

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD JUNE 29, 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 7:34 p.m. Councilmembers Charles E. Davidson, Josefina F. Rosales, Gabriel T. Saravia, and Thomas D. Walters, were present and constituted a quorum. Councilmember Dennis A. McMurry arrived at 7:44 p.m. Councilmember David M. Woodruff was absent. City Manager Linda L. Freed, City Clerk Debra L. Marlar, and Deputy Clerk Barbara J. Volpe were also present.

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

II. PREVIOUS MINUTES

Councilmember Walters MOVED, seconded by Councilmember Saravia to approve the minutes of the June 8, 2006, regular meeting as presented.

The roll call vote was Councilmembers Davidson, Rosales, Saravia, and Walters in favor. Councilmember McMurry was not yet present. Councilmember Woodruff was absent. The motion passed.

III. AGENDA AMENDMENT

Councilmember Walters MOVED, seconded by Councilmember Davidson, to amend the agenda, placing New Business first before Old Business.

The roll call vote was Councilmembers Davidson, Rosales, Saravia, and Walters in favor. Councilmember McMurry was not yet present. Councilmember Woodruff was absent. The motion passed.

IV. PERSONS TO BE HEARD

a. Public Comments

Dr. Bob Johnson read a statement endorsed by Kodiak bed and breakfast owners protesting the increase in sewer and water fees. The group objects to imposition of fees for rooms that are not occupied.

V. NEW BUSINESS

- a. First Reading, Ordinance No. 1210, Authorizing the City to Issue General Obligation Bonds in the Principal Amount Not to Exceed \$8,000,000 to Finance the Construction of a Public Safety Building and to Submit the Question of the Issuance of Such Bonds to the Qualified Voters of the City at the October 3, 2006, Regular City Election**

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Mayor Floyd read Ordinance No. 1210 by title. At the June 13, 2006, work session, the City Council again discussed options and alternatives related to the construction of a new public safety building. The direction provided by the Council at that work session was for staff to look at City-owned property on Selief Lane as a possible site for the construction of a new police station, including the contract jail and regional dispatch center. The Council also asked staff to determine whether a functional building could be constructed for a total project cost not to exceed \$12 million. The Council also determined that financing for this building, should it move forward, would go to City voters as a general obligation bond proposition. Based on the direction most recently provided by the Council, staff recommend that the dollar amount authorized by the bond proposition be \$8 million.

Councilmember McMurry arrived.

Manager Freed briefly reviewed the discussion at the June 27, 2006, work session, at which the Council considered construction at the Selief Lane and Near Island sites. Once becoming aware of the disadvantages of the Selief Lane site, the Council had directed proceeding at the Near Island site to the 35% design level.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to pass Ordinance No. 1210 in the first reading and advance to second reading and a public hearing at the next regular meeting.

Councilmember Walters expressed satisfaction with the reduction in the size and cost of the new design. He reiterated his desire to consider modular construction with the ability to expand the facility in the future, if necessary. He also noted his concern about the cost of administering the project.

Councilmember Davidson acknowledged the community's need of a new jail and police station, pointing out the high cost of maintaining the current structures. He voiced his adamant opposition to locating the facility on Near Island and expressed his strong disagreement with the premise of adverse impact on the Selief Lane area. He pointed to the community's population moving in the direction of Selief Lane.

Councilmember Rosales pointed out that building the public safety facility at the Selief Lane site would involve more time and money. For those reasons, use of the Near Island location is more appropriate. Councilmember Walters concurred with Councilmember Rosales, further citing the issues of rezoning, and proximity to the municipal airport and private residences.

Councilmember Saravia noted that a number of people have expressed their concern to him regarding relocation of the police department from the downtown area. He said that many long-time residents are concerned about moving the facility from the center of town.

Councilmember Walters emphasized that the Fire Department is not included in the new facility, and that emergency fire equipment will remain in town.

Councilmember McMurry expressed his continuing preference for a less expensive facility but acknowledged the community's need of a place for juvenile holding.

