

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD FEBRUARY 23, 2006  
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 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 Saravia, to approve the minutes of the January 26, 2006, 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 Black History Month**

Councilmember Walters read the proclamation, which honored the accomplishments of African Americans. Vanessa Bryant accepted the proclamation from Mayor Floyd.

**b. Proclamation: Declaring Women's History Month**

Councilmember Rosales read the proclamation, which focused on the historical contributions and roles women have played. Rebecca Shields, Outreach Coordinator for the Kodiak Women's Resource and Crisis Center, accepted the proclamation from Mayor Floyd.

**c. Public Hearing, Resolution No. 06-3, Amending Section 14, Utilities (Water), of the Schedule of Fees and Charges and Authorizing Implementation of a Five-Year Rate Structure**

If adopted, Resolution No. 06-3 would implement a new five-year rate structure for the City of Kodiak's water system. Although not required, a public hearing was being held due to the significance of the proposed five-year rate structure to City ratepayers.

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

February 23, 2006

Duane Dvorak commented that the proposed five-year rate structure was also significant to non-City residents and questioned the differential rate proposed for ratepayers outside the City limits.

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

**d. Public Hearing, Resolution No. 06-4, Amending Section 14, Utilities (Sewer), of the Schedule of Fees and Charges and Authorizing Implementation of a Five-Year Rate Structure**

If adopted, Resolution No. 06-4 would implement a new five-year rate structure for the City of Kodiak's sewer system. Although not required, a public hearing was being held due to the significance of the proposed five-year rate structure to City ratepayers.

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

Duane Dvorak commented on the disparity between the rates proposed inside and outside the City limits.

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

**e. Public Hearing, Resolution No. 06-5, Amending the Schedule of Fees and Charges**

If adopted, Resolution No. 06-5 would implement a revised schedule of fees and charges for a wide variety of services and programs provided by the City of Kodiak. Although not required, a public hearing was being held due to the potential impact of the proposed fees to those utilizing City services.

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

**f. Public Hearing, Resolution No. 06-6, Amending Kodiak Cargo Terminals Tariff 11**

If adopted, Resolution No. 06-6 would implement revised tariff rates for the City's cargo piers. Although not required, a public hearing was being held due to the public interest previously expressed about the proposed revisions.

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

**g. Public Comments**

**Gretchen Saupe**, Kodiak Senior Center Board Member, provided an update on Senior Center services and thanked the City Council for their continued support.

February 23, 2006

**Shawn Dochtermann** commented on his attendance at a recent North Pacific Fishery Management Council meeting in Seattle, Washington and voiced concern about Gulf of Alaska (GOA) Rationalization, the State's hiring of Scott Matulich for advice on GOA Rationalization, and the speed at which a GOA Rationalization program is progressing. He distributed a written statement by Deputy Assistant Attorney General, J. Bruce McDonald, titled, "The Economic Implications of Seafood Processor Quotas."

**Terry Haines** voiced support of the comments made by Shawn Dochtermann regarding GOA Groundfish Rationalization and requested the City Council to support a position that GOA Rationalization not be rushed and fixed gear fishermen not be linked to processors.

## V. UNFINISHED BUSINESS

### a. **Second Reading and Public Hearing, Ordinance No. 1200, Establishing Supplemental Budget Appropriation No. 1 for the Fiscal Year Commencing on the First Day of July 2005 and Ending on the Thirtieth Day of June 2006**

Mayor Floyd read Ordinance No. 1200 by title. Ordinance No. 1200 is the first amendment, or supplement, to the current year's budget. This ordinance makes a number of changes in the fiscal year 2006 budget reflecting increased revenues and expenditures, new project and grant funding, as well as the movement of funds to more accurately reflect current City operations. The restructuring will eliminate two three-quarter time Accounting Technicians and create a second full-time Information Systems Administrator in the Finance Department; some duties and responsibilities will also be moved between other positions. The one new program included in the supplemental budget is funding for the proposed K-9 program.

Councilmember Rosales MOVED, seconded by Councilmember Davidson, to adopt Ordinance No. 1200.

