

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JUNE 23, 2011  
IN THE BOROUGH ASSEMBLY CHAMBERS**

**I. MEETING CALLED TO ORDER/PLEDGE OF ALLEGIANCE/INVOCATION**

Deputy Mayor Gabriel T. Saravia called the meeting to order at 7:30 p.m. Councilmembers Patricia B. Branson, Charles E. Davidson, Josefina F. Rosales, Thomas D. Walters, and John B. Whiddon were present and constituted a quorum. Mayor Carolyn L. Floyd was absent. City Manager Aimée Kniazowski and City Clerk Debra L. Marlar were also present.

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

**II. PREVIOUS MINUTES**

Councilmember Walters MOVED to approve the minutes of the May 26, 2011, regular meeting and June 1, 2011, special meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Public Comments**

**Manager Kniazowski** informed the public that a 7.3 earthquake had occurred near Amukta Pass, Alaska shortly before the meeting began and a tsunami warning had been issued from Amukta Pass to Amchitka Pass, Alaska. She advised that the Kodiak area was not included in the tsunami warning, but City officials were monitoring the situation, and further updates would be provided.

**Monte Hawver**, Brother Frances Shelter Director, provided an update of shelter activities during the past year and expressed appreciation for the City's continued support.

**Janet Buckingham**, Kodiak Island Convention and Visitors Bureau (KICVB) Director, thanked the Council for its continued support. She reminded the Council that KICVB was funded by the Kodiak City Code from bed tax revenues and those revenues were projected to increase in FY2012. Ms. Buckingham noted the agency's upcoming expenses to replace their database management system and encouraged the Council to fund KICVB at the \$100,000 amount requested.

**Katie Oliver**, Baranov Museum Director, spoke in favor of the Baranov Museum retaining wall project, which was scheduled for approval later on the agenda.

**IV. UNFINISHED BUSINESS**

**a. Second Reading and Public Hearing, Ordinance No. 1287, 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 2011 and Ending on the Thirtieth Day of June 2012**

Deputy Mayor Saravia read Ordinance No. 1287 by title. Ordinance No. 1287 provides for the adoption of the City of Kodiak's FY2012 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2011, and June 30, 2012. The budget document also establishes an operating and capital expenditure plan for FY2012 that is based on staff's assessment of operational and community needs and the Council's FY2012 budget goals.

Councilmember Branson MOVED to adopt Ordinance No. 1287.

Councilmember Branson MOVED to amend Ordinance No.1287 by striking \$10,000 from the FY2012 Budget, General Fund, Legislative Department, Community Promotions, Juneau Legislative Reception line item; and striking \$5,600 from the General Fund, Legislative Department, Training/Travel, Lobbying Travel, Juneau Reception line item, and authorizing staff to adjust anticipated revenues and expenditures accordingly.

The roll call vote on Amendment 1 was Councilmembers Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. Amendment 1 passed.

Councilmember Whiddon MOVED to amend Ordinance No. 1287 by striking revenues and expenditures of \$4,200,000 from the FY2012 Budget, Capital Budget, Sewer Capital Improvement Fund, Bi-Solid Management Project line item and authorizing staff to adjust anticipated revenues and expenditures accordingly.

The roll call vote on Amendment 2 was Councilmembers Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. Amendment 2 passed.

Councilmember Branson MOVED to amend Ordinance No. 1287 by striking \$84,125 from the FY2012 Budget, General Fund Revenues, KIB Animal Control line item and authorizing staff to adjust anticipated revenues and expenditures accordingly.

The roll call vote on Amendment 3 was Councilmembers Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. Amendment 3 passed.

Councilmember Walters MOVED to amend Ordinance No. 1287 by striking \$100,000 from the FY2012 Budget, Special Revenue Fund, Tourism, KICVB line item and inserting \$90,000 and authorizing staff to adjust anticipated revenues and expenditures accordingly.

Most Councilmembers noted that although the Council had voiced a consensus at Tuesday's work session to amend the budget to decrease funding to KICVB by \$10,000, they had further reviewed the issue, noted the funding to KICVB came from bed tax revenues, which had increased, and noted the Kodiak City Code provided that up to 70% of bed tax revenues shall be used to fund tourism programs.

