

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, FEBRUARY 25, 2016
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:30 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. City Manager Aimée Kniaziowski, City Clerk Debra L. Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army Sergeant Major Dave Blacketer gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the February 11, 2016, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Declaring February as School Board Recognition Month

Councilmember Walker read this proclamation, which urges all citizens to recognize the dedication and hard work of local school board members and work with them to mold an education system that meets the needs of both today's and tomorrow's children.

Rick Kniaziowski, School Board Member, and **Marilyn Davidson**, Assistant Superintendent, accepted the proclamation on behalf of the School Board.

b. Public Comments

Russell Anderson thanked the Mayor and Council for being great communicators for the citizens. He said ordinances and meeting management are well done.

IV. UNFINISHED BUSINESS

a. Second Reading and Public Hearing, Ordinance No. 1343, Authorizing a Lease of a Communication Site on an Unsubdivided Portion of U.S. Survey 4947 on Near Island to Kodiak Island Broadcasting Co., Inc.

Mayor Branson read Ordinance No. 1343 by title. The City has leased a communication site on Near Island to Kodiak Island Broadcasting Co., Inc. (KIBCI) since prior to the year 2000. The last five-year lease extension in 2010 expired in November 2015 and has been honored on a

month-to-month basis until the new lease could be approved by Council. KIBCI notified staff of its desire to continue a lease, and staff worked with the City Attorney to prepare a new lease. Due to the lease's term and value, Council must approve it by an ordinance.

Councilmember Bishop MOVED to adopt Ordinance No. 1343.

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 Arboleda, Bishop, Davidson, Saravia, Walker, and Whiddon in favor. The motion passed.

V. NEW BUSINESS

a. Resolution No. 2016–09, Authorizing Formation of an Investment Committee

Mayor Branson read Resolution No. 2016–09 by title. The City currently self-manages the City's investments. These are invested based on the investment policy within the City of Kodiak municipal code at the discretion of the Finance Director. The Finance Director presented to the City Council on February 9, 2016, an overview of the City's investments, investment policy, and returns on investments. The Finance Director suggested that an Investment Committee be formed to oversee the selection of an Investment Advisory and Management Company and monitor the performance of the company chosen.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–09.

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

b. Authorization of Professional Services Contract for Cash Flow Analysis/ Rate Study for Kodiak Harbors

In the Council's budget goals, rates for enterprise funds should be evaluated every five years. The last evaluation presented to Council in 2012 included harbor and cruise ship rates. The cruise ship rates were implemented but the harbor rates were not. Harbor rates have not been adjusted since 2011. The current proposed study is designed to update the information provided in 2012 and provide rate recommendations based on current financial factors.

Councilmember Bishop MOVED to authorize a professional services contract with Northern Economics Inc., in an amount not-to-exceed \$17,930 to conduct a cash flow analysis and rate study for Kodiak harbors, with funds from the Harbor Enterprise Fund, and authorize the City Manager to execute the documents on behalf of the City.

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

c. Authorization to Cancel the March 10, and 24, 2016, Regular Meetings and Authorize a Special Meeting for March 17, 2016

The regularly scheduled Council meetings for March 10 and March 24, 2016, may be cancelled to allow for elected official and staff travel schedules. Elected officials are traveling to the National League of Cities Conference in Washington D.C. and attending lobbying meetings in Juneau during the regular meeting dates. To account for these cancellations, a special meeting is scheduled for March 17, 2016.

Councilmember Walker MOVED to cancel the March 10 and March 24, 2016, regular meetings and authorize a special meeting for March 17, 2016.

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

d. Authorization of Purchase of a Loader for Composting Facility, Project No. 08-06/7517

The expired composting agreement with Quayanna Development Corporation (QDC) included the loader as part of the equipment they supplied to operate the facility. Staff located a used loader in Anchorage that would be suitable to operate the facility.

Councilmember Bishop MOVED to authorize the purchase of a used Case 521 E Loader and attachments from Yukon Equipment Inc. in the amount of \$162,770 with funds from the Sewer Fund, fund balance and authorize the City Manager to sign necessary documents on behalf of the City.