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

b. First Reading, Ordinance No. 1211, Declaring Lot 2, Block 47, East Addition Subdivision, Not Needed for or Devoted to Public Use and Authorizing its Sale

Mayor Floyd read Ordinance No. 1211 by title. Mr. Gordon Laskie submitted an application to purchase a City-owned lot, which is adjacent to his primary residence. The Council has indicated a willingness to sell City-owned property, which is excess to the needs of the City, to interested purchasers at the appraised value of the property. An appraisal was ordered and has been received. The ordinance, if adopted, declares Lot 2, Block 47, East Addition Subdivision, not needed for or devoted to a public use and authorizes the lot's sale at the appraised value to Mr. Laskie.

Councilmember Rosales MOVED, seconded by Councilmember Walters to pass Ordinance No. 1211 in the first reading and advance to second reading and a public hearing at the next regular meeting.

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

c. Authorization of Amendment No. 2 to Pillar Mountain Lease No. 11 With Kodiak Wireless

Kodiak Wireless requested that the City Council consent to the transfer/assignment of its interest in Pillar Mountain Communications Site No. 11 to Dobson Cellular Systems. Both the City's attorney and the City's communication consultant have reviewed the request and have no objection.

Councilmember Walters MOVED, seconded by Councilmember Davidson, to authorize Amendment No. 2 to Pillar Mountain Communications Site Lease No. 11 with Kodiak Wireless.

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

d. Authorization of Sublease Assignment From Kodiak Wireless to Dobson Cellular Systems, Inc., for Near Island Communication Site Lease

Kodiak Wireless requested that the City Council consent to the transfer/assignment of its interest in the Near Island Communication Site to Dobson Cellular Systems. Both the City's attorney and the City's communication consultant have reviewed the request and have no objection.

Councilmember McMurry MOVED, seconded by Councilmember Rosales to authorize the June 2006 assignment under sublease from Kodiak Wireless to Dobson Cellular Systems for the Near Island Communication Site.

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

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e. Authorization of Lease Agreement for Office Space With the Kodiak Island Borough

The lease between the City of Kodiak and the Kodiak Island Borough for the office space that the City occupies in the Borough Building expires on June 30. The proposed lease is nearly identical to the current lease. However, staff have recommended a few changes to the lease, as presented by the Kodiak Island Borough. The recommended revisions are:

- Section 12 of the lease be revised by adding, after the first sentence of the section, "City Council meetings/work sessions take priority over any other use of the Kodiak Island Borough Conference Room and Assembly Chambers, except use by the Kodiak Island Borough Assembly." This request for priority use is only for meetings/work sessions of the Council itself.
- Kodiak Island Borough consider a two-year lease. This will reduce the amount of paperwork that each organization must process.
- Reinstatement of Section 3, Termination of Lease.
- Removal of Section 29, Condemnation.

The Borough is proposing an increase in the rent from \$1.75 per square foot to \$1.85 per square foot. The total annual obligation of the lease will increase from \$72,387.00 to \$76,520.04.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to authorize the City Manager to renegotiate the renewal of the office space lease with Kodiak Island Borough in an annual amount not to exceed \$76,520 per year.

Councilmember Saravia, in response to a recent letter to the editor, noted that the City is required to pay for the space it currently occupies in the Borough Building; the space is not available at no expense to the City.

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

f. Authorization of Animal Control Contract With the Kodiak Island Borough

Kodiak Island Borough contracts with the City of Kodiak for animal control services. The proposed contract is for another two-year period, with terms similar to those in the current contract.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to approve the animal control contract with the Kodiak Island Borough for Fiscal Years 2007 and 2008 in the amount of \$72,380 per year.

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

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g. Authorization of FY07 Economic Development Agreement With the Kodiak Chamber of Commerce

The City of Kodiak has supported a community-based economic development program operated by the Kodiak Chamber of Commerce since 1995. Funding support from the City of Kodiak and the Kodiak Island Borough has been used to establish an economic development specialist position at the Chamber to ensure that the City and the region are provided with economic development expertise and support. The position is responsible for meeting planning and reporting requirements established by the Federal Economic Development Administration and for supporting the Kodiak Comprehensive Economic Development Strategy Committee. The FY07 agreement between the Chamber and the City reflects the same funding level as in the FY06 agreement.