The roll call vote on Amendment 4 was Councilmembers Branson, Davidson, Saravia, Walters, and Whiddon opposed and Councilmember Rosales in favor. Amendment 4 failed.

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

Councilmembers praised staff for their work on the FY2012 budget.

The roll call vote was Councilmembers Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. The amended budget ordinance passed.

**b. Second Reading and Public Hearing, Ordinance No. 1288, Amending KCC 5.24.020, License Required, Number; Repealing KCC 5.24.050, Regulations and Prohibited Acts, KCC 5.24.060, Daily Record, Weekly Reports, and KCC 5.24.080, Closing Hours; and Repealing KCC Chapter 5.24 with a Delayed Effective Date; Regarding the Regulation of Pawnbrokers**

Deputy Mayor Saravia read Ordinance No. 1288 by title. Last year the state legislature amended Alaska law regarding pawnshops. The amendments were comprehensive and will go into effect July 1, 2011. In order for the City to continue to regulate pawnshops at a local level, a comprehensive revision to Kodiak City Code (KCC) Chapter 5.24, Pawnbrokers, would be required. Staff believes this is unnecessary and recommends amending KCC 5.24.020, License Required, to allow a person who holds a license from the State of Alaska to engage in business as a pawnbroker under Alaska Statute Chapter 08.76, and also repeal KCC Chapter 5.24.

Councilmember Walters MOVED to adopt Ordinance No. 1288.

Deputy Mayor Saravia 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 Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. The motion passed.

**V. NEW BUSINESS**

**a. Resolution No. 2011–16, Authorizing the Issuance of a Permit to the American Cancer Society for Use of Baranof Park in Conjunction With the Relay for Life of Kodiak**

Deputy Mayor Saravia read Resolution No. 2011–16 by title. Resolution No. 2011–16 authorizes issuance of a permit to the American Cancer Society on July 29 and 30, 2011, for the use of Baranof Park track facilities for the organization's annual Relay for Life event.

Councilmember Whiddon MOVED to adopt Resolution No. 2011–16.

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

**b. Resolution No. 2011–17, Authorizing the Issuance of a Permit to the American Legion Post 17 for Use of Public Property in Conjunction With Fourth of July Celebrations**

Deputy Mayor Saravia read Resolution No. 2011–17 by title. Resolution No. 2011–17 permits American Legion Post 17 to close and use City streets for its annual Fourth of July parade. Street closures for the parade will take place on Monday, July 4, 2011, from 11 a.m. to 12:30 p.m.

Councilmember Branson MOVED to adopt Resolution No. 2011–17.

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

**c. Resolution No. 2011–18, Adopting a Fund Balance Classification and Spending Prioritization Policy**

Deputy Mayor Saravia read Resolution No. 2011–18 by title. Resolution No. 2011–18 provides for the formal adoption of a fund balance classification and spending prioritization policy for the City of Kodiak. The Government Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, requires governments, including the City of Kodiak, to implement a policy that governs how fund balances are classified and reported in the government's financial statements. The purpose of the requirement and policy is to improve consistency and usefulness of fund balance information by providing clear fund balance classifications and definitions. The new rule, GASB 54, requires the City to adopt a policy by the end of the current fiscal year on June 30, 2011.

Councilmember Rosales MOVED to adopt Resolution No. 2011–18.

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

**d. Resolution No. 2011–19, Adopting the 2011 Comprehensive Economic Development Strategy**

Deputy Mayor Saravia read Resolution No. 2011–19 by title. The Kodiak Chamber of Commerce has a contract with both the City of Kodiak and the Kodiak Island Borough to provide economic development planning and leadership. Part of the Chamber's responsibility under the contract is the preparation of a Comprehensive Economic Development Strategy (CEDS) for the City and Borough. Resolution No. 2011–19 documents the City's approval of the 2011 Kodiak Region Comprehensive Economic Development Strategy.

Councilmember Davidson MOVED to adopt Resolution No. 2011–19.

