

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, MAY 26, 2016  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Acting Deputy Mayor Gabriel T. Saravia called the meeting to order at 7:31 p.m. Councilmembers Randall C. Bishop, Charles E. Davidson, and John B. Whiddon were present and constituted a quorum. Mayor Pat Branson and Councilmembers Laura B. Arboleda and Richard H. Walker were absent. Deputy City Manager Mike Tvenge, Deputy Clerk Michelle Shuravloff-Nelson, and Assistant Clerk Nanci Sharratt 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 May 12, 2016, regular meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Public Comments**

**Tom Pogson** with Island Trails Network has worked on the safe trails to school for the last five years and spoke about a funding opportunity for infrastructure projects. He said he informed the Kodiak Island Borough School District and Kodiak Island Borough Assembly of this funding opportunity.

**Kathy Drabek** with Sun'aq Tribe provided additional information to City Council regarding the cooperative agreement between the City, Sun'aq Tribe, and the Bureau of Indian Affairs (BIA). She provided names of three tribes that have successfully received BIA money for improvement projects.

**IV. UNFINISHED BUSINESS**

**a. Second Reading and Public Hearing, Ordinance No. 1348, Authorizing a Contract With the Kodiak Historical Society to Operate the Baranov Museum**

Acting Deputy Mayor Saravia read Ordinance No. 1348 by title. The City of Kodiak has partially funded the Kodiak Historical Society (KHS) to operate the Baranov Museum for many years. In 2014 KHS requested that the City enter into a multi-year operating agreement or contract with them for the services provided at the Baranov Museum. The most recent contract expires in June 2016, and the Historical Society requested a new two-year agreement. Based on City Charter re-

quirements and legal advice, the approval for a two-year operating agreement is made by Council through the ordinance process.

Councilmember Davidson MOVED to adopt Ordinance No. 1348.

Councilmember Bishop MOVED to amend the lease authorized by Ordinance No. 1348 by inserting under Section 3.3(b), item “(7) Empty trash receptacle outside of building.”

Acting 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 on the amendment was Councilmembers Bishop, Davidson, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The amendment passed.

The roll call vote on the main motion was Councilmembers Bishop, Davidson, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The main motion as amended passed.

**b. Second Reading and Public Hearing, Ordinance No. 1350, Enacting Kodiak City Code Chapter 5.52 Prohibiting Marijuana Establishments in the City**

Acting Deputy Mayor Saravia read Ordinance No. 1350 by title. State Ballot Measure 2, An Act to Tax and Regulate the Production, Sale, and Use of Marijuana (AS 17.38), was approved by voters statewide on November 4, 2014. AS 17.38.210 provides that a local government may prohibit the operation of marijuana cultivation facilities, marijuana product manufacturing facilities, marijuana testing facilities, or retail marijuana stores through the enactment of an ordinance or by voter initiative. The City Council voiced a consensus at the April 26, 2016, work session to bring forth an ordinance that allows the City to opt out of allowing marijuana operations within the City limit for a period not to exceed six months. The City’s attorney wrote Ordinance No. 1350 in response to Council direction, which would enact KCC 5.52 Prohibiting Marijuana Establishments in the City and which would expire six months after the ordinance effective date.

Councilmember Whiddon MOVED to adopt Ordinance No. 1350.

Acting 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 Bishop, Davidson, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The motion passed.

**c. Authorization of Cooperative Agreement Between the City, Sun’aq Tribe, and BIA for Improvements to Shelikof Street**

The Sun’aq Tribe of Kodiak has approached the City to include Shelikof Street in the Tribe’s existing road inventory to the Bureau of Indian Affairs (BIA) Tribal Transportation Program. A Memorandum of Agreement between the Sun’aq Tribe and the City would potentially bring Federal funding to Kodiak to make improvements to this street.

Councilmember Whiddon MOVED to amend the Memorandum of Agreement between the City and Sun'aq Tribe by inserting at the end of the first paragraph the following: "Any proposed improvements will be presented to the City for approval prior to implementation. This is a one-year agreement with option for renewal annually if both parties agree."

Councilmember Whiddon clarified for the public that this is a good opportunity for a public and private partnership between the Sun'aq Tribe and the City and welcomes their involvement. He said the initial concern was the specificity on the Memorandum of Agreement and clarity on certain statements, which has been cleared up. He stated he looks forward to what the partnership will bring.

Councilmember Davidson stated that it is a win-win for both parties and allows BIA money to help upgrade items.

The roll call vote on the amendment was Councilmembers Bishop, Davidson, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The amendment passed.

The roll call vote on the main motion was Councilmembers Bishop, Davidson, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The main motion as amended passed.

## V. NEW BUSINESS

### a. **First Reading, Ordinance No. 1351, 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 2016 and Ending on the Thirtieth Day of June 2017**

Acting Deputy Mayor Saravia read Ordinance No. 1351 by title. Ordinance No. 1351 provides for the adoption of the City of Kodiak's FY 2017 budget. The budget document, which supports the ordinance, estimates all sources of revenue the City anticipates receiving between July 1, 2016, and June 30, 2017. The budget document also establishes an operating and capital expenditure plan for FY2017 that is based on staff's assessment of operational and community needs and the Council's FY2017 budget goals. Staff made the FY2017 budget presentation to Council a special budget work session on May 7, 2016.