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

### b. **Second Reading and Public Hearing, Ordinance No. 1201, Authorizing a Lease of a Communication Site on an Unsubdivided Portion of U.S. Survey 4947 on Near Island With Kodiak Island Broadcasting Company, Inc.**

Mayor Floyd read Ordinance No. 1201, by title. Kodiak Island Broadcasting, Inc. submitted an application to renew its antenna tower site lease for an unsubdivided portion of U.S. Survey 4947 on Near Island. The term of the proposed 7,200 square foot lease site is five years, with an option for five additional years. The proposed lease rate is fixed in recognition of the City's interest in occupying space on the tower for the City's communication system. The lease also includes a provision for payment to the City of 50% of sublease fees for two subleases that will be approved

February 23, 2006

with the lease. The lease requires no charge for a proposed sublease with Kodiak Wireless, because they have granted the City permission to put communication equipment in the building located on the site. Some language in the lease and ordinance was revised to confirm this intent, and a motion to substitute Ordinance 1200 with Ordinance 1200a is recommended to adopt these changes.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to adopt Ordinance No. 1200.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to substitute for Ordinance No. 1201, Ordinance No. 1201a, Authorizing a Lease of a Communication Site on an Unsubdivided Portion of U.S. Survey 4947 on Near Island With Kodiak Island Broadcasting Company, Inc.

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

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

## VI. NEW BUSINESS

### a. **First Reading, Ordinance No. 1202, Amending Kodiak City Code 2.04.110 Related to the Order of Business**

Mayor Floyd read Ordinance No. 1202, by title. The City's order of business on the regular meeting agenda is established by ordinance and does not provide an opportunity for the City Clerk to impart information to the Council or public other than under audience or public comments. Ordinance No. 1202 will amend KCC 2.04.110, order of business, by creating a new item titled staff reports. This change will provide the City Clerk with the opportunity to provide information to the Council and the public following the City Manager's report.

Councilmember Walters MOVED, seconded by Councilmember Woodruff, to pass Ordinance No. 1202 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, Saravia, Walters, and Woodruff in favor. The motion passed.

### b. **Resolution No. 06-3, Amending Section 14, Utilities (Water), of the Schedule of Fees and Charges and Authorizing Implementation of a Five-Year Rate Structure**

February 23, 2006

Mayor Floyd read Resolution No. 06–3, by title. In September 2004, the City of Kodiak contracted CH2MHill to review and recommend an updated rate structure for the City’s water system. The purpose of the update was to determine revenue requirements related to water system operation and maintenance and capital improvement needs for the next ten years. Resolution No. 06–3 will implement the first five years of the water system rate structure, as recommended by CH2MHill and City staff, and will be effective July 1, 2006.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to adopt Resolution No. 06–3.

Councilmember McMurry voiced opposition, stating the rate structure included too many categories, and he did not agree with the increased cost for ratepayers outside the City limits. He stated another study should be done in three years instead of five years.

Councilmembers Walters and Woodruff voiced support of the proposed five-year rate structure, stating the Kodiak Island Borough had requested that the City extend the lines outside the City limits, which resulted in a higher cost to provide the service.

Councilmember Davidson reported he had discussed rates with residents in other cities throughout the nation, and the proposed rate structure for Kodiak was in the mid-cost range, as compared to other municipalities. He also commented on the increased cost to pump water beyond the City limits.

Councilmember Saravia stated the rates had not been raised in many years. He noted the high cost to replace the Willow Street utilities after the utilities had failed. He reiterated that services cost money and must be funded if they are to be provided.

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

**c. Resolution No. 06–4, Amending Section 14, Utilities (Sewer), of the Schedule of Fees and Charges and Authorizing Implementation of a Five-Year Rate Structure**

Mayor Floyd read Resolution No. 06–4 by title. In September 2004, the City of Kodiak contracted CH2MHill to review and recommend an updated rate structure for the City’s sewer system. The purpose of the update was to determine revenue requirements related to sewer system operation and maintenance and capital improvement needs for the next ten years. Resolution No. 06–4, will implement the first five years of the sewer system rate structure, as recommended by CH2MHill and City staff, and will be effective July 1, 2006.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 06–4.

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

February 23, 2006

**d. Resolution No. 06-5, Amending the Schedule of Fees and Charges**

Mayor Floyd read Resolution No. 06-5 by title. Although it is the goal to review and recommend revisions to the City fee schedule annually, due to a variety of reasons, the City of Kodiak Schedule of Fees and Charges has not been comprehensively reviewed and updated for approximately three years. The section of the Schedule pertaining to Harbor has been extensively reviewed and updated in the past few years and is reflected in the current draft of the Schedule.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 06-5.

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

**e. Resolution No. 06-6, Amending Kodiak Cargo Terminals Tariff 11**

Mayor Floyd read Resolution No. 06-6 by title. The City's Port and Harbor Advisory Board reviewed the proposed tariff changes at a meeting last fall and support their adoption. The most significant change in the tariff is the inclusion of a new group of charges related to passenger vessels (cruise ships) using City piers.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to adopt Resolution No. 06-6.

