

**MINUTES OF THE REGULAR COUNCIL
OF THE CITY OF KODIAK
HELD APRIL 14, 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, Church of the Nazarene Pastor Larry Cornett gave the invocation.

II. PREVIOUS MINUTES

Councilmember Walters MOVED, seconded by Councilmember Saravia, to approve the minutes of the March 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. Proclamation: Declaring Child Abuse Prevention Month

The proclamation was read by Councilmember Davidson and urged Kodiak residents to increase their participation in efforts to prevent child abuse. Aksana Mathers with the Kodiak Women's Resource and Crisis Center accepted the proclamation and thanked the Council for its continued support.

b. Proclamation: Declaring Sexual Assault Awareness Month

The proclamation was read by Councilmember Rosales and urged awareness and education to combat the crime of sexual assault in our community. Aksana Mathers with the Kodiak Women's Resource and Crisis Center accepted the proclamation and thanked the Council for its continued support.

c. Proclamation: Records and Information Management Month

The proclamation was read by Councilmember Walters and urged all citizens to recognize the importance of records management, whether at home or in the office. Deputy City Clerk Patti Kirkpatrick accepted the proclamation and thanked the Council for its support of the City-wide records management program.

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d. Public Comments

Judy Wallace and **Sid Omlid** voiced support of continued funding for the Kodiak Area Transit System (KATS) program, stating it allowed the disabled and elderly to maintain their independence.

Julie Kavanaugh, Kip Thomet, Peter Allan, Alexis Kwachka (via phone), **Dana Carros, Lee Gorman Thomas** (via phone), **Donna Jones** (via phone), **Don Dumm, and Chris Holland** voiced opposition to Resolution 05–9, Supporting Senate Bill 113, “An Act Relating to Entry Into and Management of Gulf of Alaska Groundfish Fisheries.”

Jay Stinson, Enrique Perez, and Teodoro Gentil voiced support of Resolution 05–9 and/or Senate Bill 113 (SB113).

Oliver Holm voiced opposition to SB 113 and Resolution 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.

The City Clerk noted for the record that **Jeff Stephan**, on behalf of United Fishermen Marketing Association, Inc., had provided written correspondence suggesting several modifications, deletions, and additions to Resolution No. 05–9.

Al Burch, Alaska Dragers Association, voiced support of Resolution No. 05–11, Supporting the United Salmon Association Fisheries Economic Development Grant and Resolution No. 05–12, In Support of Maintaining a Strong and Reliable Escort Fleet and Preserving the Practice of Requiring Two Escorts, as Currently Practiced, for All Laden Crude Oil Tankers Transiting Prince William Sound. He also spoke in favor of SB 113 as well as Senate Bill 155, which would appropriate funds from the earnings reserve account for education capital projects.

V. UNFINISHED BUSINESS

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

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, 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 contract changes, which were also reviewed by the City attorney. Ordinance No. 1185 authorized a 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.

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Councilmember Davidson MOVED, seconded by Councilmember Woodruff, to adopt Ordinance No. 1185.

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

Cliff Farley, Horizon Lines of Alaska, LLC voiced support of Ordinance No. 1185.

There being no further public testimony, the Mayor closed the public hearing and reopened the regular meeting.

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

b. Second Reading and Public Hearing, 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 contract changes, 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 Saravia, to adopt Ordinance No. 1186.

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

Cliff Farley, Horizon Lines of Alaska, LLC voiced support of Ordinance No. 1186.

There being no further public testimony, the Mayor closed the public hearing and reopened the regular meeting.

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

c. Second Reading and Public Hearing, 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 be made only by authority of an ordinance passed

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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. Manager Freed explained that an error was found in the contract and recommended the ordinance be postponed to the May 26, 2005, regular meeting.

Councilmember Davidson MOVED, seconded by Councilmember Woodruff, to adopt Ordinance No. 1187.

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

Cliff Farley, Horizon Lines of Alaska, LLC asked that the ordinance be postponed and thanked the Council for taking the time to tour Piers II and III the previous day.

