

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, OCTOBER 26, 2017
IN THE BOROUGH ASSEMBLY CHAMBERS**

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

Mayor Pat Branson called the meeting to order at 7:31 p.m. Councilmembers Laura B. Arboleda, Randall C. Bishop, Charles E. Davidson, Gabriel T. Saravia, and Richard H. Walker were present and constituted a quorum. Councilmember John B. Whiddon was absent. City Manager Mike Tvenge, City Clerk Debra Marlar, and Assistant Clerk Shannon Hamer were also present.

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

II. PREVIOUS MINUTES

Councilmember Arboleda MOVED to approve the minutes of the October 12, 2017, regular meeting as presented.

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

III. PERSONS TO BE HEARD

a. Proclamation: Extra Mile Day

Councilmember Walker read the proclamation, which urges each individual in the community to take time to not only “go the extra mile” in his or her own life, but to also acknowledge all those around who are inspirational in their efforts and commitment to make their organizations, families, community, country, or world a better place.

b. Public Comments

Mike Milligan suggested that the City look at selling property on Near Island. He said shovel ready projects could qualify for federal money and stated the Kodiak Island Borough had a land sale fund. He suggested revenues could be increased by broadening the tax base. Mr. Milligan praised the Baranof Park and the Kodiak Public Library. He encouraged other ways to generate revenues instead of sales tax.

Jack Mann, a 75-year resident and former business owner in Kodiak, stated that the sales tax cap will defer buyers to shop online and in Anchorage. Mr. Mann made disparaging remarks about various City projects and Councilmembers and stated his belief that there is out of control spending.

Renee Darrenkamp (via phone) said she was glad that the Council seems to be listening to citizens that have made constructive comments on the budget issue. She agreed when Councilmember Whiddon stated that cuts from City departments means job losses for our friends and neighbors. Ms. Darrenkamp spoke against raising the sales tax cap and stated her opinion the is-

sue was not ready for a vote. She asked the Council to first exhaust all of their options and stated she is willing to serve on a committee or help with ideas.

Marya Nault stated that Ordinance No. 1367 will adversely affect many. She stated it is unrealistic to believe revenue will increase if people quit buying locally. Ms. Nault agreed with Mr. Mann's statement that the Council's spending is out of control. She referenced an article in the Daily Mirror about using City business licenses as way to punish people who don't pay sales tax on time. She said it is wrong to penalize all businesses for the few who don't pay taxes, and suggested it would add more work for the City staff. Ms. Nault emphasized that this is the wrong time to raise cap to \$3,000.

IV. UNFINISHED BUSINESS

a. Continued First Reading, Ordinance No. 1367, Amending Kodiak City Code 3.08.120, "Maximum Taxable Sale," to Increase the Maximum Amount of a Sale Service or Rental that is Subject to City Sales Tax to \$3,000

Mayor Branson read Ordinance No. 1367 by title. Since May 2016, City staff has provided updates regarding the City's fiscal outlook. The State of Alaska budget has been experiencing a shortfall over the past three fiscal years that has impacted funding provided to the City of Kodiak. The City revenues are generated through sales tax, property tax, City charges for services, and intergovernmental revenues. Due to continual decreases in City intergovernmental revenues, City staff has presented data to the City Council and Mayor throughout eighteen work sessions to consider the implications to the City. These discussions culminated into the direction from Council to move forward with three ordinances:

- Increase minimum taxable sale from \$750 to \$3,000
- Hold the maximum taxable sale on real property commercial and real property residential rentals to \$750
- Eliminate the 2% discount allowed to early sales tax filers

The motion to pass Ordinance No. 1367 in the first reading and advance to second reading and public hearing at the next special or regular meeting was made and postponed at the September 28, 2017, regular meeting.

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

b. Continued First Reading, Ordinance No. 1368, Amending Kodiak City Code 3.08.040, "General Exemptions" and Kodiak City Code 3.08.120, "Maximum Taxable Sale," to Exempt Real Property Rentals Exceeding One Month and \$750.00 From City of Kodiak Sales Tax

Mayor Branson read Ordinance No. 1368 by title. Ordinance No. 1368 is meant to protect rental property from escalating sales taxes with the intent to continue the City Council's vision of maintaining affordable housing in our community. The sales tax cap for property rentals is set at \$750.

The motion to pass Ordinance No. 1368 in the first reading and advance to second reading and public hearing at the next special or regular meeting was made and postponed at the September 28, 2017, regular meeting.

