

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD DATE, THURSDAY, FEBRUARY 22, 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 7:33 p.m. Councilmembers Charles E. Davidson, Dennis A. McMurry, Josefina F. Rosales, Gabriel T. Saravia, and Thomas D. Walters were present and constituted a quorum. Councilmember David M. Woodruff was absent. City Manager Linda L. Freed, City Clerk Debra L. Marljar, and Deputy Clerk Barbara J. Volpe were also present.

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

II. PREVIOUS MINUTES

Councilmember Walters MOVED to approve the minutes of the, January 11, 2007, 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. Proclamation: Declaring Black History Month

The Proclamation was read by Councilmember Davidson and accepted by Mr. Robert Hatcher. This proclamation honors the accomplishments of African-Americans.

b. Public Comments

None.

V. UNFINISHED BUSINESS

None.

VI. NEW BUSINESS

a. First Reading, Ordinance No. 1216, Establishing Supplemental Appropriation No. 1 to the Budget 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. 1216 by title. This ordinance is the first amendment, or supplement, to the current year's budget. It makes a number of changes in the FY07 budget reflect-

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ing increased revenues and expenditures, new project/grant funding, and movement of funds to more accurately reflect current City operations. The most significant items in the supplemental budget are several equipment purchases and funds to pay for increased operating expenses that have occurred due to staff shortages and extraordinary winter weather.

Councilmember Rosales MOVED to pass Ordinance No. 1216 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.

b. First Reading, Ordinance No. 1217, Amending Kodiak City Code 3.08.170

Mayor Floyd read Ordinance No. 1217 by title. The City Finance Department is currently updating and revising the City's Sales Tax Application and recommends that the Council implement a change to the sales tax code to clarify partial payments. Currently, Kodiak City Code Section 3.08.170, Penalty & Interest, states that partial payments shall be credited first to penalty and interest, then to the tax obligation originally due. It is not clear what chronological order should be used in application of the payment. In all other payment applications within the City of Kodiak, payments are applied to the oldest balances in order of penalty, interest, and then the original amount due on the account.

Currently, based on the language in City Code, if a sales tax account is delinquent for prior quarters, but payment is made for the current quarter, the payment is applied to the current quarter. Therefore, old balances remain unpaid with little consequence. The current method leaves no incentive to pay past due account balances nor is it consistent with all other payment applications within the City of Kodiak. The proposed Code change clarifies the application method for sales tax payments by stating the chronological order that will be used, making this Code section consistent with standard procedures in applying payments to delinquent accounts. The City attorney drafted the proposed revision to the sales tax code.

Councilmember Walters MOVED to pass Ordinance No. 1217 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. Resolution No. 07-1, Authorizing Participation in the Alaska Municipal League Joint Insurance Association Loss Control Incentive Program for FY07

Mayor Floyd read Resolution No. 07-1 by title. The Alaska Municipal League (AML) Joint Insurance Association (JIA) is continuing the pilot project they developed in FY06. Their "Loss Control Incentive Program" is a tool designed to help members reduce losses and control costs. The City of Kodiak implemented and followed the program guidelines in FY06 and earned a nearly \$10,000 credit on our insurance premium for FY07. In order to benefit from participation in the program, the City Council must pass a supporting resolution. Resolution No. 07-1 meets the program guidelines.

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Councilmember Davidson MOVED to adopt Resolution No. 07-1.

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

d. Resolution No. 07-2, Authorizing Loan Applications From the Alaska Drinking Water Revolving Loan Fund

Mayor Floyd read Resolution No. 07-2 by title. The State of Alaska Department of Environmental Conservation offers communities loans to help with the cost of constructing water system improvements. The Alaska Drinking Water Fund provides loans with an interest rate of 2.5 percent for a term of up to twenty years. Lower interest rates are available for shorter terms. Staff are requesting authorization to apply for two loans, one for Aleutian Homes Phase II (Willow Street) and one for the Secondary (UV) Water Treatment Facility. The advantage to the City of securing loans for these projects is that we will receive additional "points" for the competitive grant portion of the Alaska Drinking Water Fund for future phases of our water system improvements.

