

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD May 12, 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, Thomas D. Walters, and David M. Woodruff were present and constituted a quorum. Councilmember Gabriel T. Saravia was absent. City Manager Linda L. Freed, City Clerk Debra L. Marlar, and Deputy Clerk Kris Williams were also present.

After the Pledge of Allegiance, Father Paul Smith gave the invocation.

II. PREVIOUS MINUTES

Councilmember McMurry MOVED, seconded by Councilmember Walters, to approve the minutes of the April 28, 2005, regular meeting as presented.

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

III. AGENDA AMENDMENT

None

IV. PERSONS TO BE HEARD

a. Proclamation: Peace Officers Memorial Day and Police Week

The proclamation, which was read by Councilmember Walters, recognized police officers and honored those who lost their lives or became disabled in the line of duty. KPD Lt. Ellis thanked the Council, provided statistics for past fallen officers, and encouraged the community to thank officers for the service they provided to the community.

b. Proclamation: National Historic Preservation Month

The proclamation, which was read by Councilmember McMurry, recognized contributions made by individuals who helped to preserve Kodiak's heritage and urged citizens to join members and friends of the Kodiak Historical Society in recognizing and participating in this special observance. Mary Monroe accepted the proclamation on behalf of the Kodiak Historical Society, thanked the Council for its support, and invited the community to visit the Baranof Museum.

c. Public Comments

None.

May 12, 2005

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

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

VI. NEW BUSINESS

a. First Reading, Ordinance No. 1192, Levying Taxes and Appropriating Funds for the Expenses and Liabilities of the City of Kodiak for the Fiscal Year Commencing on the First Day of July 2005 and Ending on the Thirtieth of June 2006

Mayor Floyd read Ordinance No. 1192 by title, which provides for the adoption of the City of Kodiak FY'06 budget and establishes an operating and capital expenditure plan. The FY'06 budget is a maintenance budget, with the same level of services as the FY'05 budget, without any increase in the taxes levied by the City. The FY'06 budget includes a small, net decrease in City employees, with the elimination of one full-time permanent position in the Public Works department. The FY'06 general fund budget is approximately 5.6% larger than the FY'05 general fund budget, and fund balance is being used to balance revenues and expenses. The increase in the FY'06 general fund budget can be attributed to mandatory Public Employee Retirement System (PERS) increases, approximately \$200,000, and the City's unfunded PERS obligation, approximately \$610,000. Some enhancement fund monies are also budgeted for capital projects aimed at improving the infrastructure of the City, with a particular emphasis on port and harbor projects and the next phase of the municipal building replacement project. The FY'06 budget funds the general services provided by the City of Kodiak for residents and visitors, including law enforcement, fire and emergency medical services, public works, engineering, port and harbor facilities, parks and recreation facilities and programs, public library, and general administrative functions.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to pass Ordinance No. 1192 in the first reading and advance to second reading and public hearing at the next regular meeting.

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

b. First Reading, Ordinance No. 1193, Amending Kodiak City Code 18.28.280 Related to Loading and Unloading Freight in the Small Boat Harbors

Mayor Floyd read Ordinance No. 1193 by title, which revises Kodiak City Code Section 18.28.280 in conjunction with other pending revisions to the City fee schedule.

Councilmember Woodruff MOVED, seconded by Councilmember Walters, to pass Ordinance No. 1193 in the first reading and advance to second reading and public hearing at the next regular meeting.

May 12, 2005

V. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1190, Amending Kodiak City Code 3.08.120 Pertaining to the Sales Tax Cap

Mayor Floyd read Ordinance No. 1190 by title. The sales tax cap of \$500 for a single transaction was established in 1977. The City Council had previously adopted Ordinance No. 1171, which stepped up the sales tax cap over time. At the January 22nd planning work session, the Council directed staff to draft an ordinance that would fix the sales tax cap at the current \$750 for a single transaction and would eliminate the step up provisions of Ordinance No. 1171.

Councilmember Rosales MOVED, seconded by Councilmember McMurry, to adopt Ordinance No. 1190.

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

Pat Holmes spoke against raising sales tax and stated rentals existed for which the City was not receiving sales tax. He suggested the City investigate all residential units with two electric meters to determine if a rental unit existed and if sales tax on the rental was being paid.

