

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD MAY 26, 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 were present and constituted a quorum. Councilmember David M. Woodruff was absent. City Manager Linda L. Freed, Acting City Clerk Patricia J. Kirkpatrick, and Deputy Clerk Kris Williams 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 Davidson, to approve the minutes of the May 12, 2005, regular meeting as presented.

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

III. AGENDA AMENDMENT

None

IV. PERSONS TO BE HEARD

a. Public Comments

Bob Hatcher, member of the Kodiak Senior Center Board of Directors, thanked the Council for its continued support.

Nancy Kemp, Executive Director of the Kodiak Arts Council, thanked the Council for its continued support.

Betty Walters, Superintendent of the Kodiak Island Borough School District, thanked the Kodiak Police Department for its support during a recent crisis at the High School.

V. UNFINISHED BUSINESS

a. Continued Second Reading, Ordinance No. 1187, Authorizing a Preferential Use Agreement With Horizon Lines of Alaska, LLC

Mayor Floyd read Ordinance No. 1187 by title, which authorizes a Preferential Use Agreement (PUA) between the City of Kodiak and Horizon Lines of Alaska, LLC. The fees and charges in the PUA are fixed for the term of the agreement, which expires June 30, 2009. Ordinance No. 1187 was

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postponed at the April 14, 2005, regular meeting, after the public hearing, in order to allow staff to correct some errors that were identified in the agreement. Staff recommended the Council amend the ordinance as follows: in the last line of the third Whereas clause, strike the text following the word Contract and insert the words "which were approved April 14, 2005"; in Section I of the Preferential Use Agreement, A. Description of Premises, strike 4.46 acres and insert 5.39 acres and insert the word long before the word ton; substitute Exhibit A, Pier 3 Container Terminal with Exhibit A, Pier III Container Terminal, as-built survey dated 11/12/02; and insert Exhibit B, Pier 3 General Operating Area.

The motion to adopt Ordinance No. 1187 was before the Council.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to amend Ordinance No. 1187 as follows:

- in the last line of the third Whereas clause, strike the text following the word Contract and inserting the words "which were approved April 14, 2005"
- in Section I of the Preferential Use Agreement, A. Description of Premises, strike 4.46 acres and insert 5.39 acres and insert the word long before the word ton
- substitute Exhibit A, Pier 3 Container Terminal with Exhibit A, Pier III Container Terminal, as-built survey dated 11/12/02 and
- insert Exhibit B, Pier 3 General Operating Area.

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 amendment was Councilmembers Davidson, McMurry, Rosales, Saravia, and Walters in favor. Councilmember Woodruff was absent. The amendment passed.

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

b. Second Reading and Public Hearing, 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

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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 adopt Ordinance No. 1192.

Mayor Floyd closed the regular meeting, opened and closed the public hearing when no one came forward to testify, and reopened the regular meeting.

Councilmembers Walters and Davidson expressed appreciation to the City Manager and staff for providing a well balanced budget and reiterated nonprofit funding cuts were necessary to offset funding shortfalls from the State.

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

c. Second Reading and Public Hearing, 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 Rosales MOVED, seconded by Councilmember Walters, to adopt Ordinance No. 1193.

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

Tony Lara, owner of the F/V Lazy Bay, expressed concern with the length of time it might take to load and unload a commercial carrier at Oscar's Dock and the possible impact on the fishing industry. He requested that the Council further consider the impact of the ordinance.

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

Manager Freed clarified that the City had received concerns expressed by the private sector that the City was in competition with private enterprise by not charging fees. Staff did not anticipate vessels would exceed the 100 ton per port call on a regular basis. She explained if the ordinance was passed, all vessels wanting to load and unload commercial cargo at inner harbor docks had to be scheduled with the Harbormaster's office. She reported a review of the harbor infrastructure would be done during the August 23rd work session.

Councilmembers agreed to discuss the impact of the ordinance at more length.

Councilmember Walters MOVED, seconded by Councilmember McMurry, to postpone Ordinance No. 1193 to the September 2005 regular meeting.

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

VI. NEW BUSINESS

a. Resolution No. 05–20, Establishing Funding Criteria for Nonprofit Grants

Mayor Floyd read Resolution No. 05–20 by title. At the January 22nd planning work session, the City Council considered additional criteria for the distribution of City funds to nonprofit organizations. A draft resolution, based on the discussion at the planning work session, was considered by the Council at the April 26th and May 10th work sessions. Resolution No. 05–20 is based on the direction provided by the City Council at these work sessions, and the changes are reflected in the nonprofit grant application.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05–20.