There being no further public testimony, the Mayor closed the public hearing and reopened the regular meeting.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to postpone Ordinance No. 1187 to the May 26, 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.

d. 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. At the March 24th meeting, the Council again postponed Resolution No. 05-5 to its April 14th meeting. At the Council's direction, Joe Sullivan drafted a new resolution that addressed SB 113. Due to the continued need to review and understand the implications of SB 113, staff recommended that Resolution No. 05-5 be postponed indefinitely.

The motion to adopt Resolution No. 05-5 was before the Council.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to postpone Resolution No. 05-5 indefinitely.

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Councilmember Walters voiced opposition to Senate Bill 113 (SB 113), stating it circumvented the State's constitution. He further stated he supported protecting small boat fishermen.

Councilmember Woodruff voiced opposition to the resolution and, in response to an audience comment made earlier, explained his company would not benefit from any form of rationalized fisheries.

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

VI. NEW BUSINESS

a. First Reading, Ordinance No. 1188, Amending Kodiak City Code Section 18.28.065, Extending the Exemption Date for Auxiliary Vessel Moorage Charges

Mayor Floyd read Ordinance No. 1188 by title. In July 2004 the City Council adopted Ordinance No. 1168a, which amended section 18.28.065 of the City Code related to moorage fees for auxiliary vessels. Originally, the Port and Harbors Advisory Board (PHAB) recommended that auxiliary vessels be charged a fee when in the harbor. Ordinance No. 1168a provided a fee exemption for auxiliary vessels during a specific time period. The PHAB reviewed the exemption dates effected by Ordinance No. 1168a and recommended a change to the dates that auxiliary vessels would be exempted from moorage fees. Ordinance No. 1188 extends the moorage fee exemption dates for auxiliary vessels. The auxiliary vessel section of the City Code will be reviewed again by the PHAB later in the year, and additional recommendations to further revise that section of the City Code will be forwarded to the City Council.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to pass Ordinance No. 1188 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, Ordinance No. 1189, Authorizing a GPS Monument Contract With Plate Boundary Observatory, UNAVCO, Inc.

Mayor Floyd read Ordinance No. 1189 by title. The Plate Boundary Observatory (PBO), part of the EarthScope project funded by the National Science Foundation and conducted in partnership with the U. S. Geological Survey and NASA, requested approval to place a GPS monument on Near Island, near the existing tower. The monument would measure ground shifts caused by earthquakes and measure slow fault slips between earthquakes at the site of the monument. Due to the length of time the monument was expected to be in place, staff recommended approval of its placement by ordinance.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to pass Ordinance No. 1189 in first reading and to advance to second reading and public hearing at the next regular meeting.

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

c. Resolution No. 05-9, Supporting Senate Bill 113, "An Act Relating to Entry Into and Management of Gulf of Alaska Groundfish Fisheries"

Mayor Floyd read Resolution No. 05-9 by title. At the March 24th regular meeting, the Council postponed Resolution Number 05-5 until the April 14th regular meeting. At the direction of the Council, the City's fisheries consultant, Joe Sullivan, drafted a new resolution that specifically addressed Senate Bill 113 (SB 113). The revised, draft resolution was distributed by e-mail to interested parties. The Kodiak Island Borough considered the revised, draft resolution at their March 31st work session, as well as another resolution drafted by Borough Mayor Selby. SB 113 had generated considerable interest in the Kodiak community, and the implications of the Bill were still being considered by the Kodiak fishing industry.

Councilmember McMurry MOVED, seconded by Councilmember Rosales, to adopt Resolution No. 05-9.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to postpone Resolution No. 05-9 indefinitely.

Councilmember McMurry voiced opposition to the resolution, noting he could not take a position because the final outcome of SB 113 was unknown.

Councilmember Davidson stated SB 113 would affect a large number of people and voiced opposition, stating he could not recall any other major legislation that had been passed and the blanks filled in at a later date.

Councilmember Woodruff stated SB 113 was a step in the right direction to stop the race for fish, but it needed a component to protect the fishermen in the State parallel fishery; therefore, he would not support Resolution 05-9.

Councilmember Walters voiced opposition, noting SB 113 was too vague, and he was concerned about protecting the State parallel fishery.

Councilmember Rosales voiced opposition to the resolution, stating SB 113 was confusing.