Councilmember McMurry MOVED to adopt Resolution No. 07-2.

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

e. Resolution No. 07-3, Accepting Ownership of Segments of Mill Bay Road and Portions of the Storm Drain System Under Rezanof Drive Currently Owned by the State

Mayor Floyd read Resolution No. 07-3 by title. City staff have been working with the Alaska Department of Transportation (ADOT) to finalize the paperwork associated with the "Y" Intersection Project. ADOT has asked the City of Kodiak to pass a resolution supporting a memorandum of agreement that addresses several aspects of the project. Specifically, the resolution will authorize accepting ownership and maintenance of the new large volume storm drain between the City-owned storm drains in Mill Bay Road at Thorsheim and in Center Street at the City parking lot, accepting ownership of those segments of Mill Bay Road currently in State ownership, and authorizing the City Manager to sign an agreement with ADOT to implement the resolution.

Councilmember Walters MOVED to adopt Resolution No. 07-3.

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

f. Resolution No. 07-4, Supporting Grant Funding for the Kodiak Electric Association's Pillar Mt. Wind Project

Mayor Floyd read Resolution No. 07-4 by title. The Kodiak Electric Association has requested City support for their wind generation project. Specifically, they requested a City resolution supporting State funding for the project. The request was discussed at the Council's planning work session held on January 13, 2007, and direction was given to staff to include a supporting resolu-

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tion on the February meeting agenda. The Kodiak Island Borough and the Kodiak Chamber of Commerce have already adopted similar resolutions.

Councilmember Rosales MOVED to adopt Resolution No. 07-4.

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

g. Resolution No. 07-5, Rescinding Resolution No. 06-38 and Adopting a 2007 Re-Prioritized State Capital Improvements Program List

Mayor Floyd read Resolution No. 07-5 by title. After discussion of the estimated cost increases for the travel lift/boatyard project at the January City Council work session, the Council directed that staff bring back the adopted 2007 CIP resolutions with the travel lift/boatyard identified as a project in need of funding. Staff have updated the description of the project and suggested a priority placement on the CIP list. The requested amount for the Baranof Park improvement project was also adjusted per the Council's direction at the February 11, 2007, work session.

Councilmember McMurry MOVED to adopt Resolution No. 07-5.

Councilmember Walters requested that Manager Freed read the full list of projects.

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

h. Resolution No. 07-6, Rescinding Resolution No. 06-39 and Adopting a 2007 Re-Prioritized Federal Capital Improvements Program List

Mayor Floyd read Resolution No. 07-6 by title. After discussion of the estimated cost increases for the travel lift/boatyard project at the January City Council work session, the Council directed that staff bring back the adopted 2007 CIP resolutions with the travel lift/boatyard identified as a project in need of funding. Staff have updated the description of the project and suggested a priority placement on the CIP list.

Councilmember McMurry MOVED to adopt Resolution No. 07-6.

Councilmember Davidson expressed concern that the public is unaware of the Postal Services intention to move its facility to Near Island.

Councilmember Walters noted that the Postal Service had held public hearings repeatedly over the past two years. Residents were also notified by mail. He also noted that the property trade would save the City several million dollars if a straight trade is accomplished. The trade would also keep the City library downtown.

Manager Freed noted for the public that the project was also on the City's capital improvements projects list for FY06. The item has been first on priority lists for two years.

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

i. Selection of Vessel Lift/Boat Yard Operator, Project No. 05-07

The City of Kodiak issued a request for proposals (RFP) for a vessel lift/boatyard operator for the planned St. Herman Harbor boatyard and travel lift on October 16, 2006. One proposal was received on December 22, 2006, the deadline for proposal receipt. The single proposer is Puglia Engineering, Inc. The summary of committee scores is presented below. The maximum possible score for this RFP was 90 points.

