmat surveys, design of the fire and police facilities, and preliminary evaluation of the existing Kodiak postal facility. The geotechnical investigation would also include the "Barn" site, which had been previously identified to house the new library and administrative offices.

**March 24, 2005**

Councilmember Davidson MOVED, seconded by Councilmember Walters, to approve additional architectural services with USKH for Municipal Facilities Replacement Project No. 04-23, with a not-to-exceed budget of \$300,000, with funds from the Capital Projects Fund, General Capital Projects Fund, Municipal Building Feasibility Account.

The roll call vote was Councilmembers Davidson, Rosales, Saravia, Walters, and Woodruff in favor and Councilmember McMurry opposed. The motion passed.

**i. Authorization of Bid Award With LASH Corporation for Pier II and Pier III Repairs, Project No. 05-12**

The City Manager received two bids for the Pier II and Pier III Repairs Project No. 05-12, which were opened February 22, 2005, with the following results:

<u>Bidder</u>	<u>Pier II</u>	<u>Pier III</u>	<u>Total</u>
LASH Corporation	\$ 82,400	\$512,200	\$594,600
Ruskin Corporation	215,595	552,219	767,814
Engineer's Estimate	71,580	324,350	395,930

The repair work involved adding cathodic protection to the steel piles supporting Pier III and the southern portion of Pier II and strengthening the existing extensions at Pier III.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to award the Pier II and III Repairs, PN 05-12 to LASH Corporation for the total bid amount of \$594,600, with \$82,400, from the Capital Projects Fund, Cargo Development Fund, Pier II Pavement and Dock Repairs Account and \$512,200, from the Capital Projects Fund, Cargo Development Fund, Pier III Repairs Account.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**j. Authorization of Professional Services Contract With Golder Associates for Engineering for the Decommissioning of the Bettinger Dams, Project No. 05-13 (Lower Reservoir)**

The Council had previously directed staff to develop a project to remove the Bettinger Dams, as these timber dams were abandoned many years ago, were in poor condition, served no water system purpose, and, as Hazard Class 1 dams, required extensive maintenance and routine and professional inspection. In order to remove the dams, the City was required to apply to the Alaska Dam Safety for a "Certificate of Approval To Remove a Dam," which included an engineered demolition plan and specifications. Golder Associates, who performed the last two required periodic dam safety inspections for the Bettinger Reservoir Complex, was asked to provide a fee proposal to develop the required removal plan for the two timber dams that were a part of the Bettinger Reservoir Complex.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to authorize a professional services contract with Golder Associates for the Bettinger Dam removal project on a

March 24, 2005

time and material basis with a not-to-exceed cost of \$49,164, with funds from the Capital Projects Fund, Water Improvement Fund, Public Safety Inspection for Dams Account.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**k. Authorization of Borrow Permit No. 05-1 With Anderson Construction for Trident Basin Quarry**

The Trident Basin Float Plane Facility plan required significant amounts of rock removal to develop sufficient level ground for a float plane haul out area. At the City's request, DOWL Engineers prepared a site plan of the area to be quarried, which, when completed, would yield approximately 160,000 cubic yards of rock and create a two-acre site for a float plane haul out and related facilities. Anderson Construction requested a borrow material permit to extract approximately 10,000 cubic yards of rock per year from the Trident Basin area for a five-year period. The Kodiak Island Borough Planning and Zoning Commission granted the required conditional use permit for the proposed quarry. The royalty payment would be \$1,000 per year and the rock royalty charge would be \$.50 per ton.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to authorize Borrow Material Permit No. 05-1 with Anderson Construction for the Trident Basin Quarry.

The roll call vote was Councilmembers Davidson, McMurry, Rosales, Saravia, Walters, and Woodruff in favor. The motion passed.

**VII . CITY MANAGER'S REPORT**

Manager Freed reported on the March 2005 Washington, D.C. lobbying trip, noting that several million dollars in Federal funding had been designated for City of Kodiak projects. She advised that Fishery Lobbyist Joe Sullivan would attend the Alaska Sea Grant Managing Fisheries, Empowering Communities conference in April, and she congratulated Librarian Joe D'Elia for five years service with the City.

**VIII . MAYOR'S COMMENTS**

Mayor Floyd congratulated City Clerk Marlar on her election as the Second Vice-President of the Alaska Association of Municipal Clerks (AAMC); she reported ComFish had been well attended by the community, and she wished the Kodiak High School Boy's Basketball team good luck at the State Tournament.

**IX. COUNCIL COMMENTS**

Councilmember Woodruff expressed concern that parking for employees of Alaska Pacific Seafoods and North Pacific Fuel would be limited during the renovation phase of Pier II, voiced support of setting aside funding for the 2006 Crab Enhancement Conference in Kodiak, and stated the Tanner crab season had gone better than expected.

March 24, 2005

Councilmember Saravia congratulated City Clerk Marlar on her election as AAMC Second Vice President.

Councilmember Walters reported on the recent lobbying trip to Washington , D.C., noting it was important to lobby each year for Federal funding for local municipal projects.

Councilmember Davidson thanked everyone for their well wishes during his recent illness and recognized Elizabeth Carroll for her contributions to the community.

Councilmember Rosales voiced appreciation that crab and halibut were moving through the community and that the community was working to obtain a travel lift. She also said she looked forward to the Potato Patch Lake renovations.

Councilmember McMurry encouraged the community to contact the State in hopes of getting lines painted on City streets earlier next year and congratulated City Clerk Marlar on her election as AAMC second vice-president.

#### X . AUDIENCE COMMENTS

**Cliff Farley**, Horizon Lines, reminded the Mayor and Councilmembers of the upcoming tour of Pier II and III facilities, voiced concern with limited parking, and thanked the Council for renewing the Horizon Lines contracts.

**Iver Malutin**, Port and Harbors Advisory Board Chair, voiced his pleasure about the proposed travel lift and the development of Trident Basin and St. Herman Harbor.

#### XI . ADJOURNMENT

Mayor Floyd adjourned the meeting at 8:50 p.m.



March 24, 2005

CITY OF KODIAK

Carolyn L. Floyd  
MAYOR

ATTEST:

Dileen Markin  
CITY CLERK

Minutes Approved: April 14, 2005