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

d. Resolution No. 05-10, Naming the Alaska Reference Room at the A. Holmes Johnson Library in Honor of Elizabeth Carroll

Mayor Floyd read Resolution No. 05-10 by title. The resolution provided for the renaming of The Alaska Reference Room at the A. Holmes Johnson Memorial Library in memory of Elizabeth Carroll, a former library director, who was instrumental in establishing the Alaska Reference Room.

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Councilmember Davidson MOVED, seconded by Councilmember Woodruff, to adopt Resolution No. 05-10.

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

e. Resolution No. 05-11, Supporting the United Salmon Association Fisheries Economic Development Grant

Mayor Floyd read Resolution No. 05-11 by title. The resolution supported a joint funding application to the State of Alaska that was developed by the United Salmon Association (USA) and Alaska Fresh Seafoods to process high quality coho and pink salmon products for a market which had been developed over the last two years through the coordinated efforts of the Kodiak Branding and Marketing Committee of the Kodiak Chamber of Commerce and USA. The grant program was designed to provide funding for processing equipment to enhance the processing and marketing of salmon products.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 05-11.

As an owner of Alaska Fresh Seafoods, Councilmember Woodruff inquired if he had a conflict of interest. Mayor Floyd ruled that although she did not believe a conflict existed, it would be best if Councilmember Woodruff did not vote on the resolution.

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

f. Resolution No. 05-12, In Support of Maintaining a Strong and Reliable Escort Fleet and Preserving the Practice of Requiring Two Escorts, as Currently Practiced, for All Laden Crude Oil Tankers Transiting Prince William Sound

Mayor Floyd read Resolution No. 05-12 by title. The resolution addressed the Tanker Escort System for the movement of TransAlaska Pipeline System (TAPS) crude oil by tank vessel from the Port of Valdez. The laws and regulations that made the TAPS vessel transportation system one of the safest in the world would effectively sunset with the transition to a double-hulled fleet. The primary federal regulations governing the escort system were only legally applicable to single-hulled vessels, and as the fleet moved toward double-hulls, the rules no longer applied. Although the current State-mandated oil spill contingency plans for the tanker fleet ensured the use of escort tugs, that requirement would be eliminated with the renewal of the plans in 2007.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 05-12.

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

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g. City Appointments to the Joint Building Code Review Committee

Kodiak City Code Title 14 provided for the adoption by reference of several building codes. Newer versions of some of the codes had been adopted by the State, and the Joint Building Code Review Committee needed to review those and make recommendations to the Council. At its January 22, 2005, planning work session, the Council reviewed criteria for appointments to the Joint Building Code Review Committee and voiced a consensus to appoint a Councilmember, a licensed plumber, electrician, civil engineer, and general contractor/builder. The City Clerk advertised for licensed applicants, and the following applications were received:

Plumber

John Butler
Larry Taylor
Tom Streifel

Electrician

Charlie Jerling

General Contractor/Builder

Jay Johnston
Ken Knowles
Ed Mahoney
Craig Olson
Dane C. Larsen

Civil Engineer

Barry Still

Mayor Floyd appointed Councilmember Davidson, John Butler, Charlie Jerling, Ken Knowles, and Barry Still to the Joint Building Code Review Committee for terms ending December 31, 2008.

Councilmember Walters MOVED, seconded by Councilmember Rosales, to approve the appointment of Councilmember Davidson, John Butler, Ken Knowles, Charlie Jerling, and Barry Still to the Joint Building Code Review Committee for terms to expire December 31, 2008.

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

h. Authorization of Lease of Taxicab Permit No. 11

Felix C. and Nelda K. Canete, owners of Taxicab Permit No. 11, had requested the permit be leased to Armando B. Yamat. Mr. Yamat had complied with the lease requirements, and the City Clerk recommended approval of the lease.

Councilmember Saravia MOVED, seconded by Councilmember Woodruff, to authorize the lease of Taxicab Permit No. 11 to Armando B. Yamat.