Councilmember Saravia MOVED, seconded by Councilmember Walters, to authorize the FY07 Economic Development Program Agreement with the Kodiak Chamber of Commerce in the amount of \$33,000, with funds coming 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.

h. Authorization of Bid Award to Lash Corporation for Trident Basin Seaplane Base Airport Improvements, Project No. 06-04

Bids for the Trident Basin Seaplane Base Airport Improvements project were opened on June 20, 2006. One bid was received from Lash Corporation in the amount of \$3,885,744. The City Engineer's estimate for the work was \$3,576,800. The total bid includes a base bid and six additive alternates.

Councilmember Davidson MOVED, seconded by Councilmember McMurry, to award the bid for the Trident Basin Seaplane Base Airport Improvements, Project No. 06-04, to Lash Corporation in the amount of \$3,885,744, with funds coming from the Capital Project Funds, Trident Basin Improvement Fund, Trident Basin Improvement Account.

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

i. Authorization of Bid Award to Red Hook Construction for Pier III Bracing, Project No. 06-12

Bids for the Pier III Bracing project were opened on June 20, 2006. Two bids were received:

Red Hook Construction.....	\$715,000
Lash Corporation	\$721,000
Engineer's Estimate	\$1,023,000

Due to the efforts of Harbomaster Marty Owen and City Engineer Howard Weston, the City has been granted \$300,000 from the Denali Commission and \$300,000 in a State capital grant for this project.

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Councilmember Rosales MOVED, seconded by Councilmember Davidson, to award the bid for Pier III Bracing Project No. 06-12 to Red Hook Construction in the amount of \$715,000, with funds coming from the Capital Project Funds, Cargo Development Fund, Pier III Repairs Account.

Councilmember Walters thanked Harbormaster Owen and City Engineer Weston for their work in obtaining funding. He also thanked Denali Commission for their support of the project.

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

j. Authorization of Professional Services Contract With CH2MHill for Phase I Pre-Design of Mill Bay Lift Station and Force Main

For some time, the Mill Bay Lift Station has had capacity problems that create sewer overflows. Data indicate that portions of the sewer collection basins that contribute to the station also have significant inflow and infiltration problems contributing to the capacity problems of the station. CH2MHill has been asked to develop a two-phase approach to solve the capacity problems associated with this lift station. The goals of the first phase are:

- Identify the different engineering solutions to increase lift station capacity in order to prevent future overflows at the station.
- Evaluate future needs of the lift station as continuing development in the area contributes to increased flows.
- Estimate the relative costs of each improvement alternative.
- Determine the best solution for solving the problem and meeting future needs of the area served by the station.

The predesign phase will use existing data, as well as collect additional data, to allow for the evaluation of different solutions. This phase will also evaluate rerouting wastewater flow from the Woodland Drive and Sean Circle collection basins directly to the Wastewater Treatment Plant.

The second phase of the work will be the final engineering and design of the selected, best solution. Use of a two-phase approach will allow more effective determination of the scope and cost of the project before moving into the final design phase.

Councilmember Davidson MOVED, seconded by Councilmember Walters, to authorize a professional services contract with CH2MHill for the Phase I Pre-Design of Mill Bay Lift Station and Force Main in the amount of \$65,500, with funds coming from the Capital Projects Fund, Sewer Improvement Fund, Mill Bay Lift Station Account.

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

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k. Authorization of FY07 Special Services Contract With the Alaska Department of Public Safety

For the past eleven years, the City of Kodiak has contracted with the Alaska Department of Public Safety to provide dispatch services, administrative and field support, prisoner transport and guarding services, and telephone answering services for the Alaska State Troopers post in Kodiak. The FY07 contract will continue services through June 30, 2007, with all other contract provisions remaining the same as in FY05 and FY06.

Councilmember Saravia MOVED, seconded by Councilmember Rosales, to authorize the FY07 Special Services Contract with the Alaska Department of Public Safety.

Councilmember Walters expressed concern for the fee structure contained in the contract. Manager Freed explained that it is inappropriate at this time to increase the fee that the City charges the Department of Public Safety, because there are currently other users of the City's dispatch services who do not pay for those services. Contracts will be drafted for those other users for the next fiscal year.

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

l. Authorization of Lease of Taxicab Permits 15 and 26

Elizabeth Delos Santos, holder of Taxicab Permit No. 15, has requested authorization to lease the permit to Paul Mago. Ms. Delos Santos has complied with the lease requirements. Elsa Saravia holder of Taxicab Permit No. 26, has requested authorization to lease the permit to Aureo Peralta. Ms. Peralta has complied with the lease requirements.

