

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD JANUARY 11, 2007  
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 Dennis A. McMurry, Josefina F. Rosales, Gabriel T. Saravia, Thomas D. Walters, and David M. Woodruff were present and constituted a quorum. Councilmember Charles E. Davidson was absent. City Manager Linda L. Freed and Deputy Clerk Barbara J. Volpe were also present.

After the Pledge of Allegiance, Salvation Army Sergeant Major Dave Blacketer gave the invocation.

**II. PREVIOUS MINUTES**

Councilmember Walters MOVED to approve the minutes of the, December 14, 2006, regular meeting as presented.

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

**III. AGENDA AMENDMENT**

None.

**IV. PERSONS TO BE HEARD**

**a. Public Comments**

**Virginia Adams**, Vice Chair of United Salmon Association, provided information to Councilmembers that documented other communities' support for their small boat fisheries. Ms. Adams encouraged the City Council to fund infrastructure improvements such as a public cold storage facility, an icehouse, and public off loading facilities for Kodiak's small boat fleet. She spoke against the proposed travel lift due to cost, suggesting that the funding should be used for the items listed above.

**Alexus Kwachka** spoke in support of the comments made by Virginia Adams against the travel lift and in favor of a cold storage facility.

**V. UNFINISHED BUSINESS**

None.

January 11, 2007

## VI. NEW BUSINESS

### a. **Authorization of a Construction Contract for Rezanof Drive (Y) Sanitary Sewer and Water Main Reconstruction, Project No. 04-21**

The purpose of this project is to replace aging utilities located in the State's Rezanof Drive right-of-way. Two parallel water mains are currently located in Rezanof Drive and Mill Bay Road between Thorsheim and Marine Way. These water mains, sixteen inches and ten inches in diameter, are necessary to supply the water demands of the fish processing industry. However, these asbestos cement (AC) pipes are more than forty years old and are at the end of their useful life. The two mains will be replaced with a more efficient twenty-inch diameter ductile iron (DI) water main. The sanitary sewer line, serving the area, is also AC pipe of a similar age. This main has a shallow slope and requires an inordinate amount of maintenance to keep it flowing. This sewer main will also be replaced with new ductile iron pipe.

The City advertised for construction bids for the City's Rezanof Drive Sanitary Sewer and Water Main Reconstruction project starting on October 27, 2006. Bids were due on December 8, 2006. No bids were received. City staff contacted both Brechan Enterprises and Anderson Construction to inquire why they did not submit bids for the project. Both firms indicated they chose not to bid due to other work commitments. The size of this project and the need to complete the waterline work during the seafood processor's low water use period (May and June) required more manpower and equipment than either firm could commit.

The Alaska Department of Transportation (ADOT) has been working on redesigning Rezanof Drive through the "Y" intersection for many years. ADOT anticipates advertising their road project for construction in April 2007, and plans to have their contractor follow the City's contractor through the project area. The City's contractor will construct the underground water and sewer, and the State's contractor will construct storm drainage and surface improvements.

It is very important for the City to complete its utility work before ADOT reconstructs the road surface. Therefore, after discussion with the City Council, staff initiated contract negotiations with Kiewit Pacific Co. to construct this utility project. Kiewit performed excellent work on the City's Monashka Dam project and maintained good relations with the City during ADOT's Selief Lane project. Kiewit brought the Monashka project in on time and under budget. Staff believe that the good relationship with Kiewit, and Kiewit's experience in Kodiak and with ADOT highway projects, will help the City successfully accomplish its utility project.

Councilmember Walters MOVED to authorize a construction contract with Kiewit Pacific Co. for the Rezanof Drive (Y) Sanitary Sewer and Water Main Reconstruction, Project No. 04-21, in the amount of \$2,762,570 with funds coming from the Capital Projects Fund, Sewer Improvement Fund, Downtown Water and Sewer Replacement Project Phase I Account, and that additional funds be included in the next supplemental budget appropriation.

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

January 11, 2007

**b. Authorization to Purchase a Used Grader for the Public Works Department**

City Code Section 3.12.100 provides an alternative purchasing procedure for heavy equipment that does not require advertising or standard competitive bidding. With the recent breakdown of some of the City's primary snow removal equipment, it is necessary to consider purchasing additional equipment sooner, rather than later. Based on the equipment replacement schedule and in-house mechanical evaluations of existing equipment, the City would normally budget for a grader in FY08. However, Yukon Equipment, the low bidder on the City's last grader purchase, has on hand a used 2004 Case grader that is the same model as the one purchased several years ago. This grader was leased new to the Alaska Railroad and has low hours on it.

This grader must be converted for highway work, including the addition of rear anti-collision lights and a change to the tires and rims to match the City's existing graders. This eliminates the need to purchase off-size tires, spares, and specialized chains. The grader has 1,364 hours on it, and the purchase price is \$117,118 FOB (freight on board) Kodiak, which includes the cost of the installation of the anti-collision lights and replacement of the tires and rims. The current list price for a new Case grader is \$205,000.

Councilmember Woodruff MOVED to authorize the purchase of a used grader for the Public Works Department from Yukon Equipment, after inspection and acceptance by the City's Heavy Duty Mechanic, for a total cost of \$125,000.00, with funds coming from the General Fund, Public Works Department, Streets Division, and that additional funds be included in the next supplemental budget appropriation.