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

e. Authorization of a Professional Services Contract for Medical Director for Kodiak Fire Department

The City operates a medical treatment and transport (ambulance) service via the City of Kodiak Fire Department. As required by the State of Alaska, a licensed physician has been retained to perform the duties of Medical Director. The Medical Director is responsible for medical oversight, protocol and policy development, quality improvement activities, liaison with PKIMC, and corrective actions related to patient care actions by providers. The Fire Department's current Medical Director, Dr. Mark Withrow has announced his retirement after more than 15 years of service as Medical Director. Dr. Gregory Culver has submitted his letter of interest in assuming the position.

Councilmember Davidson MOVED to authorize professional services contract No. 221998 with Dr. Gregory L Culver MD, FAAFP for Medical Director Services for the Kodiak Fire Department in the amount of \$25,000 a year for two-years with an option to extend, and authorize the City Manager to execute the necessary documents for the City.

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

f. Appointment of Councilmember to Investment Committee

The City currently self-manages the City's financial investments. These are invested based on the investment policy within the City of Kodiak municipal code at the discretion of the Finance Director. The Finance Director presented to the City Council on February 9, 2016, an overview of the City's investments, investment policy, and returns on investments. The Finance Director suggested that an Investment Committee be formed to oversee the selection of an Investment Advisory and Management Company and, thus, monitor the performance of the company chosen. Earlier in the meeting the Council adopted Resolution No. 2016-09, Authorizing Formation of an Investment Committee. Per Council discussion at the February 9 work session, the committee will include one Councilmember. The next step would be to appoint a Councilmember to the committee by motion.

Councilmember Whiddon MOVED to appoint Councilmember Davidson to the Investment Committee established by Resolution No. 2016-09 to serve until a replacement is appointed.

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

VI. STAFF REPORTS**a. City Manager**

Manager Kniazowski gave an overview of the Alaska Municipal League (AML) meeting, which focused on the State of Alaska budget and potential budget cuts. She said the legislature is looking at reducing staff and reducing areas of shared revenue programs. She said Senator MacKinnon indicated the State of Alaska's Education and Health and Human Services departments will be impacted by budgetary cuts. Manager Kniazowski expressed her concern about the PERS unfunded liability for the City, which the State paid 49 percent last year; the City paid 22 percent. She said the Governor's balanced budget plan was discussed, and she highlighted they had a good visit with Senator Gary Stevens. She gave a brief capital projects update: Monashka Pumphouse is operating at eight million gallons of water a day; the compost facility is progressing; the downtown lift stations are underway, and pre-construction meetings will begin in March; Golder and Associates will be working on dam safety inspections, and the Public Work's staff is collecting data and clearing brush in the area; Pier III is down to punch list items; the Pedestrian Pathway project is moving forward, and a public hearing is scheduled for March 8 at the Convention Center. She referred to pictures of the decorative garbage cans that have been placed in the downtown area, and she thanked Bruce Schactler and Anjuli Graham for their work on the project. She said she will attend SWAMC with the Mayor and several Councilmembers next week and thanked Deputy Manager Tvenge and staff for the regular meeting packet preparation last week.

b. City Clerk

City Clerk Marljar informed the public of the next scheduled Council work session, special meeting and the upcoming dates for the fisheries work group meetings.

VII. MAYOR'S COMMENTS

Mayor Branson stated she attended AML and indicated Senator MacKinnon and Senator McGuire spoke on a budget bill, and Senator Murkowski gave her annual speech to the Alaska Legislature and mentioned the great partnership between the City of Kodiak, KEA, and Matson about the flywheels used for the new crane. She said the main concern from municipalities is the continued State contribution to PERS. She said there will be some budgetary cuts, although the specifics are still unknown for revenue increases. She shared her concern for changes in the revenue sharing and encouraged the citizens to monitor the ferry system. She participated in a meeting at the legislative office testifying on the sustainability plan developed by AML and expressed her opposition to increasing the sales tax. She said there will be opportunities to testify on March 2 at the LIO office on the House of Representatives operating budget. She said there was a positive joint work session with the Kodiak Island Borough to discuss the fisheries analyst contract, and they plan to move forward jointly with some minor modifications to the professional services contract.