Councilmember Rosales MOVED, seconded by Councilmember Walters, to authorize the lease of Taxicab Permit No. 15 to Paul Mago and Permit No. 26 to Aureo Peralta.

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

m. Authorization of Voluntary Suspension of Taxicab Permits 2, 14, and 29

Joe Hockmuth, holder of Taxicab Permit No. 2, has requested voluntary suspension of the permit from June to November 2006. Aureo Peralta, holder of Taxicab Permit No. 14, has requested voluntary suspension of the permit from July to December 2006. Felicisimo Francisco, holder of Taxicab Permit No. 29, has requested voluntary suspension of the permit from July to December 2006. Kodiak City Code allows for the voluntary suspension of a single permit not to exceed six months in a calendar year.

Councilmember McMurry MOVED, seconded by Councilmember Rosales, to authorize the voluntary suspension of Taxicab Permit No. 2 from June through November 2006, Taxicab Permit No. 14 from July through December 2006, and Taxicab Permit No. 29 from July through December 2006.

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

VI. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1207, 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 2006 and Ending on the Thirtieth Day of June 2007

Mayor Floyd read Ordinance No. 1207 by title. Ordinance No. 1207 provides for the adoption of the City of Kodiak's FY07 budget. The budget document estimates all sources of revenue and establishes an operating and capital expenditure plan for FY07. This budget represents the culmination of many hours of effort by City staff to assess community needs and to translate these needs into an annual financial plan.

As has been the case for quite a few years, the FY07 budget is a maintenance budget providing for the same level of services as the current-year budget. It also includes a small, net decrease in permanent City employees. City staff have done an admirable job of developing a conservative budget; however, the City faces rising costs. In FY07, enhancement fund monies are budgeted for financial support of capital projects. These expenditures are aimed at improving the infrastructure of the City, with a particular emphasis on port and harbor projects and the public safety building replacement project.

The FY07 budget funds the general services provided by the City of Kodiak to residents and visitors for 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 Walters MOVED, seconded by Councilmember Saravia, to adopt Ordinance No. 1207.

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, and Walters in favor. Councilmember Woodruff was absent. The motion passed.

b. Second Reading and Public Hearing, Ordinance No. 1208, Amending Kodiak City Code Title 3, Chapter 8 Sales Tax

Mayor Floyd read Ordinance No. 1208 by title. For the past several years, the City of Kodiak has used fund balance or savings to balance the annual operating budget. This practice cannot be continued indefinitely. It is likely that, within a few years, this budgeting practice will eliminate any financial reserves that the City has. The City of Kodiak has reached a point where revenues need to be increased or services need to be cut. One change that can provide more budget flexibility on an annual basis is revision of the City code section that dedicates revenues to particular funds. Revising this code section, as recommended, will not mean that funds will not

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be used for the previously dedicated purposes, only that the amount appropriated to the funds will be decided by the Council on an annual basis rather than occurring automatically. Manager Freed recommended that the amount of funds automatically dedicated for road and parks capital projects be halved, to \$450,000 and \$50,000 respectively, and that the amount of funds automatically dedicated to the Cargo Enterprise Fund be eliminated. The proposed code revision retains the automatic, annual dedication of \$500,000 to the Harbor Enterprise Fund.

Councilmember Walters MOVED, seconded by Councilmember Saravia, to adopt Ordinance No. 1208.

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, and Walters in favor. Councilmember Woodruff was absent. The motion passed.

c. Second Reading and Public Hearing, Ordinance No. 1209, Authorizing a Contract With Brechan Enterprises, Inc., for Mill Bay Road Repair

Mayor Floyd read Ordinance No. 1209 by title. The City owns a portion of Mill Bay Road and has taken responsibility for maintaining the entire length of the roadway. Over the years, the volume of traffic using Mill Bay Road has increased dramatically. City staff keep a very close eye on Mill Bay Road's condition. The ruts in Mill Bay Road are deepening in some locations to nearly the thickness of the pavement overlay that was placed in 2001 and significant maintenance is now required. Staff strongly believe that timely maintenance of asphalt pavement results in significant savings and a better travel surface for the public. Brechan Enterprises, Inc., is the only asphalt-paving contractor in Kodiak and has agreed to work cooperatively with the City to make timely and economical repairs to Mill Bay Road. The FY07 budget includes \$150,000 for this repair work. An ordinance is needed to authorize this proposed cooperative work method, because it is not consistent with the City's competitive bidding process. The Council has discussed alternative contract arrangements at work sessions in the past. Staff believe that this project is a good candidate for an alternative contracting arrangement to complete the work as economically as possible.