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

**f. Resolution No. 06-7, Rescinding Resolution Number 42-90, and Re-Establishing a Per Diem Payment Policy**

Mayor Floyd read Resolution No. 06-7 by title. At the January 14, 2006, planning work session, the Council discussed the current City per diem rate. At the conclusion of the discussion, the Council directed staff to place a resolution increasing the City's per diem rate to \$45 per day on a future regular meeting agenda. Resolution No. 06-7 provides for the increase in the City's per diem rate, as directed by the City Council.

Councilmember Walters MOVED, seconded by Councilmember Rosales, to adopt Resolution No. 06-7.

Councilmember Davidson MOVED, seconded by Councilmember Rosales, to amend Resolution No. 06-7 by increasing the daily per diem amount to \$55.

Councilmember Walters voiced opposition to the amendment, stating he believed \$45 was a fair per diem rate; he reiterated that per diem was intended to cover meal costs only and did not include taxi or other incidental expenses.

February 23, 2006

The roll call vote on the amendment was Councilmembers Davidson, Saravia, and Rosales in favor. Councilmembers McMurry, Walters, and Woodruff, were opposed. Mayor Floyd voted no on the tie vote. The amendment failed.

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

**g. Resolution No. 06–8, Requesting the Legislature To Provide Matching Maintenance and Repair Funds to Local Government-Owned Harbor Facilities**

Mayor Floyd read Resolution No. 06–8 by title. The Alaska Association of Harbormasters and Port Administrators (AAHPA) passed a resolution at its annual conference asking the State Legislature to provide maintenance and repair funds to municipalities for locally-owned, state-transferred harbors. The Association has asked each member of the Association to consider local adoption of a resolution with similar language to the resolution passed by AAHPA.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to adopt Resolution No. 06–8.

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

**h. Authorization of Bid Award to Brechan Enterprises for Willow St. Improvements Phase I, Project No. 05-01**

Bids for the Willow Street Improvement Project, Phase I, were opened on January 13, 2006. The bid results are tabulated below:

|                             |                |
|-----------------------------|----------------|
| Brechan Enterprises .....   | \$2,349,292.00 |
| Anderson Construction ..... | \$2,370,385.65 |
| Engineer's Estimate .....   | \$2,585,650.00 |

At the time of the bid opening, Anderson Construction's bid was lower than Brechan Enterprises' bid. However, upon review of the bids, it was discovered that Anderson Construction had made an error in computing the extended price of one bid item. Bidding rules require that the unit price, not the extended price, control in the case of a computation error. Anderson Construction's bid was adjusted, with its knowledge and agreement, to the amount shown above.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to authorize a bid award to Brechan Enterprises for Willow St. Improvements, Phase I, Project No. 05-01, in the amount of \$2,349,292, with funds coming from the Capital Projects Fund, Water Improvement Fund, Willow Street Account.

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

February 23, 2006

**i. Authorization of Professional Services Contract With DOWL Engineers for Sharatin-Tugidak Water and Sewer Intertie, Project No. 06-26**

At the City's request, DOWL Engineers provided a proposal to design water and sewer mains in the Sharatin Road and Tugidak Court area, which will be connected by a new main running in the unimproved Perenosa Drive right-of-way. This will loop the water main in the area, improving flow and pressure for hydrants and residents, as well as maintain water quality and add versatility for maintenance. The sewer main in Sharatin will be lengthened approximately 600 feet to serve platted, but undeveloped lots.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to authorize a professional services contract with DOWL Engineers for the Sharatin-Tugidak Water and Sewer Intertie Project No. 06-26 in the amount of \$69,445, with funds coming from the Capital Projects Fund, Water Improvement Fund, Sharatin-Tugidak Water 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 USKH for New Public Safety Building (35% Design), Project No. 04-23**

At the City's request, USKH provided a fee proposal for taking the Police and Fire Municipal Building to the schematic (35%) design level. This design work will include the Site Plan; Parking Plan; Foundation Design; Phasing to include construction of the Fire Department followed by a second phase of construction of the Police Department; Exterior Design; Building Systems Design to include use of three contractors for assistance with the new communications system, design and integration of security systems, and estimating services; and Design, which will advance the design of the civil, structural, mechanical, and electrical facilities to the 35 percent level. These items are coordinated and sized at this stage of the design to assure components fit together before proceeding further. The fee for the proposed scope of work is \$656,222. Due to various changes in scope and schedule, \$95,401.25 remains in the previously-approved contract for the Municipal Building design, and will be applied to this schematic/35% design phase.

Councilmember Woodruff MOVED, seconded by Councilmember Saravia, to authorize a professional services contract with USKH for the schematic/35% design of the new Public Safety Building, Project No. 04-23, in the amount of \$656,222, with funds coming from the Capital Projects Fund, General Capital Project Fund, Municipal Building Account.

