

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JANUARY 22, 2015  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, Terry J. Haines, Gabriel T. Saravia, and Richard H. Walker were present and constituted a quorum. Councilmember John B. Whiddon was absent. City Manager Aimée Kniazowski, City Clerk Debra L. Marlar, Deputy Harbormaster Derrik Magnuson, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

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

**II. PREVIOUS MINUTES**

After pointing out a typo correction in Section III of the January 8, 2015, regular meeting minutes, Councilmember Davidson MOVED to approve the minutes of the January 6, 2015, special meeting and January 8, 2015, regular meeting as presented.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**III. PERSONS TO BE HEARD**

**a. Public Comments**

None

**IV. UNFINISHED BUSINESS**

**a. Second Reading and Public Hearing, Ordinance No. 1329(SUB), Authorizing the City to Enter Into Amendments to the Preferential Use Agreement, Terminal Operating Contract, and Warehouse Lease Agreement With Horizon Lines of Alaska, LLC**

Mayor Branson read Ordinance No. 1329(SUB) by title. Ordinance No. 1329 authorizes amendment of the Preferential Use Agreement between the City of Kodiak and Horizon Lines of Alaska, LLC, previously approved by Council on October 23, 2014. The agreement is amended to allow for Horizon Lines to have a lien on the New Crane securing general corporate financing obligations of the company. The change does not affect the financial terms of the agreement and are recommended by the City Attorney and staff. Since the Council approved the Preferential Use Agreement, the Terminal Operating Contract, and the Warehouse Lease Agreement with Horizon Lines of Alaska, LLC on October 23, 2014, Horizon Lines, Inc. entered into an Agreement and Plan of Merger dated November 11, 2014, under which Horizon Lines, Inc. would be acquired by Matson Navigation Company, Inc. Horizon Lines now has asked that the City also approve amendments to each of the Horizon Lines Agreements that would consent to the as-

signment of the agreements as part of the acquisition transaction. Ordinance No. 1329(SUB) contains the necessary amendments.

Councilmember Haines MOVED to adopt Ordinance No. 1329.

Councilmember Davidson MOVED to amend by substituting Ordinance 1329(SUB) for Ordinance No. 1329.

Mayor Branson 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 on the substitute amendment was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The amended motion passed.

The roll call vote on the main motion was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The main motion as substituted passed.

**b. Second Reading and Public Hearing, Ordinance No. 1330, Amending Ordinance No. 1323, Authorizing a Lease of a Communication Site in U.S. Survey 3945 on Pillar Mountain To NCWPCS MPL 31 – Year Sites Tower Holdings, LLC**

Mayor Branson read Ordinance No. 1330 by title. The City has issued a lease for the Pillar Mountain Communication Site No. 11 with AT&T and affiliates since 2010. The current lease for Site No. 11 with CCATT, LLC, expired in December. Its successor, NCWPCS MPL 31-Year Sites Tower Holdings, LLC, through Crown Castle, requested the lease be renewed. The Council renewed the lease via Ordinance No. 1323 at the September 11, 2014, regular meeting. The company requested additional changes to the lease after the ordinance was approved by Council, so staff worked with them and the City Attorney to review and incorporate changes acceptable to both parties.

Councilmember Bishop MOVED to adopt Ordinance No. 1330.

Mayor Branson 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 Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**V. NEW BUSINESS**

**a. First Reading, Ordinance No. 1331, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2014 and Ending On the Thirtieth Day of June 2015**

Mayor Branson read Ordinance No. 1331 by title. The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2014 and ending on the thirtieth

day of June 2015 is in the amount of \$897,753. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. These adjustments are for the operating funds as well as additions to project funds for grant revenues received and additional expenditures needed that were not known at the time the original budget was adopted. This is the first budget amendment of FY2015.

Councilmember Walker MOVED to pass Ordinance No. 1331 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 Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**b. Resolution No. 2015-02, Rescinding Resolution No. 2013-03 and Adopting a Revised Travel Policy for the Mayor and Councilmembers**

Mayor Branson read Resolution No. 2015-02 by title. The Council adopted a travel policy in September 2011, which established policies and procedures for requesting, approving, and reporting on travel for the Mayor and Councilmembers. The Council reviewed the policy at its October 21, 2014, and January 6, 2015, work sessions and requested revisions. The revisions will allow the Deputy Mayor to authorize more than three Councilmembers to travel to the same event. The policy revision will also permit the Deputy Mayor to authorize unbudgeted Council travel, if necessary.