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 thanked Kodiak Police Evidence Custodian Dave Shields for five years of service with the City and stated he actually had ten years of service, since he also worked in the same position several years ago. She thanked Cliff Farley, Horizon Lines, LLC for the tour of Piers II and III and also thanked the harbor staff for their work at the piers. She reported the Economic Development Administration Field Representative from Alaska had forwarded a recommendation for funding to Washington, D.C. for the City's \$2.3 million grant request, which would help support a new marine travel lift and boat yard. She also reported that staff would move forward with a request for proposal for an operator of the marine travel lift. She reported the Water Resources Development Act had been marked up in the Senate, and she expected the City would receive \$1.8 million for the channel entrance dredging projects in St. Herman and St. Paul harbors, and she looked forward to working with the Corps of Engineers on the projects.

VIII MAYOR'S COMMENTS

Mayor Floyd thanked Mr. Farley for the tour of Piers II and III and thanked Councilmember Woodruff for providing the halibut for the high school softball fund raising dinner. She read a letter acknowledging the accomplishments of the first Kodiak women's hockey team during a recent competition.

IX. COUNCIL COMMENTS

Councilmembers congratulated the Kodiak women's hockey team on their success at the recent Fools on Ice Tournament.

Councilmember Woodruff urged the fishing community to work together to provide the Council with language for a new groundfish resolution that would protect those with history in the parallel fishery. He reported Kodiak had had a good crab season, and briefly reported on the halibut, black cod, and herring fisheries.

Councilmember Saravia, in response to earlier audience comments, explained there were not enough cannery workers during race to fish seasons, and he supported a rationalization system that would allow longer seasons, which would allow families to better support themselves.

Councilmember Walters explained he was not convinced that a groundfish rationalization plan that included dedicated access privilege was the best solution. He said he was okay with Federal regulations, but questioned how the regulations would apply to the herring fishery, which was a race for fish. He also praised Joe Sullivan for his fisheries work for the City, stating Mr. Sullivan was honest and knowledgeable, and the City would continue to seek his advice. He reported the City was eligible to receive \$3.6 million from the Federal Aviation Administration for improvements at Trident Basin and thanked Bob Stanford for his work in securing those funds. He noted killer whales had been spotted in the harbor and reminded the community that hunters and bears were out. He also encouraged the community to give a warm welcome to the Research Vessel Oscar Dyson, which would arrive in Kodiak later in the month. He expressed condolences to the family of Jim Tongate.

Councilmember Davidson reminded that the discussion about SB 113 was not over and the community's interests needed to be protected. He expressed appreciation to the Library staff for

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recommending the renaming of the Alaska Reference Room in honor of Elizabeth Carroll. He wished everyone a pleasant spring and, noting a recent *Kodiak Daily Mirror* Letter to the Editor, stated he hoped the City and Borough could work together to protect kids from drugs.

Councilmember Rosales said she supported the efforts to stop child abuse and sexual assault and reminded the community that our children were our future leaders, and needed to be protected.

Councilmember McMurry spoke in favor of sending cards and letters to Kodiak soldiers who had been deployed to Iraq. He reminded the community that more motorcycles would be on the roadway with spring and summer approaching. He stated SB 113 needed more work to be equitable to all aspects of the fishery.

X AUDIENCE COMMENTS

Al Burch announced the Research Vessel Oscar Dyson would be in port on April 28th and noted the budget to operate the vessel had been reduced to \$2 million, which would reduce the number of operation days from 265 to 165. He requested that letters be sent to the Alaska Congressional Delegation urging full funding for the Research Vessel Oscar Dyson.

Julie Kavanaugh voiced appreciation to the Council for its thoughtfulness, time, and effort regarding fishery issues. She recommended that everyone read Senate Bill 113 and stated other options to rationalize the groundfish fishery exist but would not be pursued until SB 113 went away.

Cliff Farley commended the Council on its fishery policy process and expressed appreciation for the diversity of the City Council. He also thanked City officials again for taking the time to tour the facilities at Piers II and II.

XI. ADJOURNMENT

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Mayor Floyd adjourned the meeting at 9:40 p.m.

CITY OF KODIAK



ATTEST:

Casalyn Floyd
MAYOR

Delva L. Mauler
CITY CLERK

Minutes Approved: April 28, 2005