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

**k. Authorization of Bid Award With ProComm Alaska for Communication System Component/Pillar Mt. Shelter**



February 23, 2006

As previously noted, staff have secured substantial grant funds for purchase and installation of a new Public Safety/City communication system. As noted at the August 25th, September 29th, and December 15th Council meetings, additional purchases remained to fully implement the system. The purchase of this last piece of the communication system has been negotiated with ProComm Alaska (per Kodiak City Code Section 3.12.070 (a)), the vendor previously selected to engineer, design, and install the system.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to authorize a bid award to ProComm Alaska for the Pillar Mountain Shelter, Option 2, in the amount of \$135,216, with funds coming from the Capital Projects Fund, General Capital Projects Fund, Communications Systems Upgrade Account.

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

**I. Authorization of Exemption Request Under Kodiak City Code 13.20.175, Delayed Payment for Senior Citizens, for Deferred Payment of the Selief Lane Paving Assessment**

In September 2003, the Council adopted Resolution No. 03-23, which created a special assessment district for the construction of public improvements for Selief Lane, Lynden Way, Bonaparte Circle, and Mozart Circle and certified the assessment roll for the district. KCC 13.20.175 provides an exemption from paying assessment fees for residents who are 65 years of age or over. Once granted, the exemption remains in effect until it is no longer valid (i.e. the property is no longer the principle place of abode of a resident who is 65 years of age or over). In November 2005, the Council received a request from Phyllis Peterson for an exemption from paying assessment fees authorized by Resolution No. 03-23. The Council discussed Ms. Peterson's exemption request at a previous work session and directed staff to include the request on a regular meeting agenda for Council consideration.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to authorize an exemption to Phyllis Peterson for the deferred payment of the assessment for the property described as Elderberry Heights, Block 1, Lot 13 on the Selief Lane Assessment Roll that was previously adopted via Resolution 03-23.

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 announced that Gunnar Knapp, who was contracted by the City of Kodiak to study the economic impacts to Kodiak fishermen resulting from the Bering Sea/Aleutian Islands Crab Rationalization Program, will present information March 17, 2006, during ComFish. Manager Freed thanked Channel 2 News in Anchorage for its story about the Baranof Park Ice Rink. She further stated that while the news crew was in Kodiak, they interviewed Gregory D'Elia, son of City Library Director Joe D'Elia, who won a national contest and was chosen as one of 15 young people for the

February 23, 2006

National Geographic Kids Expedition Team who will explore the Galapagos Islands. Manager Freed also announced that the City Library received a grant from the State of Alaska for its inter-library loan program.

#### **VIII. MAYOR'S COMMENTS**

Mayor Floyd announced that the "Isle of Lights" will end February 27, 2006, and expressed appreciation to everyone who participated this year. Mayor Floyd expressed condolences to members of the Filipino community who have lost family members during the recent mud slides in the Philippines. She also stated the community was fortunate to have Kristin Kozora, a talented ice skater/instructor, using the Baranof Park Ice Rink. Mayor Floyd announced the annual Arts Council dinner and auction will be held Saturday night. Mayor Floyd reminded everyone that Colony High School would host the boys basketball team and wished the Kodiak team good luck. She also noted Senator Gary Stevens will be at the Legislative Information Office on Friday from 11 a.m. until 1 p.m. for citizens who would like to contact him.

#### **IX. COUNCIL COMMENTS**

Councilmember Woodruff said he was a fan of the Baranof Park Ice Rink, noting it was a positive addition to the community. He provided an update on various fisheries and voiced appreciation for the increased daylight hours as spring approaches. He also urged motorists to be cautious of icy roads.

Councilmember Saravia commented on the upcoming boys basketball game and noted that during slow fishing seasons, more fish parts could be utilized.

Councilmember Walters commented about the successful rocket launch earlier in the day and spoke about the positive economic benefits to the community resulting from the Alaska Aerospace Development Corporation Kodiak Launch Complex.

Councilmember Davidson expressed condolences to Becky Beaty on the loss of her husband. He also urged the community to stay informed about Gulf of Alaska rationalization.

Councilmember Rosales expressed condolences to the members of the community who have lost loved ones in the recent mud slides in the Philippines. She also commented on the rat problem in Kodiak and stated more study was needed before a Gulf of Alaska rationalization program was adopted.

Councilmember McMurry announced he was unable to attend the Juneau legislative reception.

#### **X. AUDIENCE COMMENTS**

None

February 23, 2006

**XI. ADJOURNMENT**

Mayor Floyd adjourned the meeting at 9:10 p.m.



CITY OF KODIAK

*Casaleyn Floyd*  
\_\_\_\_\_  
MAYOR

ATTEST:

*Debra Marlen*  
\_\_\_\_\_  
CITY CLERK

Minutes Approved: March 30, 2006