

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, JUNE 23, 2016  
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:35 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, and John B. Whiddon were present and constituted a quorum. Councilmember Richard H. Walker was absent. City Manager Aimée Kniazowski, 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 June 7, 2016, special meeting and June 9, 2016, regular meeting as presented.

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

**III. PERSONS TO BE HEARD**

**a. Proclamation: Declaring Filipino American Heritage Month**

Councilmember Arboleda read the proclamation, which recognizes Filipino Americans for their vital contributions to our community and urges citizens to participate in festivities celebrating the rich heritage and traditions of the Philippine Islands.

James Portillo Fil-AM Second Vice President and Mary Guiles-Hawver, President accepted the proclamation. Mr. Portillo stated it was an honor and privilege to accept the proclamation on behalf of Fil-Am. He said it is the 118th anniversary of the Philippines' independence.

Ms. Guiles-Hawver provided an update on upcoming events stating the Fil-Am Consulate will be in Kodiak on August 21 through August 22 at the Teen Center, and the Induction Ball is on October 22, 2016, at the Afognak building.

**b. Public Hearing on Resolution No. 2016-19, Amending Sections 8, 11, and 12 of the Schedule of Fees, Charges, and Tariffs**

The City sets its fees and charges for various services by a resolution of the Council. The proposed changes to fees pertaining to general, library, and parks and recreation services are proposed to take effect on July 1, 2016.

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

**c. Public Hearing on Resolution No. 2016–20(SUB), Amending Section 9, Harbor Fees, of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure**

The City sets its fees and charges for various services by a resolution of the Council. The proposed changes to fees pertain to the harbor facilities replacement and maintenance costs. The fees are proposed to take effect beginning on July 1, 2016, and occur annually until July 1, 2020.

Mayor Branson closed the regular meeting and opened the public hearing.

**Patrick O'Donnell** said he was not opposed to a rate increase but expressed concern regarding the minimal public notice for the proposed harbor rate increases. He referred to the Northern Economics study and stated he supports their alternative rate concept to help bring the rates closer in comparison for all vessel sizes. He said there is discrepancy in the slips available and vessel size charges per foot.

There being no further public testimony, the Mayor closed the public hearing and reopened the regular meeting.

**d. Public Comments**

None

**IV. UNFINISHED BUSINESS**

**a. Continued Second Reading and Public Hearing, 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**

Mayor Branson read Ordinance No. 1351 by title, which provides for the adoption of the City of Kodiak's FY2017 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 at a special budget work session on May 7, 2016.

*[Clerk's Note: Councilmember Arboleda moved to adopt Ordinance No. 1351 at the June 9, 2016, regular meeting.]*

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, and Whiddon in favor. Councilmember Walker was absent. The motion passed.

**V. NEW BUSINESS**

**a. Resolution No. 2016–19, Amending Sections 8, 11, and 12 of the Schedule of Fees, Charges, and Tariffs**

Mayor Branson read Resolution No. 2016–19 by title. The City sets its fees and charges for various services by a resolution of the Council. Staff completed the review and submitted a list of proposed changes to fees pertaining to the General Services, Library, and Parks & Recreation departments. Changes are proposed to take effect on July 1, 2016.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–19.

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

**b. Resolution No. 2016–20(SUB), Amending Section 9, Harbor Fees, of the Schedule of Fees, Charges, and Tariffs and Authorizing Implementation of a Five-Year Rate Structure**

Mayor Branson read Resolution No. 2016–20(SUB) by title. Harbor rates have not been adjusted since July 2011. The initial Resolution No. 2016–20 authorized a five-year rate plan that would have increased moorage and other harbor services 18.5 percent in FY2017 and would have implemented an annual inflationary increase based on Producer Price Index (PPI) each year thereafter. The proposed increase was recommended by the City’s consultant Northern Economics. The Port & Harbor Advisory Board (PHAB) and staff supported Northern Economics recommendation. At the work session on June 21, 2016, the Council requested a substituted resolution reflecting a six percent increase in Harbor rates each year for five years. The new rates would be effective July 1, 2016, which is the beginning of FY2017.

