

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, AUGUST 25, 2011
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Carolyn L. Floyd called the meeting to order at 7:32 p.m. Councilmembers Charles E. Davidson, Gabriel T. Saravia, Thomas D. Walters, and John B. Whiddon were present and constituted a quorum. Councilmember Josefina F. Rosales arrived at 7:40 p.m. Councilmember Patricia B. Branson was absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, Finance Director Mary Munk, and Deputy Clerk Matthew Gandel 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 July 28, 2011, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Presentation of Government Finance Officers Association Award

The Government Finance Officers Association of the United States and Canada has awarded Finance Director Mary Munk with a Certificate of Achievement for Excellence in Financial Reporting for the City's comprehensive annual financial report. This award is the highest form of recognition in governmental accounting and financial reporting.

Mayor Floyd presented the award to Finance Director Munk, who praised the hard work of the entire Finance department.

b. Proclamation: Recognizing Kodiak's Seafood Processing Workers

Councilmember Walters read the proclamation, which recognizes the hard work of seafood processing workers and the positive contribution they make to the community. Mayor Floyd presented copies of the proclamation to representatives from Alaska Fresh Seafoods, Alaska Pacific Seafoods, Global Seafoods, International Seafoods, Island Seafoods, and Western Alaska Fisheries.

c. Public Hearing, Proposed Water and Sewer Rate Increases

CH2M HILL has prepared several water and sewer rate studies for the City going back to 1982. The last studies resulted in Council approved 5-year utility rate increases which expired at the end of FY2011. The City contracted with CH2M HILL again to analyze the current rate structures to determine if the rates projected out over a 10-year period would be sufficient to generate revenues to cover operations, maintenance, and required capital improvements. The studies showed that the rates will need to be adjusted to meet those obligations. Staff recommended Council review and approve a 5-year rate increase for the water utility.

Councilmember Rosales arrived.

Mayor Floyd invited public and Council discussion on the proposed rates increases.

Councilmember Walters said the Council always had a hard time raising rates on taxpayers, but that it was better to plan ahead for infrastructure repairs rather than wait until emergency repairs were necessary.

Councilmember Whiddon said he wanted to make sure the public understood that the rate increase was not just about raising money, it was to forward-fund infrastructure maintenance and improvements. He said the Council was reluctantly supporting raising rates in order to meet rising expenses.

Councilmember Davidson said the City always tried to get federal grants to help pay for projects, but that there was not as much money coming from the federal government as in the past. He said that emergency repairs always cost a lot of money, and the City was trying to stay ahead of the curve by raising rates to pay for routine maintenance and avoid emergency repairs.

d. Public Comments

Marcus Dunbar, Kodiak High School track and field and cross country coach, spoke in support of the Baranof Field project.

Trevor Brown, Kodiak Chamber of Commerce Executive Director, thanked the Council for its continued support of the Economic Development Specialist position.

IV. UNFINISHED BUSINESS

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

The City contracts with the Kodiak Chamber of Commerce (KCC) 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. Council postponed action to approve the FY2012 contract at the June 23 2011, regular meeting until follow-up dis-

cussions on contract language were held. Those discussions took place in July 2011. The contract's scope of work was adjusted with the expectation that the role of the EDS position be reviewed over the course of the next year.

Clerk's Note: The motion to approve 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 is already on the floor from the June 23, 2011, regular meeting.

Councilmember Whiddon said he appreciated KCC Executive Director Trevor Brown working with the Council to modify the agreement to reflect the current needs and demands of the community, and encouraged the Chamber to find new ways to bring economic opportunities to Kodiak.

Councilmember Walters agreed with Councilmember Whiddon and said he felt the EDS position could be valuable finding new ways to bring different industries to Kodiak.

In response to Clerk Marlar, Manager Kniazowski clarified that the contract before the Council was slightly different from the contract presented at the June 23, 2011, regular meeting. Clerk Marlar suggested the Council substitute the contract approved at the June 23 meeting with the contract before the Council.

Councilmember Davidson MOVED to substitute the contract from June with the new contract.

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

V. NEW BUSINESS

a. First Reading, Ordinance No. 1289, Authorizing the Annexation of the Portions of Lots 1A-1, 1B-2 and 1B-3, Lakeside Subdivision Second Addition That are Located Outside the City of Kodiak, to the City Of Kodiak

Mayor Floyd read Ordinance No. 1289 by title. Jim and Vicki Ashford own adjacent lots 1A-1, 1B-2, and 1B-3 in the Lakeside Subdivision Second Addition. The City's boundary bisects each of the lots, which place part of each lot within City limits and part within the Borough. In February 2010 Jim Ashford made a written request to the City to annex those portions of property located in the Kodiak Island Borough. City staff has worked on how to proceed with the request to annex portions of Lots 1A-1, 1B-2, and 1B-3 in the Lakeside Subdivision Second Addition since the initial request was made in 2010. The City Council approved a similar annexation request in 1988, and after a work session discussion of possible options in July 2010, Council agreed to move forward with the request when the required information was available and staff had time to begin the process on behalf of the property owners. Information was gathered in order to draft an ordinance that reflects the State's unanimous consent option which staff believes is most suitable.