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

**e. Authorization of the FY2012 Special Services Contract With the Alaska Department of Public Safety**

This agenda item authorizes a contract with the Alaska Department of Public Safety, Division of Alaska State Troopers (AST) for special services in the amount of \$78,750.

Councilmember Walters MOVED to authorize the FY2012 Special Services Contract with the Alaska Department of Public Safety, Division of Alaska State Troopers.

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

**Manager Kniazowski** announced that the tsunami warning issued earlier in the evening had been cancelled.

**f. Authorization of Extension of the Professional Services Contract With Birch, Horton, Bittner and Cherot for Legal Services**

Birch, Horton, Bittner and Cherot were selected to provide legal services to the City beginning in July 2000. The original contract was for a three-year period, with an option for three additional one-year extensions. All of the extensions were exercised by the City Council. In 2006, the Council authorized an extension through June 2008, with the option for three additional one-year extensions. The current request is for an additional one-year extension, with the option to extend the contract by mutual consent.

Councilmember Branson MOVED to authorize the eighth amendment to the contract dated August 22, 2000, with Birch, Horton, Bittner and Cherot for professional legal services.

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

**g. Authorization of FY2012 Destination Marketing and Tourism Development Program Agreement With the Kodiak Island Convention and Visitors Bureau**

Council has authorized agreements with the Kodiak Island Convention and Visitors Bureau (KICVB) to provide marketing and tourism outreach for Kodiak since FY2009. KICVB is requesting an increase in the annual contract of \$10,000 due to the increased cost of doing business and the need for computer system upgrades.

Councilmember Walters MOVED to authorize the FY2012 Destination Marketing and Tourism Development Program Agreement with the Kodiak Island Convention and Visitors Bureau in the amount of \$100,000, with funds coming from the Special Revenue Funds, Tourism Development Fund, Tourism, Administration, Contributions account.

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

**h. Authorization of the FY2012 Economic Development Program Agreement With the Kodiak Chamber of Commerce**

The City contracts with the Kodiak Chamber of Commerce for economic development activities that benefit the community. The Chamber's Economic Development Specialist (EDS) position is funded by both the City and the Borough through similar contracts. To enhance economic opportunities in the community, the EDS duties include involvement in the Kodiak Fisheries Advisory Committee, the Kodiak Comprehensive Economic Development Strategy Committee, the Kodiak Branding and Marketing Committee, Southwest Alaska Municipal Conference, the Kodiak Island Convention and Visitors Bureau, and attendance at state and federal fisheries meetings to monitor fisheries issues related to Kodiak's economy.

Councilmember Whiddon MOVED to authorize the FY2012 Economic Development Program Agreement with the Kodiak Chamber of Commerce in the amount of \$53,000, with funds coming from the General Fund, Non-Departmental, Administration, Contributions account.

Councilmember Whiddon explained the Council had discussed the agreement at their June 21, 2011, work session and although the Council supports the efforts of the Chamber of Commerce and the Chamber's Economic Development Specialist, the contract contains outdated language and needs to be revised.

Councilmember Branson MOVED to postpone the vote on the motion to a future meeting following a discussion with the Chamber of Commerce Executive Director.

The roll call vote for postponement was Councilmembers Branson, Davidson, Rosales, Saravia, Walters, and Whiddon in favor. The motion passed.

**i. Authorization of Bid Award for Annual Sidewalk, Curb, and Gutter Repairs, Project No. 5003/12-01**

Annually, the City bids for repair and replacement of damaged sections of sidewalks, curbs, and gutters at various locations throughout the City. Actual quantities of each bid item will vary in response to need and the approved FY2012 budget. Bids were opened on May 25, 2011, and two bids were received.

Councilmember Davidson MOVED to authorize the bid award for the Annual Sidewalk, Curb, and Gutter project to Belarde Custom Concrete Company in the amount of \$66,565 with the funds coming from the Street Capital Improvement Fund, Annual Sidewalk, Curb, and Gutter, Project No. 5003/12-01.