Councilmember Davidson MOVED to adopt Resolution No. 2016–20(SUB).

Councilmember Whiddon MOVED to postpone Resolution No. 2016–20(SUB) until such time the Council can further discuss the rate options.

Councilmember Whiddon said he would like to give the public more time to review and comment on the increases.

Councilmember Davidson said the Council paid approximately \$40,000 to Northern Economics for the study, and he feels the study was thorough. He said the funds need to be increased and collected to pay for the maintenance of the harbor facilities.

Councilmember Saravia said the rate increases for the harbor facilities are similar to the increased rates for the ice rink. He said six percent is a reasonable increase.

Councilmember Whiddon clarified he is not opposed to increased harbor rates; he would like to explore further options, and suggested a fee increase by October would be a more feasible option. He reiterated he would like to postpone the vote to give the public the opportunity to provide feedback.

Councilmember Bishop said he does not support adopting Resolution No. 2016–20(SUB) at this time.

Councilmember Arboleda said she supports Councilmembers Whiddon and Bishop to postpone the resolution.

Councilmember Davidson said postponing the adoption of the resolution will cost the City approximately \$140,000 of potential revenue, which can accrue interest in the bank.

Councilmember Whiddon said he had a concern that the PHAB's membership was not all present to discuss Northern Economics recommendation.

Councilmember Saravia said it went before the PHAB and the majority supported Northern Economics recommendation by vote, which indicated their role had been fulfilled. And he said the fishing season is ongoing for the next few months and the delay until the end of the summer would not be helpful. He stated he feels increased revenue needs to occur for maintenance of the harbor for the users.

The roll call vote on the postponement was Councilmembers Arboleda, Bishop and Whiddon in favor. Councilmember Davidson and Saravia opposed. Councilmember Walker was absent. The motion to postpone failed. Councilmember Davidson requested to change his vote to the prevailing side after the roll call was announced. With Councilmember Davidson's vote change, the motion to postpone passed.

*Under Clerk's Comments later on the agenda the following occurred:*

The City Clerk explained that after reviewing Robert's Rules of Order, Councilmember Davidson could not change his vote to the prevailing side after the roll call unless unanimous consent was granted by the Council without discussion.

Mayor Branson requested a verbal unanimous consent for the postponement of Resolution No. 2016–20(SUB). The Council voiced unanimous consent.

The Clerk also explained that a Councilmember who voted on the prevailing side had the opportunity to move for reconsideration as long as the motion was made before the present meeting adjourned.

**c. Resolution No. 2016–21, Authorizing the Issuance of a Permit to the American Legion Post 17 for Use of Public Property in Conjunction With Fourth of July Celebration**

Mayor Branson read Resolution No. 2016–21 by title. Resolution No. 2016–21 permits American Legion Post 17 to close and use City streets for its annual Fourth of July parade. Street clo-

tures for the parade will take place on Monday July 4, 2016, from 11 a.m. to 12:30 p.m. The parade will begin at the St. Paul Harbor spit, turn left onto Marine Way heading to Rezanof Drive. From Rezanof Drive, the parade will turn onto Center Avenue making its way to Marine Way again and ending at Oscar's Dock. As Rezanof Drive, which is a state roadway, is part of the parade route, the American Legion will receive a separate authorization for closure from the State Department of Transportation (DOT).

Councilmember Bishop MOVED to adopt Resolution No. 2016–21.

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

**d. Resolution No. 2016–22, Authorizing the Issuance of a Permit to the High School Tennis Team for the Use of Public Property for Its Tennis Clinic Fundraiser**

Mayor Branson read Resolution No. 2016–22 by title. The high school tennis coach, Steve Johnston, requested the use of Baranof Park tennis courts to run tennis clinics and lessons as a fundraiser from June 23rd through October 31st. The tennis team is a high school sport that is completely self-funded. The team raises money to cover the cost of travel and other costs associated with tennis.

Councilmember Arboleda MOVED to adopt Resolution No. 2016–22.