Councilmember Davidson MOVED to adopt Resolution No. 2015-02.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**c. Authorization to Purchase Street Sweeper**

Council approved funding to replace the City's 1999 Elgin Geo-Vac street sweeper in the FY2015 Public Works budget. Staff requested information from Yukon Equipment, the Elgin Sweeper distributor in the State of Alaska, for the purpose of putting together bid specifications for a sweeper similar to the Elgin Whirlwind Sweeper. The bid was publicly advertised beginning on November 19, 2014, and bids were opened on December 23, 2014.

Councilmember Bishop MOVED to authorize the bid award for an Elgin Whirlwind street sweeper to Yukon Equipment with funds coming from the General Fund, Public Works, Street Department Machinery and Equipment line item in an amount not to exceed \$289,220.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**d. Authorization of Amendment No. 6 to the Professional Services Contract for Construction Administration Services for Pier III Replacement, Project No. 11-07/8024**

The recommendation for award of Amendment No. 6 to PND Engineers Inc. is for additional construction phase services associated with the Pier III Replacement, Project No. 11-07/8024.

PND Engineers Inc. submitted a proposal for continued services during construction. The third party project manager and City staff recommend Council authorize Amendment No. 6 to the professional services contract to provide additional construction phase services associated with the Pier III Replacement project to PND Engineers on a Time and Expense (T & E) basis with services not to exceed \$580,000.

Councilmember Haines MOVED to authorize Amendment No. 6 to the professional services contract with PND for additional construction phase services related to the Pier III replacement project on a time and expense basis in an amount not to exceed \$580,000 with funds coming from the Cargo Development Fund, Pier III project, Project No. 11-07/8024 and authorize the City Manager to execute the documents for the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**e. Authorization of Change Order No. 7 to Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024**

This is a recommendation of authorization of Change Order No. 7 to Pacific Pile and Marine LP (PPM) in the amount of \$747,096. This Change Order addresses two cost items. The first item is cost reconciliation due to design changes that occurred between the Issued For Bid (IFB) and the Issued For Construction (IFC) drawings and specifications. The second item is cost reconciliation due to actual and bid quantities for five unit cost types of rock fill placed in-water.

Councilmember Davidson MOVED to approve Change Order No. 7 to Pacific Pile and Marine in the amount of \$747,096 for the Pier III replacement project, with funds coming from the Cargo Development Fund, Pier III project, Project No. 11-07/8024 and authorize the City Manager to execute the documents on behalf of the City.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**f. Authorization of Lease With MorphoTrust LLC for Office Space at 411 Marine Way**

Council approved an agreement with MorphoTrust USA, the local Transportation Worker Identification Card (TWIC) contractor, in January 2014, for a two-year lease for the office space at 411 Marine Way, the downtown restroom building, effective from January 1, 2014, to December 31, 2015. In 2014 MorphoTrust became a Limited Liability Company and has requested the business designation changes be made to the agreement. The terms of the agreement are the same as presented and approved by Council in 2014. MorphoTrust has occupied this space since 2013. The space meets MorphoTrust LLC needs, and the office is open two days weekly for TWIC enrollment.

Councilmember Walker MOVED to authorize lease 211952 between the City of Kodiak and MorphoTrust LLC for the lease of the office space located at 411 Marine Way for the purpose of TWIC card enrollment and authorize the City Manager to execute the agreement on behalf of the City.



The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**g. Appointment to the Cook Inlet Regional Citizens Advisory Council**

The City of Kodiak has a dedicated seat for a representative and an alternate on the Cook Inlet Regional Citizens' Advisory Council (CIRCAC). Rob Lindsey has served in the City's primary seat for several years. Mr. Lindsey's current term ends in April 2015, and CIRCAC has requested the City re-appoint Mr. Lindsey or another individual to serve a three-year term. CIRCAC has also requested the City appoint an alternate to serve if or when the primary appointment is unable to attend meetings.

Councilmember Haines MOVED to appoint Robert Lindsey as the City of Kodiak primary appointee and Kyle Crow as the City's alternate appointee to a three-year term ending in April 2018 on the Cook Inlet Citizens' Advisory Council.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor. Councilmember Whiddon was absent. The motion passed.