Councilmember Rosales MOVED to pass Ordinance No. 1289 in the first reading and advance to second reading and public hearing at the next regular or special Council meeting.

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

b. Resolution No. 2011–23, Rescinding Resolution No. 04–25 and Re-Establishing a Parks and Recreation Advisory Board

Mayor Floyd read Resolution No. 2011–23 by title. At the annual planning work session on February 26, 2011, Council discussed amending the Parks and Recreation Advisory Board membership requirements by lifting the current requirement that only City residents may be appointed to the Board. Council also agreed to make minor language changes to accurately reflect the role of an advisory board. Resolution No. 2011–23 reflects the changes discussed and supported by Council.

Councilmember Davidson MOVED to adopt Resolution No. 2011–23.

Councilmember Whiddon said that since residents from both inside and outside the City limits use City recreation facilities, it was important to allow residents from outside the City limits to have some say in how are managed.

Councilmember Davidson said it seemed like the resolution offered the possibility that the board could be without a full membership if no citizens from outside the City limits applied.

Councilmember Walters MOVED to amend Section 4.b. of Resolution No. 2011–23 to read “Three regular members from residents inside or outside the Kodiak City limits.”

The roll call vote on the amendment was Councilmembers Davidson, Rosales, Saravia, Walters, and Whiddon in favor. Councilmember Branson was absent. The amendment passed.

The roll call vote on the main motion was Councilmembers Davidson, Rosales, Saravia, Walters, and Whiddon in favor. Councilmember Branson was absent. The motion passed.

c. Resolution No. 2011–24, Rescinding Resolution No. 05–94 and Resolution No. 98–32 and Re-Establishing a Port and Harbors Advisory Board

Mayor Floyd read Resolution No. 2011–24 by title. At the annual planning work session on February 26, 2011, Council discussed the roles and responsibilities of the City’s advisory boards. Council decided to amend the policy resolutions governing the Port and Harbors Advisory Board to update the language regarding tasks, roles, and responsibilities. Resolution No. 2011–24 rescinds two previous policy resolutions and reflects the changes discussed and supported by Council.

Councilmember Whiddon MOVED to adopt Resolution No. 2011–24.

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

d. Resolution No. 2011–25, Accepting a 2011 Emergency Management Performance Grant From the State of Alaska Division of Homeland Security and Emergency Management

Mayor Floyd read Resolution No. 2011–25 by title. The Alaska Division of Homeland Security and Emergency Management has awarded the City of Kodiak an Emergency Management Performance Grant for the federal fiscal year 2011 in the amount of \$15,000. The funds will be used to support emergency management activities in the City, including portions of City Manager, Fire Chief, and Chief of Police salaries while planning, conducting, and managing local emergency management objectives such as Tsunami, Storm Ready Community outreach, and participation in the Local Emergency Planning Committee and Emergency Services Council.

Councilmember Walters MOVED to adopt Resolution No. 2011–25.

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

e. Resolution No. 2011–26, Accepting an Alaska Municipal Matching Grant for UV Water Treatment Facility Construction, Project No. 7023/03-14

Mayor Floyd read Resolution No. 2011–26 by title. In 2003, the City started working to meet a U.S. Environmental Protection Agency (EPA) requirement to have secondary treatment of its water supply under the Long Term 2 Enhance Surface Water Treatment Rule. The most current project cost estimate for the UV Water Treatment Facility is \$8.8 million. Due to the cost of the project, the City actively began to pursue available funding sources by applying for Alaska Municipal Matching Grants (AMMG), Alaska Drinking Water Fund (ADWF) loans, and EPA grant funding. The City currently has an AMMG for \$2.8 million; up to \$5.9 million available through the ADWF loan program; and has received two EPA appropriations totaling \$768,000 for the project. In addition, the City has been awarded a second AMMG in FY2012 in the amount of \$3,528,000.

Councilmember Walters MOVED to adopt Resolution No. 2011–26.

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

f. Resolution No. 2011–27, Accepting a Legislative Grant Award for Pedestrian Improvements from Pier II to Downtown, Project No. 8016

Mayor Floyd read Resolution No. 2011–27 by title. The City has been working to fund design and construction of a pedestrian pathway and associated improvements from Pier II to downtown Kodiak since 2008. The City identified this project as a priority for FY2012 and requested additional cruise ship excise tax funds from the state to complete the project. The request for funding was accepted by the legislature during the session. The Alaska Department of Commerce, Community, and Economic Development provided an award notice to the City of a designated legislative grant award for \$1,600,000.

Councilmember Whiddon MOVED to adopt Resolution No. 2011–27.

Councilmember Davidson said he would support the resolution but felt this approach to pedestrian improvements would not correct parking or traffic problems on Shelikof Street and would not be the best thing for residents or cruise ship passengers.