Councilmember Saravia MOVED, seconded by Councilmember Rosales, to adopt Ordinance No. 1209.

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, and Walters in favor. Councilmember Woodruff was absent. The motion passed.

VII. Staff Reports

a. City Manager

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Manager Freed offered condolences to the family of John Dowell, of the Wastewater Treatment Plant, who died last week. She also informed the Council that Public Works Director Mark Kozak has been working with a local Eagle Scout candidate, who is working to install memorial benches on City property. Those working with the Scout have expressed gratitude for Director Kozak's assistance. Manager Freed also requested that those in the community who participated in the crossing guard program to return the equipment they used while working for the program. As yet, none of the City-owned equipment has been returned.

b. City Clerk

City Clerk Marljar informed the public of the next work session and regular meeting. She also reminded the public and Councilmembers of upcoming election deadlines and requirements for voter eligibility for the October 3 election.

VIII. MAYOR'S COMMENTS

Mayor Floyd noted that there has been much discussion about replacement of the police station and jail, stating that the facility is in dire need of replacement, having been used at least 50 years. She encouraged the public to visit the facility to get an idea of its condition. She also commended those who volunteered to work at the Vietnam Memorial Moving Wall during its recent visit to the Kodiak. Mayor Floyd acknowledged Councilmember Davidson's work on the National League of Cities Transportation and Infrastructure meeting held in the City. She also reminded the public of the July 4 parade sponsored by the American Legion.

IX. COUNCIL COMMENTS

Councilmember Saravia extended his condolences to the Dowell family. He noted that City staff and the Council are trying as much as possible to spend as carefully as possible when building new facilities. He warned that the City has need to replace other facilities and needs more revenue to accomplish this. If more revenue is not generated, it will be necessary to cut services for citizens.

Councilmember Walters stated that the new proposal for the police station and jail is reasonable and will service the community and employees of the department. He noted that the City has obtained as much money from other sources as possible. He expressed a preference for location of the facility on Near Island due to reduced cost and time, the lack of airport interference, and the removal from residential areas.

Councilmember Davidson thanked members of the community for their hospitality during the recent National League of Cities Transportation and Infrastructure meeting. He also thanked the City Clerk's Office staff, Councilmember Walters, and Harbormaster Owen, as well as local sponsors and contributors, especially PND Engineers, Inc. He acknowledged the Kodiak Arts Council and the Department of Parks and Recreation for the great number of youth activities planned this summer. Councilmember Davidson requested that the Council consider a joint resolution with the Borough to protest the recent decision regarding subsistence. He further noted that the current City Hall office space is less than 3,500 sq. ft., causing employees to work a very cramped space. Councilmember Davidson expressed concern for the increase in traffic

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congestion likely to be experienced when the police station and jail, post office, and ferry terminal are completed on Near Island.

Councilmember Rosales reaffirmed that construction of the police station and jail needs to be done sooner rather than later; waiting will increase the expense. She encouraged City residents to vote for the bond issue. Councilmember Rosales also wished the community a safe and happy holiday.

Councilmember McMurry maintained that it would be wrong to spend more money to build the public safety building on the Selief Lane site. He also wished the community a happy and safe July 4 holiday.

X. AUDIENCE COMMENTS

Cliff Davidson, via telephone, identified himself as a non-City resident. He voiced his concern about the traffic pattern change that will be experienced with the placement of the police station and jail on Near Island, possibly necessitating the installation of a traffic light at the bridge. He encouraged the Council to reconsider the location.

Rob Lindsey, via telephone, expressed his support for location of the police station on Near Island. He maintained that it will help the growth of the community and that the Selief Lane area should be reserved as a residential area.

XI. ADJOURNMENT

Mayor Floyd adjourned the meeting at 8:52 p.m.

CITY OF KODIAK


MAYOR

ATTEST:


CITY CLERK



Minutes Approved: July 27, 2006