Evaluator:	John Klemzak, PHAB	87
Evaluator:	Nick Szabo, PHAB	83
Evaluator:	Linda Freed, City Manager	81
Evaluator:	Tom Walters, Councilmember	78
Evaluator:	Marty Owen, Harbormaster	63
Evaluator:	Howard Weston, City Engineer	43
Average:		72

The scores reflect a consensus that Puglia Engineering, Inc., presented an acceptable proposal for operating the vessel lift and boatyard. The review committee recommends the selection of Puglia Engineering, Inc., as the operator for the St. Herman boatyard and travel lift. Staff concur with the committee recommendation.

The City will compensate Puglia for travel and other reasonable costs associated with the negotiations and participation in developing yard layout and lift specifications. It is hoped that contract negotiations will be concluded by July. The negotiated contract will be brought back to the Council for final approval.

Councilmember Rosales MOVED to approve selection of Puglia Engineering, Inc., as operator for the planned vessel lift/boatyard, Project No. 05-07 and to authorize the City Manager to initiate contract negotiations.

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

j. Authorization of Purchase of Trackless MT5 Snow Removal Equipment

The City of Kodiak Public Works Department works hard to clear sidewalks of snow as part of the normal snow hauling operation. However, pedestrians get forced off of the sidewalks for extended periods of time during the winter. This year, outside of the downtown area, the sidewalks were blocked for days or weeks before they could be cleared after the large storms we experienced. Public Works wants to improve pedestrian safety by clearing sidewalks sooner after every major snowfall. This can be accomplished with a MT5 tractor with a snow blower, which will clear walks and load trucks with snow. With this piece of equipment, the Public Works Director estimates that most of the sidewalks in the City could be cleared within a couple of days of a major snowfall. With the purchase of attachments, the MT5 can also be used to sweep sidewalks and cut brush.

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City Code Section 3.12.100 provides an alternative purchasing procedure for heavy equipment that doesn't require advertising or standard competitive bidding. Yukon Equipment has available a 2003 Trackless MT5 tractor with only 315 hours of operating time on it and includes a 51-inch snow blower, a 60-inch angle broom sweeper, a 60-inch angle blade, and a new boom flail brush cutter.

Councilmember McMurry MOVED to authorize purchase of a Trackless MT5 Snow Removal Tractor from Yukon Equipment in the amount of \$108,250, FOB Kodiak, with funds coming from the General Fund, Public Works Department, Streets Sub-Department.

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

k. Authorization of Juneau Lobbyist Contract with Capitol Associates

Norm Gorsuch, of Capitol Associates, has provided Juneau lobbying services for the City for many years. During past legislative sessions, Norm has provided especially good tracking and support services for several bills of significant interest to the City, as well as supporting the City's capital improvement project funding requests. No changes are proposed in the FY07-08 contract, and funds to continue the contract at the current rate are included in the current budget. Staff recommend approval of the FY07-08 Juneau Lobbying Contract with Capitol Associates.

Councilmember Walters MOVED to authorize a Juneau Lobbyist Contract with Capitol Associates through June 30, 2008, in the amount of \$2,000 per month.

Councilmember Davidson MOVED to postpone the motion to the March 29, 2007, regular meeting.

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.

l. Authorization of Vacation of Portions of the Alder Lane and Natalia Way Rights-of-Way

The Kodiak Island Borough is the regional platting authority. Kodiak Island Borough Code Section 16.60.060 A. states, in part, "a decision to grant a vacation is not effective unless approved by the city council if the vacated area is within a city. . ."

The Kodiak Island Borough Planning and Zoning Commission reviewed and approved our request to vacate portions of the Alder Lane and Natalia Way rights-of-way related to the Alder Lane and Natalia Way road construction project. The applicable vacations are not effective unless they are approved by the City Council.