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

**j. Authorization of Bid Award for Baranov Museum Retaining Wall, Project No. 5026/11-09**

The custom built rock retaining wall in front of the Baranov Museum has continued to degrade and lean out over the sidewalk on both Center Street and Marine Way. The entire section of the wall along Marine Way fell over and is now leaning on a Kodiak Electric Association transformer. For safety reasons this wall needs to be replaced during this construction season. Three bids

for the project were received and opened on May 27, 2011, with Anderson Construction Company LLC submitting the lowest bid.

Councilmember Rosales MOVED to authorize the bid award for replacement of the Baranov Museum retaining wall to Anderson Construction Company LLC in the amount of \$214,520, with funds coming from the Street Capital Improvement Fund, Baranov Museum Retaining Wall, Project No. 5026/11-09.

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

## **VI. STAFF REPORTS**

### **a. City Manager**

Manager Kniazowski reminded everyone of the joint work session with the Kodiak Island Borough on July 28, 2011. She also stated a Marine Transportation Advisory Board meeting would be held in Kodiak that same day. She announced she would be on vacation June 26 through July 10, 2011, and Finance Director Mary Munk would be Acting Manager during that time. She complimented the fire department crew for their rescue of a stranded tourist on Pillar Mountain. Manager Kniazowski informed the Council that the City's classification and compensation consultant would return to Kodiak in August to work with staff on refining the process. She also reported she had been working with the City's Washington, D.C. lobbyist on preparing a letter to the Environmental Protection Agency and Army Corps of Engineers regarding potential new rules pertaining to the Clean Water Act. She noted the rules could impact the City's Wastewater Treatment Plant and the pending harbor dredging project.

### **b. City Clerk**

City Clerk Marlar announced nominating petitions for the October 4, 2011, election will be available in the Clerk's Office on July 18, 2011, for one two-year mayoral position and two three-year council positions. She noted the filing date is August 1 through 15, 2011. She also informed the public of the next scheduled Council work session and regular meeting.

## **VII. MAYOR'S COMMENTS**

Deputy Mayor Saravia thanked staff for their work on the budget. He commented it was a pleasure to serve the citizens of Kodiak. He thanked the fire department for its recent rescue on Pillar Mountain, and wished everyone a happy Fourth of July.

## **VIII. COUNCIL COMMENTS**

Councilmember Branson commended Deputy Mayor Saravia for chairing the meeting. She wished everyone a good Fourth of July holiday, noted it was summer in Kodiak, and thanked the fire department for its recent rescue on Pillar Mountain.

Councilmember Walters praised Deputy Mayor Saravia for his job chairing the meeting. He thanked staff for their work on the budget and thanked department heads for attending the Coun-

cil meetings. He wished everyone a happy Fourth of July, cautioned people not to shoot off fireworks in dry areas, and encouraged the use of a designated driver.

Councilmember Rosales congratulated department heads for their good work and Finance Director Mary Munk for her great work on the budget. She wished all a happy Fourth of July, and extended her condolences to the family of Esmenia Pimentel. She also thanked Deputy Mayor Saravia.

Councilmember Whiddon thanked Deputy Mayor Saravia and expressed appreciation to City department heads who attended the June 21, 2011, work session, which lasted until nearly midnight. He thanked staff for their good work. He wished everyone a happy Fourth of July and noted that half the Council were naturalized citizens. He expressed appreciation for our diverse community.

Councilmember Davidson congratulated staff on the budget. He also extended congratulations to Deputy Clerk Matt Gandel and his wife Melissa on the birth of their baby, Alice Ruby Gandel. He expressed condolences to the Young family, noting that Brian Young had been an outstanding citizen. He wished everyone a happy Fourth of July, noting we should all be grateful for where we live.

**IX. AUDIENCE COMMENTS**

None.

**X. ADJOURNMENT**

Deputy Mayor Saravia adjourned the meeting at 8:52 p.m.

CITY OF KODIAK

*Carolyn L. Floyd*  
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MAYOR

ATTEST:

*Delma Martin*  
\_\_\_\_\_  
CITY CLERK



Minutes Approved: July 28, 2011