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

**c. Authorization of Amendment to the Professional Services Contract for Legal Services**

In July 2000, the Mayor and several City Councilmembers telephonically interviewed representatives of four firms under consideration as the City's primary legal counsel. Audiotapes were made available to Councilmembers who were unable to participate in the interviews. On July 27, 2000, a three-year professional services agreement for legal services was approved by the City Council with Birch, Horton, Bittner and Cherot. The agreement also provided for three (3) one-year extensions at the Council's option. Each of these three-year extensions was exercised by the City Council. Early this year, staff requested direction from the Council regarding the City's legal services. During the discussion, staff commented that they are pleased with the legal services provided by Birch, Horton, Bittner and Cherot, and the Council directed staff to develop an amendment to the original contract to provide for a continuation of legal services by the firm. The firm has prepared an amendment to the previous contract that provides for an additional two (2) years, with three (3) one-year extensions at the Council's discretion.

Councilmember Rosales MOVED to authorize an amendment to the professional services contract for legal services with Birch, Horton, Bittner and Cherot for an additional two (2) years, with three (3) one-year extensions at the Council's discretion.

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

January 11, 2007

**d. Acceptance of the FY06 Audit**

Kodiak City Code Section 3.24.020, states that “upon Council’s acceptance of the annual financial report, necessary budgetary/accounting entries shall be recorded in the succeeding fiscal year for all outstanding encumbrances and incurred obligations, as disclosed in the prior fiscal year’s annual financial report.”

At the January 9, 2007, work session, Councilmembers reviewed the FY06 audit, or Comprehensive Annual Financial Report, with the City’s auditors, Mikunda, Cottrell & Co. This agenda item provides a mechanism for formal acceptance of the audit.

Councilmember Woodruff MOVED to accept the FY06 Audit/Comprehensive Annual Financial Report.

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

**e. Authorization of Transfer of Taxicab Permit No. 2**

Joe K. Hochmuth, holder of Taxicab Permit No. 2, has requested authorization to transfer the permit to Daniel R. Lesch. Mr. Lesch has complied with the permit transfer requirements.

Councilmember McMurry MOVED to authorize the transfer of Taxicab Permit No. 2 to Daniel R. Lesch.

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

**f. Authorization of Voluntary Suspension of Taxicab Permit No. 15**

Elizabeth Delos Santos, permit holder of Taxicab Permit No. 15, has requested voluntary suspension of the permit from January to June 2007. Kodiak City Code allows for the voluntary suspension of a single permit not to exceed six months in a calendar year.

Councilmember Rosales MOVED to authorize the voluntary suspension of Taxicab Permit No. 15 from January through June 2007.

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

**VII. Staff Reports**

**a. City Manager**

Manager Freed informed the Council and public of the availability of funding from the EVOS Trustee Council for sewage, stormwater, and boat harbor discharge projects. The City will submit an application to the Trustee Council, which will include the downtown storm drain project,

January 11, 2007

the study and development of a program for sludge management from the Water and Wastewater Treatment Plant, assistance to the Borough for a program to solve landfill leaching, and the travel lift washdown area.

She thanked the Public Works and Harbor staff for their work to clear City roads and docks during the recent series of storms. She encouraged the public to be careful on the roads and docks.

Manager Freed explained that the construction project at the Y will mean that Rezanof will be torn up from approximately McDonald's through the Y on Mill Bay Road to the Kodiak Inn. The City is working with the contractor and ADOT to put alternative routes in place. During construction, there will always be a way through the center of downtown, but it may be through the construction zone, in which case flaggers will be in place. Every attempt will be made to complete the work before the canneries' heavy water use season begins.

She also noted that the Council has sent the travel lift project back to the Ports and Harbors Advisory Board for further input. The Board is scheduled to meet on January 24, 2007. Manager Freed encouraged the public to attend the meeting.

b. City Clerk

None.

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

Mayor Floyd commended those City staff who have worked hard to keep the roads and docks clear. She noted many positive comments made to her by citizens regarding the good job performed by staff. She also commended employees of the Post Office for their hard work during the holiday season. Mayor Floyd reminded the public of the upcoming planning work session, and wished everyone a happy new year.

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

Councilmember Woodruff wished everyone a happy new year. He noted the slow start to the fishing season due to the weather. In response to the requests for public cold storage and ice house facilities, Councilmember Woodruff noted the millions of private money invested for such facilities.

Councilmember Saravia commended Public Works employees for recent road work and Manager Freed and Finance Director Mary Munk for their work on budget. He concurred with Councilmember Woodruff on the topic of public cold storage and icehouse facilities. Councilmember Saravia also noted that an attempt is being made to reduce the cost of the travel lift or discontinue the project. He also mentioned the slow start to the cod season.

Councilmember Walters commended the Public Works staff for road clearing work. He noted that this Council is fiscally conservative, and, as such, is in the process of re-examining the travel lift project. Councilmember Walters also noted that the City requests as much third party funding as possible for large projects, but these attempts take time and effort.

January 11, 2007

Councilmember Rosales thanked the Public Works staff for recent road clearing work. She encouraged the public to drive safely on slick roads, and to get an early start.

Councilmember McMurry suggested that the Council and staff consider the benefits of an additional dock, rather than the travel lift, as the harbor is in need of additional dock space.

**X. AUDIENCE COMMENTS**

None.

**XI. ADJOURNMENT**

Mayor Floyd adjourned the meeting at 8:12 p.m.



CITY OF KODIAK

*Carolyn Floyd*  
MAYOR

ATTEST:

*Delma Marlar*  
CITY CLERK

Minutes Approved: February 22, 2007