VIII. COUNCIL COMMENTS

Councilmember Bishop said he attended the United States Coast Guard (USCG) appreciation dinner and thanked the Chamber of Commerce and sponsors for their work to host the event, and he thanked the Coast Guard for their service and their sacrifices. He said the Joint Building Code Review Committee had a meeting to review the 2012 International Residential Engineering Codes and they postponed their vote until the March 9, 2016, meeting. He said the State will be adopting updated National Electrical Codes and the Uniform Plumbing Codes. He indicated he attended the Fisheries Work Group meeting recently and complimented Mayor Branson and Councilmembers Whiddon and Saravia for their contribution to this work group.

Councilmember Saravia thanked the USCG for their service, and he thanked the City department heads and citizens for their attendance at the meeting.

Councilmember Whiddon said the City/Borough joint work session went well, and there was good communication during the meeting. He said there was consensus for the Managers to move forward with some changes to the fisheries analyst contract, and he hopes that will be resolved soon. He said the structure of the fisheries work group was discussed, and there will be review of the City/Borough joint resolutions that formed FWG at their March 14 meeting. He said the March 16 FWG meeting will include discussion with processors to promote the seafood industry in Kodiak.

Councilmember Arboleda thanked Mr. Anderson for his positive public comments. She complimented the garbage cans placed in the downtown area, and said she looks forward to recycle bins in the future. She said she will attend SWAMC next week.

Councilmember Davidson said he attended the AML meetings and said sustainability was the topic of discussion. He said there was concern expressed about the potential loss of the Permanent Fund, and he commented that this is the lowest budget in decades and predicts it will impact employment within the State. He said he believes there will need to be alternate sources of revenue for sustainability. He said he was pleased with the outcome at the joint work session, and he

shared he could not attend the USCG dinner because he was traveling and expressed his appreciation for their services.

Councilmember Walker said he appreciated being a part of the Council and thanked them for their service.

IX. AUDIENCE COMMENTS

None

X. EXECUTIVE SESSION

a. Discussion About Future Costs Related to the Reconstruction of Pier III

Councilmember Davidson MOVED to enter into executive session pursuant to AS 44.62.310(c)(1) to discuss matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City, specifically, future costs related to the reconstruction of Pier III.

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

The Council entered into executive session at 8:20 p.m.

The Mayor reconvened the regular meeting at 9:16 p.m.

X. POTENTIAL ACTION FOLLOWING EXECUTIVE SESSION

a. Resolution No. 2016–10, Appropriating \$350,000 From the Cargo Terminal Fund to the Cargo Development Capital Project Fund to Pay for Additional Construction and Project Management Services Needed in the Pier III Replacement Project No. 11-07/8024

Mayor Branson read Resolution No. 2016–10 by title. Resolution No. 2016–10 authorizes additional funding for project management and construction services for the Pier III Replacement Project No. 11-07/8024 for the amount of \$350,000. Pacific Pile & Marine's (PPM) schedule for completion of the project has slipped at least five months causing the need for additional project management, legal, and construction services.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–10.

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

b. Authorization of Amendment to the Professional Services Contract for Pier III Project Management with ARCADIS US Inc.

Amendment No. 7 to the ARCADIS contract is for additional construction phase project management services for the Pier III replacement project. Roe Sturgulewski submitted a proposal to

provide extended project management services beyond what was anticipated in previous amendments.

Councilmember Davidson MOVED to authorize Amendment No. 7 to the professional services contract with ARCADIS US Inc. in an amount not-to-exceed \$75,000 for project management services, Project No. 11-07/8024, with funds from the Cargo Development Capital Project Fund and authorize the City Manager to execute the documents on behalf of the City.

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

c. Authorization of Change Order No. 12 With Pacific Pile and Marine for Pier III Replacement, Project No. 11-07/8024

Authorization of Change Order No. 12 to Pacific Pile and Marine LP (PPM) in the amount of \$50,878 reflects a combination of additions and deletions implemented during construction.

Councilmember Whiddon MOVED to authorize Change Order No. 12 to Pacific Pile and Marine in the amount of \$50,878 for the Pier III replacement project with funds coming from the Cargo Development Capital Project Fund, Pier III Replacement, 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 Arboleda, Bishop, Davidson, Saravia, and Whiddon in favor. Councilmember Walker was opposed. The motion passed.

X. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 9:26 p.m.



CITY OF KODIAK

Pat Braun

MAYOR

ATTEST:

Debra Markun
CITY CLERK