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

**e. Authorization of Bid Award for FY2017 Petroleum Products**

Each year the Public Works Department issues bids for the City's petroleum products. Bids were opened on June 9, 2016, for FY2017 petroleum products. Two bids were received. Petro Marine Services was the lowest bidder for all petroleum products.

Councilmember Davidson MOVED to authorize the bid award of the City's FY2017 petroleum products to Petro Marine Services for Diesel Ultra Low Sulfur at \$2.105, Gasoline at \$2.175, Heating Fuel #2 at \$2.105, and Heating Fuel #1 at \$2.205 per gallon with funds coming from each department's FY2017 fuel line items.

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

**f. Authorization of Professional Services Agreement for Demolition of Existing Structure for New Fire Station, Project No. 15-06/6015**

In 2015 Stantec performed a condition assessment of the old library building and prepared a construction cost estimate to restore and upgrade the building for general City use as office space. Stantec presented the condition assessment and cost estimate to Council at the February 23, 2016, work session. At the meeting it was discussed and determined that based on the poor condition of the library building, the cost of improvements to the building would approach the cost

of new construction. It was also pointed out that the old library building, if left in place, would present a major challenge to developing the site for future construction of a new fire station. After Council discussion, staff was given direction that the old library should be removed. The Manager and staff recommend moving forward with the process to have the building removed. The first step is to contract for professional services to prepare the engineering drawings and specifications and assist with bid document preparation for the demolition project.

Councilmember Arboleda MOVED to authorize a professional services agreement for engineering services for demolition of the existing structure (old library building) and authorize the City Manager to enter into a design contract with Stantec in the amount of \$31,238 with funds coming from the Building Improvement Fund, New Fire Station Project, Project No. 15-06/6015.

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

**g. Authorization of Professional Services Agreement for Land Survey of New Fire Station, Project No. 15-06/6015**

Request for a professional services agreement for surveying services is needed to prepare the engineering drawings and specifications to publicly bid the demolition of the old library building. Stantec is the City's design consultant for the project and has surveyors on staff, but staff recommends hiring a local surveyor because of local knowledge of the City and to save the cost to bring surveyors over from Anchorage.

Councilmember Bishop MOVED to approve a professional services agreement with Kodiak Land Surveying in the amount of \$31,960 for land surveying services related to the new Kodiak fire station project with funds coming from the Building Improvement Fund, new fire station project, Project No. 15-06 /6015, and authorize the City Manager to execute the agreement for the City.

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

**h. Authorization of a Five-Year Lease for Folder Insert Machine**

The Finance Department currently processes approximately 2,000 utility bills per month, approximately 200 payroll checks biweekly, and 1,000 sales tax forms per quarter, plus miscellaneous mailers that are processed through the City Administration, City Clerks, and other City departments. To efficiently fold and insert these mailings into envelopes, the Finance Department utilizes office equipment designed to fold these mailers and insert them into envelopes. The current folder/inserter has ceased working properly and attempts to revive it have proven unsuccessful. The Finance Department and IT staff researched new equipment for purchase or lease to replace the existing machine.

Councilmember Arboleda MOVED to authorize a five-year lease agreement for a folder insert machine with Mail Finance Inc./NeoPost USA Inc. for a total of \$15,679.80; FY2017 (year 1) at \$1,983.96 and FY2018-2021 for a total of \$13,695.84, with funds coming from the General Fund Finance Department Finance-Utilities-Equipment Rental account.

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

**i. Authorization of Professional Services Contract for FY 2016 Audit**

Each year the City Council retains a qualified professional audit firm to perform an annual audit of the City's financial records and accounting practices. The City Charter and the City Code require the Council to accept the comprehensive annual financial report. The City's contract for these services was awarded on March 28, 2013, for FY 2013, FY 2014, and FY 2015. The Request for Proposal was for a three-year contract with two one-year extensions. City Charter Section V-21, *Independent annual audit*, states the following: "The council shall designate a certified public account or accountants who shall make an independent audit..." Therefore, the Finance Department is recommending authorization of a professional services contract with BDO, Inc. for audit services for FY2016 for \$66,500.