**VI. STAFF REPORTS**

**a. City Manager**

Manager Kniazowski indicated she has been working with Roe Sturgelewski, Engineer Melvin and interim Finance Director Swanson to prepare for a meeting to address a settlement of claim with Pacific Pile and Marine. She indicated that DEC should complete the decision document and issue the composting permit soon. She stated the Kodiak Island Borough has agreed to transfer back the property to the City once DEC issues the composting permit. She stated the municipal matching grant has been cut, and it is prudent for the City to apply for a loan if needed in the future; the application will be brought to the Council in February. She shared that the DOWL group will be finalizing the Downtown, Water, Sewer, and Storm Drain Master plan in February, and it will be brought to the Council for acceptance. She said the master plan addresses the sequencing for the downtown replacement of sewer, drainage and other projects, such as the landscaping concepts that will be brought to the Downtown Kodiak Revitalization Committee for their recommendations at a later date. She gave an update on the following projects: Lift station; Aleutian Homes Phase V, Segment B; Aleutian Homes Phase VI; UV facility; Monashka Pumphouse; and Pier III.

**b. City Clerk**

City Clerk Marlar informed the public of the next scheduled Council work sessions and regular meeting.

**VII. MAYOR'S COMMENTS**

Mayor Branson said she is excited for the Council planning session on January 31. She thanked Rob Lindsey and Kyle Crow for their service and the Horizon Lines team for working on the contracts. She shared that Governor Walker will be in Kodiak after March for a community event

and indicated he supports municipal revenue sharing funds, which is important for the City. She said the revenue sharing provides many services to communities to keep the quality of life intact.

## VIII. COUNCIL COMMENTS

Councilmember Walker said it has been a pleasure to work with Council and Mayor and he hopes for continued collaboration; he stated Kodiak has had successful projects. He commented with the low oil prices in Alaska the Council will be faced with tough financial decisions. He said he appreciates the City staff for their hard work.

Councilmember Haines thanked Rob Lindsey and Kyle Crow for volunteering to be on CIRAC. He said the participation with CIRAC is a crucial link for the municipality, and it is a time commitment he appreciates. He acknowledged the City staff and commended the Finance staff for their continual work on the budgetary process. He thanked Deputy Harbormaster Magnuson and Harbormaster White for their work with the contract negotiations and one of the largest construction projects.

Councilmember Bishop extended his gratitude and appreciation to the department heads for their work. He said Alaska officials are learning about the legalization of marijuana from Colorado. He commented on Colorado's licensing of shops, operations, and the revenue generated by cities from the sales tax and put back into the city's police departments and schools. He said in Alaska the ABC board is working on the regulations.

Councilmember Saravia welcomed Councilmember Davidson back from vacation, and he thanked advisory board members, department heads, and City staff for their work.

Councilmember Davidson said he was in South America for vacation and commented on a tremendous fireworks display he saw there, which brightened the city. He said last year's budget process was easier than he expects this year to be and he anticipates sacrifices will be made.

## IX. AUDIENCE COMMENTS

**Judi Kidder** said she uses the ice rink, and she supports the City charging a fee. She said having a skate shed would be a benefit to the community, and it would allow the public to donate and store skates in the shed. She thanked the Council for the ice rink facility.

## X. EXECUTIVE SESSION

### a. Clerk's Annual Evaluation

Annually, the City Council reviews the performance of the City Clerk. In accordance with the Open Meetings Act, the City Clerk does not object to the evaluation being done in executive session.

Councilmember Davidson MOVED to enter into executive session, as authorized by Kodiak City Code Section 2.04.100(b)(2), to conduct the City Clerk's annual performance evaluation.

The Council entered into Executive Session at 8:26 p.m.

**XI. ADJOURNMENT**

The Mayor reconvened the regular meeting at 8:48 p.m.

Councilmember Davidson MOVED to adjourn the meeting.

The roll call vote was Councilmembers Bishop, Davidson, Haines, Saravia, and Walker in favor.  
The motion passed.

The meeting adjourned at 8:48 p.m.



CITY OF KODIAK

*Pat Knorr*

MAYOR

ATTEST:

*Michelle Shraweloff-Nelson*  
DEPUTY CITY CLERK

Minutes Approved: February 12, 2015