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

g. Resolution No. 2011–28, Accepting a Legislative Grant Award for Park Improvements, Project No. 9001

Mayor Floyd read Resolution No. 2011–28 by title. The City has been working on plans to replace the track and provide a synthetic surface for the Baranof Park field since 2004. Although the original intention of the project was to replace the track and provide a synthetic surface for the football/soccer field within the track, as plans were being developed the project grew to include two additional lanes to the track, improvements to the bleacher area, and a synthetic surface for the baseball field with a total cost in excess of \$6 million. In FY2012 the project was scaled back to include replacement of the track's existing rubberized surface (24 years old this year) and a synthetic surface for the football/soccer field and was moved up to third on the City's FY2012 CIP funding request to the state. The cost of the phased version is just under \$3 million. The City requested \$2 million in state funding and was successful in acquiring a legislative grant of \$2 million.

Councilmember Walters MOVED to adopt Resolution No. 2011–28.

Councilmember Walters expressed his appreciation to Kodiak's state legislature delegation for securing state funding and the Parks and Recreation Department staff and volunteers for their assistance during the planning process. He said it was unfortunate the City couldn't get outside funding for 100 percent of the project costs, and said in the future private groups would most likely have to get corporate and private monies to help complete projects.

Councilmember Whiddon said the Kodiak Public Library Association had created a viable model for fundraising for future projects, and urged stakeholders of the Baranof Park project to look at possible corporate sponsorships to make up the balance of funding.

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

h. Resolution No. 2011–29, Appointing Members to the Kodiak Fisheries Development Association

Mayor Floyd read Resolution No. 2011–29 by title. There are two board members on the Kodiak Fisheries Development Association Board of Directors that have made applications to be reappointed to the board. Both seats expired in July 2011. Resolution No. 2011–29 names Albert Tyler Schmeil to a joint City-Borough seat and Jeff Stephan to a City seat. The Kodiak Island Borough Assembly is scheduled to make the reappointment of Albert Tyler Schmeil at their September 1, 2011, meeting.

Councilmember Saravia MOVED to adopt Resolution No. 2011–29.

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

VI. STAFF REPORTS

a. City Manager

City Manager Kniazowski reminded the public that school was back in session, and encouraged everyone to drive with caution and watch out for children. She thanked Finance Director Munk and her staff for their hard work. She acknowledged City employees Craig Walton and Russ Patrick from the Public Works Department for 15 years of service to the City. She mentioned that the consultant for the Classification and Compensation Study had been in Kodiak visiting with employee groups, and that the meetings had gone quite well. She said the City had received eight proposals for architectural and engineering services for the new library project, and that the Kodiak Public Library Building Committee would be meeting to review them and make a recommendation to the Council. She said Fire Chief Rome Kamai would be providing emergency training to City staff in preparation for the statewide Alaska Shield 2012 emergency exercise. She updated the Council on the progress of the UV Water Treatment Facility, and said two proposals had been received for the joint City-Borough fisheries analyst position, and they would be discussed at an upcoming joint work session with the Kodiak Island Borough Assembly.

b. City Clerk

City Clerk Marlar reminded the public that the deadline for voter registration in either the City Clerk or Borough Clerk's offices was September 2, 2011, and September 4, 2011 at other locations. She reminded citizens that had recently moved into the City limits to update their voter registration. She also informed the public of the next scheduled Council work session and regular meeting.

VII. MAYOR'S COMMENTS

Mayor Floyd encouraged everyone to watch out for schoolchildren and congratulated Finance Director Munk.

VIII. COUNCIL COMMENTS

Councilmember Davidson offered congratulations to Finance Director Munk and the staff of the Finance Department and thanked Councilmember Saravia for organizing the recognition of seafood processing workers. He said he wanted to make sure the public understood that raising water and sewer rates was not something the Council wanted to do, but it was necessary to avoid emergency infrastructure repairs.

Councilmember Whiddon congratulated Finance Director Munk and thanked Councilmember Saravia. He said seafood processing workers were the life blood of the community who often don't get a lot of recognition. He complimented City staff on their hard to work to secure state funding for projects and thanked the state legislature for providing funding that made a direct impact on the quality of life for City residents.

Councilmember Rosales congratulated Finance Director Munk and thanked Councilmember Saravia. She encouraged everyone to watch out for school children.

Councilmember Walters congratulated Finance Director Munk and thanked Councilmember Saravia. He said he appreciated the service of all the volunteers for the City's advisory boards. He encouraged everyone to watch out for school children, and said he was happy to see high school students serving as crossing guards.

Councilmember Saravia thanked Finance Director Munk and her staff for their hard work. He said the City received a lot of money this year because of the hard work of City staff, but that projects were never funded 100% with outside money, so the City had to make up the difference. He said there were lots of kids out on the roads and encouraged everyone to be careful. He thanked Mayor Floyd and the Council for recognizing the hard work of cannery workers, and thanked all the canneries that sent representatives to the meeting. He said he hoped in the future all the canneries in the City would participate.

IX. AUDIENCE COMMENTS

None.

X. ADJOURNMENT

Mayor Floyd adjourned the meeting at 8:46 p.m.



CITY OF KODIAK

Carolyn L. Floyd
MAYOR

ATTEST:

Debra Markun
CITY CLERK

Minutes Approved: September 22, 2011