Councilmember Davidson MOVED to authorize a professional services contract for audit services with BDO, Inc. for FY2016 for \$66,500 with funds coming from the Finance Department's operating budget professional services line item and authorize the City Manager to sign the contract on behalf of the City.

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

**j. Authorization of Program Agreement with Alaska Public Entity Insurance Agreement**

The City receives its property, casualty, liability, and Workers' Compensation coverage through its membership in the Alaska Public Entities Insurance (APEI) pool since the City joined APEI in 2010. In June 2015 Council directed staff to work with the City's broker to get quotes for FY2017 to compare rates and benefits between the two municipal insurance pools. The City's broker presented quotes to Council at the June 7 work session. The Manager and broker recommended accepting the quote from APEI and Council concurred.

Councilmember Bishop MOVED to authorize the City Manager to sign the three-year APEI Intent to Remain document on behalf of the City.

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

**VI. STAFF REPORTS**

**a. City Manager**

Manager Kniazowski said the FY2017 State budget is still in progress and the Governor has called a special session. She said the wood amendments at the Compost Site have arrived, and the building to store them is in progress. She said the construction of the lift stations will be in August. She noted upcoming retirements of long-term employees. City Building Official Doug Mathers' last day of work is June 24, 2016. She also stated Lt. Ellis' last day of work is June 30

and he has provided the oversight of the corrections and dispatch programs at KPD; she commented they will both be missed. She said she met with Michael Powers, KIB Manager regarding the Building Inspection Program MOA and they will continue to communicate the next steps as more information becomes available. She said they plan to have monthly Manager's meetings. She mentioned she understands the KIB Assembly will be discussing consolidation of the local governments in the near future. She said the Pacific Pile & Marine mediation date is scheduled for July 26. She shared she will be on medical leave next week.

**b. City Clerk**

City Clerk Marlar explained the rules for changing a vote and moving to reconsider a vote. She informed the public of the next scheduled Council work session and regular meeting. She announced the date of the first Marijuana Committee meeting and the upcoming Fisheries Work Group meeting. She said nomination petitions will be available by July 25, 2016, in the City Clerk's Office for two three-year Council seats, and the petitions may be filed at the Clerk's office between August 1 and August 15.

**VII. MAYOR'S COMMENTS**

Mayor Branson congratulated Mr. Heiberg, Mr. Mathers, and Mr. Ellis on their retirement. She thanked Parks and Recreation staff for the flowers and arrangements in the downtown area and commented that Sargent Park looks great. She wished the citizens a happy Independence Day.

**VIII. COUNCIL COMMENTS**

Councilmember Davidson congratulated and thanked the retirees. He encouraged people to attend the Fourth of July parade sponsored by the American Legion.

Councilmember Arboleda wished Councilmember Walker well during his surgery. She said the Marijuana Committee will meet on June 27, 2016. She wished the public a happy Fourth of July.

Councilmember Whiddon said the NPFMC left Kodiak last week. He said the parade sponsored by Alaska Whitefish trawlers and Groundfish Databank was a success, and he stated he was proud to be from Kodiak. He spoke about the analysis that will be discussed at the NPFMC meetings in December. He announced the FWG meeting dates.

Councilmember Saravia wished Mayor Branson a good trip. He thanked those retiring for their years of service.

Councilmember Bishop said the discussion and varying opinions during the meeting provide for better outcomes. Said the KIB Marijuana Committee had their first meeting. He wished Mr. Mathers and Mr. Ellis a good retirement.

**IX. AUDIENCE COMMENTS**

**Rob Schuberger** called in and said he thinks the old library should be turned into a grocery store.



Mayor Branson asked the City Manager to respond. Manager Kniazowski said there are contamination issues with the library building, and it will need to be demolished. She shared the City's services do not include the operation of a grocery store, but it is a viable option for a private entity to consider.

**X. ADJOURNMENT**

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:55 p.m.



ATTEST:

CITY OF KODIAK

*Pat Mearns*  
\_\_\_\_\_  
MAYOR

*Michelle Sturawoff-Johnson*  
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DEPUTY CLERK

Minutes Approved: July 14, 2016