Councilmember Bishop MOVED to pass Ordinance No. 1351 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, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The motion passed.

### b. **First Reading Ordinance No. 1352, Establishing Supplemental Appropriation No. 2 to the Budget for the Fiscal Year Commencing on the First Day of July 2015 and Ending on the Thirtieth Day of June 2016**

Acting Deputy Mayor Saravia read Ordinance No. 1352 by title. *[Clerk's Note: The ordinance title read at the meeting contained typographical errors and has been corrected.]* The Supplemental Appropriation No. 2 to the budget for the fiscal year commencing on the first day of July

2015 and ending on the thirtieth day of June 2016 is in the amount of \$3,767,357. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses as detailed in the attachments provided. 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 or Supplemental No. 1, Ordinance No. 1342 was presented and passed. This is the second and final budget amendment of FY2016.

Councilmember Whiddon MOVED to pass Ordinance No. 1352 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, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The motion passed.

**c. First Reading, Ordinance No. 1353, Amending Schedules I, II, and III to the Personnel Rules and Regulations to Include a 2.38% Cost of Living Increase**

Acting Deputy Mayor Saravia read Ordinance No. 1353 by title. Ordinance No. 1353 provides for the adoption of a cost of living adjustment for all City full-time, part-time, and temporary employees and adjusts the pay scale per the Personnel Rules and Regulations handbook accordingly. The cost of living adjustment was calculated using a recent five-year average of the Anchorage, Alaska CPI-U index from the State of Alaska, Department of Labor website. The latest five-year average calculates to a 2.38% increase and has been incorporated into the Fiscal Year 2017 budget.

Councilmember Whiddon MOVED to pass Ordinance No. 1353 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, Saravia, and Whiddon in favor. Councilmembers Arboleda and Walker were absent. The motion passed.

**d. Authorization of Extension of the Professional Services Contract With BIRCH, HORTON, BITTNER, and CHEROT for Legal Services**

The firm of BIRCH, HORTON, BITTNER, and CHEROT was selected to provide legal services to the City in July 2000. The original contract was for a three-year period, with an option for three additional one-year extensions. The contract and ten extensions have been approved and renewed by Council since that time. The current contract extension is set to expire on June 30, 2016. The firm, and Tom Klinkner, the City's primary municipal attorney, wish to continue to serve the City of Kodiak and recommend a one-year contract extension.

Councilmember Bishop MOVED to authorize the eleventh amendment to the contract dated August 22, 2000, with BIRCH, HORTON, BITTNER, and CHEROT for professional legal services.

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

**e. Approval of the 2016 Water Rate Final Report**

CH2M has prepared several water and sewer rate studies for the City of Kodiak since 1982. In 2005 the Council adopted rate increases for both water and sewer based on a cost of service study completed by CH2M. In 2011 Council adopted a five-year rate increase plan for water rates, with the last rate increase adopted in FY2016. In August 2015 Council authorized a water rate and cost of service study for the next five-year period in order to evaluate system and capital improvement costs and to develop rates to cover revenue needs.

Councilmember Davidson MOVED to approve the 2016 Water Rate Final Report Prepared by CH2M and direct the City Manager to prepare a resolution for approval at a future meeting amending the City's Schedule of Fees and Charges to reflect rate Option 3.

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

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

Deputy City Manager Tvenge stated that three long time employees will be retiring this summer. The first employee retiring is Hap Heiberg, the Wastewater Treatment Plant Manager, who has worked over 29 and half years for the City. He has been recognized statewide by other utilities and state regulators as an outstanding operator and manager during his stellar career. He thanked Hap Heiberg for his dedicated commitment to the community.

**b. Deputy Clerk**

Deputy Clerk Shuravloff-Nelson informed the public of the next scheduled Council special meeting, work session, and regular meeting.

**VII. MAYOR'S COMMENTS**

Acting Deputy Mayor Saravia stated he will speak during Council comments.

**VIII. COUNCIL COMMENTS**

Councilmember Bishop thanked the community and all the vendors for making the Crab Festival possible. He also thanked the police, fire, and other departments for their work with Crab Festival to make it a fun and safe festival.

Councilmember Whiddon stated that the special meeting on Tuesday, May 31, 2016, will be to review and approve the letter that the Kodiak Fisheries Work Group (KFWG) drafted to address the Gulf of Alaska Trawl Bycatch motion. He said the letter summarizes the work KFWG has done over the last six months, which outlines positions, asks questions, and addresses concerns the joint bodies have for the North Pacific Fisheries Management Council (NPFMC). He shared the NPFMC will be in Kodiak the week of June 6 through June 14. He said he is pleased with the letter and thanked the members for all their time and effort.

Councilmember Davidson thanked Councilmembers Whiddon and Saravia for their time spent on the KFWG. He wished everyone a great Crab Festival and reminded people to drive safe.

Councilmember Saravia stated he missed KFWG meetings due to being sick and thanked everyone for all their time and work that they put into the KFWG. He thanked City employees and department heads for all their hard work and serving the City. Councilmember Saravia discussed unionization. He said during the last two unionization attempts, he supported money being set aside to inform the people of the pros and cons of the union before they go to vote. He stated he believes it is the Council's responsibility to help inform the people how unionization and associated costs could impact the City, staff and services.

**IX. AUDIENCE COMMENTS**

None

**X. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:06 p.m.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Minutes Approved: June 9, 2016