Councilmember Saravia MOVED to approve the vacation of a portion of the Alder Lane and Natalia Way rights-of-way, as indicated on the plat dated January 23, 2007.

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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.

m. Authorization of Transfer of Taxicab Permit Nos. 15, 18, and 23

Elizabeth Delos Santos, holder of Taxicab Permit No. 15, has requested authorization to transfer the permit to Gregorio Ibabao. Mr. Ibabao has complied with the permit transfer requirements. Luisa Garrett, holder of Taxicab Permit No. 18, has requested authorization to transfer the permit to Steve Garrett. Mr. Garrett has complied with the permit transfer requirements. Felicisimo and Marilou Francisco, holders of Taxicab Permit No. 23, have requested authorization to transfer the permit to Jose and Emma Arana. Mr. and Mrs. Arana have complied with the permit transfer requirements.

Councilmember Rosales MOVED to authorize the transfer of Taxicab Permit No. 15 to Gregorio Ibabao, Taxicab Permit No. 18 to Steve Garrett, and Taxicab Permit No. 23 to Jose and Emma Arana.

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

n. Authorization of Voluntary Suspension of Taxicab Permit No. 26

Elsa Saravia, holder of Taxicab Permit No. 26, has requested voluntary suspension of the permit from March through August 2007. Kodiak City Code allows for the voluntary suspension of a single permit not to exceed six months in a calendar year.

Councilmember Davidson MOVED to authorize the voluntary suspension of Taxicab Permit No. 26 from March through August 2007.

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

Manager Freed recognized City employee John Chya for five years of service in Public Works. She read a letter received from the Government Finance Officers Association awarding its Distinguished Budget Presentation Award to Mary Munk and Marian Royall for the City's budget presentation. She also noted that the Coast Guard Commandant sent a letter acknowledging that process has begun for the City to be recognized as a Coast Guard City. It is hoped that the process will be finalized in May.

She noted the February 27 work session regarding the police station. She explained that the post office building is a size similar to the current library, but its configuration is more conducive to the library's needs. The post office building also allows for expansion, as the library is currently undersized by approximately fifty percent.

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Manager Freed informed the Council that the Independence Day fireworks coordinators have requested increased funding for the event. She requested consensus from the Council to authorize an increase to the budget. Mayor Floyd noted the Council's consensus.

b. City Clerk

City Clerk Marlar acknowledged Mayor Floyd's upcoming birthday. She reminded the public of upcoming Council work sessions on February 27 and March 27, and of the Council regular meeting on March 29.

VIII. MAYOR'S COMMENTS

Mayor Floyd noted the recent Special Olympics events and complimented the athletes. She also acknowledged National Read to Kids Day and read a poem in relation to the event. The Mayor informed the public of the Multicultural Forum's Valentine's pot luck celebration scheduled for Sunday, February 25.

IX. COUNCIL COMMENTS

Councilmember McMurry had no comments.

Councilmember Rosales expressed hope that police station site selection would be made soon to prevent further cost escalation.

Councilmember Davidson wished Mayor Floyd a happy birthday and extended his good wishes to Councilmember Woodruff.

Councilmember Walters extended condolences to the Balinger family.

Councilmember Saravia wished Mayor Floyd a happy birthday and extended his good wishes to Councilmember Woodruff. He reminded the public of the February 27 work session and encouraged the public to attend. Councilmember Saravia also noted that further delay would likely cost \$1 million. Manager Freed clarified that the February 27 meeting is a work session; as such, no decisions will be made at that time and there will be no formal minutes. However, it is a public meeting and the public is welcome to attend.

X. AUDIENCE COMMENTS

None.

XI. ADJOURNMENT

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

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CITY OF KODIAK

Casalyn Floyd

MAYOR

ATTEST:

Delma Maden

CITY CLERK



Minutes Approved: March 29, 2007