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

Councilmember Walters voiced appreciation that the City Council was holding the sales tax cap at \$750, noting additional increases would be difficult for small business owners.

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

b. Second Reading and Public Hearing, Ordinance No. 1191, Authorizing a Lease of Space in the Port of Kodiak Pier I Building to the Kodiak Area Chamber of Commerce, Inc.

Mayor Floyd read Ordinance No. 1191 by title. Over the past twenty years, the Kodiak Chamber of Commerce had leased and managed the building located at Pier I (Ferry Terminal) from the City of Kodiak. The lease expired earlier in the year, and the City attorney revised the lease by deleting redundant material and including standard language to protect the City's interest. The new lease was for a ten-year term, with a ten-year renewal option.

Councilmember Woodruff MOVED, seconded by Councilmember Walters, to adopt Ordinance No. 1191.

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

Norm Wooten, Kodiak Chamber of Commerce Executive Director, thanked the Council for its continued support and noted the Chamber did a great job for the community.

May 12, 2005

in the City of Kodiak receiving additional and needed grant funds to upgrade the dispatch and communication equipment that supports multiple City departments and other dispatch system users.

Councilmember Walters MOVED, seconded by Councilmember Davidson, adopt Resolution No. 05-18.

In response to Councilmember Woodruff, Manager Freed explained acceptance of the grant funds will not require additional Federal control beyond the new Federal communication standards requiring equipment to be interoperable.

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

f. Resolution No. 05-19, Accepting a State Homeland Security Program Grant

Mayor Floyd read Resolution No.05-19 by title. The grant funds authorized by Resolution No.05-19 are an outgrowth of several community and state-level assessment processes occurring over a multiple year period. The grant funds have been made available under the same grant process described for the previously-awarded grant. This grant also provides needed grant funds to upgrade the dispatch and communication equipment that supports multiple City departments and other dispatch system users.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05-19.

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

g. Authorization of Lease Agreement for Pillar Mt. Communications Site No. 12 With the Federal Aviation Administration

The Federal Aviation Administration (FAA) submitted an application to renew its lease for a five-year term for a 6,355 square foot parcel of land on top of Pillar Mountain within U.S. Survey 3945. The lease site will be used as a remote communications outlet to aid navigation. Kodiak City Code 18.20.030 exempts federal agencies from requiring a current appraisal, which is used to determine the lease amount. The annual initial lease amount of \$5,625 is comparable to the market value of similar Pillar Mountain Communication Site leases and includes a 2.5% increase on July first in each subsequent year of the lease.

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to authorize a five-year lease with the Federal Aviation Administration for Pillar Mt. Communication Site No. 12 from July 1, 2005, to June 30, 2010, in the initial amount of \$5,625.

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

May 12, 2005

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

c. Resolution No. 05–16, Authorizing the Issuance of a Permit to the Kodiak Chamber of Commerce for Use of Public Property in Conjunction with Kodiak Crab Festival

Mayor Floyd read Resolution No. 05–16 by title. The resolution authorizes a permit and public street closures from May 24 through May 31, 2005, to facilitate the 48th annual Kodiak Crab Festival activities.

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to adopt Resolution No. 05–16.

Laurie Murdock, Chamber of Commerce Community Relations Director, distributed the 2005 “Raven about Kodiak” theme Crab Festival tee shirts to Mayor Floyd and Councilmembers and said the theme and tee shirts were a collaborative effort of Penni Lorensen, Gloria Selby, and Janet Wentz. Chamber Executive Director Norm Wooten thanked the Council for authorizing use of the St. Paul Harbor spit and street closures.

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

d. Resolution No. 05–17, Authorizing the Issuance of a Permit to the Sons of Norway for Use of Public Property in Conjunction With the Syttende Mai Parade

Mayor Floyd read Resolution No. 05–17 by title. The resolution will authorize a permit to the Sons of Norway and use of City streets for a parade in celebration of Syttende Mai, or Norwegian Independence Day on May 17th.

Councilmember Rosales MOVED, seconded by Councilmember Davidson, adopt Resolution No. 05–17.