Councilmember McMurry expressed the concept of the resolution was good, but it needed further refinement.

Councilmember Walters voiced support of the resolution, noting there would be some winners and some losers, and the Council would continue to refine the process.

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

b. Resolution No. 05–21, Authorizing Sidewalk Sales

Mayor Floyd read Resolution No. 05–21 by title, which allows downtown merchants to hold sidewalk sales and/or place chairs on the sidewalk immediately in front of their businesses for use by the general public during Crab Festival, May 27-30, 2005. The proposal was reviewed and coordinated with the Kodiak Chamber of Commerce, the Kodiak Fire Department, and the Kodiak Police Department, and all participating merchants agreed to keep 5 feet of the sidewalk clear for pedestrian traffic.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05–21.

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

c. Resolution No. 05–22, Supporting Full Funding for the U.S. Fish and Wildlife Service New Visitors' Center

Mayor Floyd read Resolution No. 05–22 by title, which urges Congress to provide adequate funding to construct the originally-conceived design for the Kodiak National Wildlife Refuge Visitor Center

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by specifying the visitor center will be approximately 10,000 net square feet (up to 12,000 gross square feet) in size. The resolution further urges Congress to provide an additional \$3 million in funding for the project above the appropriation request expected to be forwarded to Congress by the U.S. Fish and Wildlife Service.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to adopt Resolution No. 05-22.

Councilmember Davidson encouraged community residents to write to their Congressional Delegation in support of the Wildlife Refuge Visitor Center.

Councilmember McMurry voiced support of a smaller building that would provide more room for landscaping.

Councilmember Rosales stated a downtown location would be more accessible to visitors and residents.

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

d. Resolution No 05-23, Accepting a FY'03 State Homeland Security Grant Program Part II Critical Infrastructure Protection Program Grant

Mayor Floyd read Resolution No. 05-23 by title. The grant funds are an outgrowth of several community and State-level assessment processes occurring over a multiple year period. The City of Kodiak has participated in all the assessments sponsored by the State of Alaska Division of Homeland Security and Emergency Management. Specifically, these funds are from the 2003 State Homeland Security Grant Program Part II Critical Infrastructure Protection program wherein the City will receive \$121,238.07 in grant funding for Pier II security fencing.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to adopt Resolution No. 05-23.

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

e. Authorization of Bid Award for FY'06 Sodium Chloride

The City of Kodiak annually requests bids for sodium chloride (salt) for winter road maintenance, and staff estimated 220 tons are needed to provide an adequate supply and reserve for the upcoming winter. Two bids were received:

Quadra Chemicals	\$60,500.00
Univar, USA	\$54,667.80

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Councilmember Davidson MOVED, seconded by Councilmember Walters, to award the bid for FY'06 Sodium Chloride to Univar, USA, in the amount of \$54,667.80, with funds from the FY'06 General Fund, Public Works - Streets, Supply Account.

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

f. Authorization of Bid Award for FY'06 Petroleum Products

The City of Kodiak annually requests bids for petroleum products. Three bids were received for the four different petroleum products used by the City:

BIDDER	DIESEL # 2	GASOLINE	HEATING Fuel #2	HEATING Fuel #1
Petro Marine Services	N/A	\$2.04	N/A	N/A
North Pacific Fuel	\$2.04	\$2.03	\$2.04	\$2.12
Thompson Transfer, Inc.	\$2.07	N/A	\$2.07	\$2.12

Councilmember Davidson MOVED, seconded by Councilmember McMurry, to award the petroleum products bid to North Pacific Fuel for Diesel #2 at \$2.04 per gallon, Heating Fuel #2 at \$2.04 per gallon, Heating Fuel #1 at \$2.12 per gallon, and Gasoline at \$2.03 per gallon.

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

g. Authorization of Bid Award With Motorola/ProComm for Subscriber Equipment for the New Public Safety Communications System

City staff secured grant funds for new public safety communications equipment, and the City had an opportunity to save money by ordering the "subscriber" equipment for the system prior to May 20th. Kodiak City Code Section 3.12.070 (c) provides that, "The requirements of this chapter relating to solicitation of competitive bids and award to the lowest responsible bidder shall not apply to: (c) Contracts for property or services where other units of government, through their formal bidding process, have established the lowest responsible bidder and where the property or service meets or exceeds the city's specifications, when the best interests of the city would be served thereby, and the same is in accordance with the city and state law." By ordering the subscriber equipment by May 20th, under the State of Alaska's agreement, the City saved approximately \$100,000. Kodiak City Code Section 3.12.090 (a) states "A purchase, contract, or sale subject to the provisions of this chapter shall not be valid, enforceable, or binding upon the city unless the established requirements have been satisfied and the contract, purchase, or sale approved by the city manager or, if of greater

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than twenty-five thousand dollars value, by the council." Since the total cost of the order placed with Motorola/ProComm is greater than \$25,000, it must be approved by the Council.