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

e. Resolution No. 05–18, Accepting a Law Enforcement Terrorism Prevention Program Grant

Mayor Floyd read Resolution No. 05–18 by title. The grant funds authorized by Resolution No. 05–18 are an outgrowth of several community and State-level assessment processes occurring over a multiple year period. The City's grant request was coordinated by the manager's office and forwarded to the Kodiak Island Borough, which was the process required by the State. Locally-submitted grants were modified to meet the goals and objectives of the State's Homeland Security Strategy. As was the case with prior year Homeland Security Program grants, the Division of Homeland Security and Emergency Management agreed to direct grant awards to individual municipalities, not just to Borough governments. The grant application and review process resulted

May 12, 2005

h. Authorization of Office Lease Extension With Kodiak Maritime Museum

At the April 26th work session, the Council reviewed an extension request from the Kodiak Maritime Museum for use of the office space in the St. Herman Harbor support building. The Council voiced a consensus to extend the lease for one year, through June 2006.

Councilmember Davidson MOVED, seconded by Councilmember Rosales, extend Lease No. 02-05 with the Kodiak Maritime Museum for office space in the St. Herman Harbor support building through June 30, 2006.

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

i. Authorization of Sale of Taxicab Permit No. 9

Antonio Yamat, owner of Taxicab Permit No. 9, requested the permit be transferred to Benjamin Sabangan, who complied with taxicab permit transfer requirements.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to authorize the sale of Taxicab Permit No. 9 to Benjamin Sabangan.

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

VII. CITY MANAGER'S REPORT

Manager Freed read a letter addressed to Mayor Floyd from the U.S. Postal Service (USPS) regarding the community contact meeting held by the USPS in Kodiak on April 27, 2005. The USPS is required to advise a local community as it considers expansion or relocation of the present post office. The letter further stated the present post office building could not be expanded to meet future operational requirements, and the USPS would advertise for both an existing building and/or a site to construct a new facility. The letter further informed the community that objections to the USPS plan to acquire or construct a new facility would be received until June 6, 2005. Manager Freed indicated she would provide the media with a copy of the letter.

VIII. MAYOR'S COMMENTS

Mayor Floyd welcomed Elks members in town for their State convention. She also reported Quest Aircraft built a new plane, which was named "The Kodiak" that will be used for humanitarian missions to bush communities. Mayor Floyd was unable to attend the plane's debut because of inclement weather. She also reported the weather prevented the Middle School track team from traveling to Wasilla for their scheduled track meet, and the boy's baseball team was able to fly to Palmer for their game.

IX. COUNCIL COMMENTS

May 12, 2005

Councilmember Woodruff stated he is not against receiving State and Federal grant funds as long as it did not create additional bureaucracy requirements. He stated it was doubtful that Senate Bill 113 would move forward this session, reported on the status of various fisheries, and urged motorists to be careful while driving near Crab Festival activities.

Councilmember Walters stated he loved the spring season, as it signified a new beginning after a long winter and commented on his attendance at the "Awakening of the Bear" celebration. He also spoke about the large amount of garbage he spotted from his helicopter, especially in the Monashka Bay area, and encouraged the Kodiak Island Borough and residents to keep the area clean. He encouraged everyone to have fun at the upcoming Crab Festival.

Councilmember Davidson urged everyone to take pride in our community and participate in the City's Spring cleanup event.

Councilmember Rosales thanked the Kodiak Police Department for their efforts to make Kodiak a better place to live and urged everyone to have a safe, enjoyable Crab Festival.

Councilmember McMurry asked about the process for trash pickup during Spring Cleanup. Manager Freed responded City residents could call Public Works for trash removal and the Kodiak Police Department for junk vehicle removal. She further reminded the public that although Spring Cleanup was a two-week event, it would take longer than two weeks for City crews to pick up and dispose of trash. She also reported 175 residential vehicles were on the list for disposal.

X. AUDIENCE COMMENTS

Mike Pfeffer, Maritime Museum Director, thanked the City Council for allowing the Maritime Museum to remain in their space at the St. Herman Harbor building.

Iver Malutin, via telephone, thanked the City and others for participation in the "Awakening of the Bear" celebration. He also thanked the Kodiak processors.

XI. ADJOURNMENT

Mayor Floyd adjourned the meeting at 8:30 p.m.



CITY OF KODIAK

Caroleen L. Floyd

MAYOR

ATTEST:

Patricia Kutepshute
DEPUTY CITY CLERK

Minutes Approved: May 26, 2005