Councilmember Rosales MOVED, seconded by Councilmember Saravia, to authorize the purchase of subscriber equipment for the new public safety communication system with Motorola/ProComm in the amount of \$503,832, with funds from the Capital Project fund, General Capital Projects Funds, Communications System Upgrade Account.

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

h. Authorization of Amendment of the Animal Shelter Operation Contract With the Humane Society of Kodiak

The City of Kodiak has contracted with the Humane Society of Kodiak for the operation of the City's animal shelter since 1995. A revised, two-year contract was approved by the City Council last year. During FY'05, the City of Kodiak will have paid the Humane Society of Kodiak \$60,000 for its services. At the April 26th work session, two Boardmembers of the Kodiak Humane Society presented the City Council with detailed budget information about the operation of the shelter and requested the City provide an additional \$4,500 for the contract services in FY'06. The Council discussed the request further at its annual budget work session on April 30th and directed staff to include the additional funding in the FY'06 budget. In order to expend the funds for shelter operations, the contract between the City of Kodiak and the Kodiak Humane Society needs to be amended to reflect the increased funding amount.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to amend the contract with the Humane Society of Kodiak for the operation of the City of Kodiak Animal Shelter to provide funding in the amount of \$64,500 for FY'06, with funds from the General Fund, Police-Animal Control, Professional Services Account.

Councilmember Davidson expressed appreciation to the Kodiak Humane Society Board for the great job and service they provide.

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

i. Authorization of FY'06 Economic Development Agreement With the Chamber of Commerce

The City of Kodiak and the Kodiak Island Borough fund the Economic Development Specialist position at the Kodiak Chamber of Commerce. The position provides the City of Kodiak and the Kodiak region with economic development expertise and support. The position is also responsible

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for meeting, planning, and reporting requirements established by the Federal Economic Development Administration and the Kodiak Comprehensive Economic Development Strategy Committee. The proposed contract focuses on economic development issues of concern to the City of Kodiak.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to authorize the FY'06 funding agreement/work plan with the Kodiak Chamber of Commerce in the amount of \$33,000 for operation of a community economic development program, with the funds from the General Fund, Non-Departmental, Administration Account.

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

VII. CITY MANAGER'S REPORT

Manager Freed reported the State legislature had adopted the FY'06 capital budget, which included significant funding for the Marine Travel Lift, and staff would continue moving forward with the project. She thanked Senator Gary Stevens for his support for the project. The capital budget also included funding for increased costs in FY'06 for the State Public Employees Retirement System, an approximate \$293,000 credit for the City. She wished Penny Boschee, Library, Jim Willis and Verlin Pherson, Public Works good luck on their new jobs. She congratulated Kyle Vallerio, Police Department, on 15 years of service to the City. She announced the R/V Oscar Dyson had arrived in Kodiak and a public open house would be held on Sunday or Monday the coming week. She encouraged everyone to enjoy the Crab Festival.

VIII. MAYOR'S COMMENTS

Mayor Floyd thanked the Public Works Department for their help with the community clean-up, noting they are continuing to pick up items for the next couple of weeks. Mayor Floyd invited the community to participate in the Multicultural Pot Luck in the High School Commons, May 31st at 4 p.m. She also encouraged everyone to attend and enjoy the Crab Festival. Mayor Floyd thanked Patti Kirkpatrick, Deputy City Clerk, for her 3 years of service with the City.

Ms. Kirkpatrick thanked the Mayor and Council for their support and invited them to visit New Orleans.

IX. COUNCIL COMMENTS

Councilmembers thanked Patti Kirkpatrick for her service as Deputy Clerk and welcomed Kris Williams, wished everyone a happy Crab Festival, and thanked Senator Gary Stevens for securing funding for the Marine Travel Lift.

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Councilmember Walters said he will be off island until June 5th participating in a coastal survey of the area around Kodiak.

Councilmember Rosales voiced appreciation for the hard work of the non-profit agencies, noting it was difficult to have to cut nonprofit funding but was necessary due to decreased revenues. She also congratulated graduates.

Councilmember McMurry commented about nonprofit funding and reminded everyone to observe Memorial Day.

X. AUDIENCE COMMENTS

None

XI. ADJOURNMENT

Mayor Floyd adjourned the meeting at 8:45 p.m.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK



Minutes Approved: June 30, 2005