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

V. NEW BUSINESS

a. Authorization to Cancel the November 23 and December 28, 2017, Regular Meetings and Authorize the City Manager to Schedule Additional Special Meetings if Needed

The regularly scheduled Council meetings for November and December may be cancelled to reflect the holidays and elected official and staff travel schedules.

Councilmember Walker MOVED to cancel the November 23, and December 28, 2017, regular meetings and authorize the City Manager to schedule additional special meetings if needed.

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

b. Certification of Election

The City of Kodiak held a regular election October 3, 2017, and voters cast ballots for the two-year Mayoral position and the two three-year City Council positions. The Canvass Board met October 11, 2017, to tally the votes of the admissible questioned and absentee ballots, together with votes counted on election night. The final results of the October 3, 2017, Municipal City election were:

Mayor—One Two-Year Term	
Pat Branson	428
Write-ins	38
City Council—Two Three-Year Terms	
Laura B. Arboleda.....	396
Randall C. Bishop	360
Write-Ins	32

Of the 3,574 registered City voters, 603 cast eligible City ballots, for a 16.9 % voter turnout, which is 6.9% lower than last year.

Councilmember Bishop MOVED to certify the results of the October 3, 2017, regular election and declare Pat Branson elected Mayor for a two-year term and Laura B. Arboleda and Randall C. Bishop elected to the City Council for three-year terms.

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

VI. STAFF REPORTS

a. City Manager

On October 23, 2017, the Deputy City Manager met with the “Social Issues and Public Safety Subcommittee” of the Downtown Revitalization committee. The discussion focused on a partnership between local businesses and KPD to locate a satellite police station downtown to provide a greater police presence as well as outreach to local businesses and visitors. The subcommittee is seeking input and ideas to tackle the negative impacts of drug and alcohol abuse to the downtown area.

Manager Tvenge and Deputy Manager Van Daele attended a kickoff meeting of the “Brownfields Assessment Coalition” on October 25, 2017, which is a partnership between the Kodiak Island Borough (KIB), the City, Natives of Kodiak (NOK), and Stantec Consulting. Manager Tvenge signed a Memorandum of Agreement on October 26, 2017, for the City to be a member of the coalition. Stantec Consulting will work closely with the KIB and NOK to access areas for environmental remediation and apply for the grant funding. The City’s involvement as a coalition member is to provide local historical knowledge for the grant application and show support for identified site cleanup and rehabilitation.

Senator Murkowski has been trying to include the Pink Salmon Fishery Resource Disaster Declaration in the latest disaster relief bills; however, this fishery disaster pales in comparison to the hurricane damage. There will be another opportunity in December to bring this request forward in the Omnibus Spending Bill.

The Public Library is hosting a concert, a cultural exhibit, genealogical workshops, and Nordic lifestyle demonstrations November 5, 2017, through November 11, 2017, for this year’s Scandinavian Culture and Film Festival.

b. City Clerk

Clerk Marlar thanked the election workers for their help during the October 3rd election. She said that the Municipality of Anchorage is transitioning to entirely by-mail voting, and she will have the opportunity to investigate this process as a possibility for Kodiak when attending the AML conference in Anchorage next month. Ms. Marlar reviewed the schedule of upcoming City Council Meetings.

VII. MAYOR’S COMMENTS

Mayor Branson thanked Deputy Mayor Bishop for filling in for her while she was on vacation. She also thanked Councilmembers Whiddon and Bishop for arranging the Community Forum and those who attended. The Council continues to work on the budget issue. Several options were discussed Tuesday night, and various options will continue to be talked about. Mayor Branson is proud of the Council’s productivity with the budget and the Economic Development Committee. She stated that the Near Island Plan is nearly complete. Branson believes that assisting the State in taking advantage of online sales is important in lobbying efforts this year, and

she would like this to be a legislative priority. Mayor Branson thanked the public for re-electing her and congratulated Councilmembers Bishop and Arboleda.

VIII. COUNCIL COMMENTS

Councilmember Bishop congratulated Mayor Branson and Councilmember Arboleda and stated he is proud to be part of the Council. He voiced appreciation to community members who came to express concerns at the Community Forum on October 16th. Councilmember Bishop thanked Mayor Branson for attending the Board of Fish meeting in Anchorage. He mentioned the Kodiak Chamber of Commerce Downtown Trick-or-Treat event next week.

Councilmember Saravia congratulated those who were re-elected this year. He stated that he ran unopposed two years ago, and two Councilmembers ran unopposed this year. He said he would like to see more community members running for office. Councilmember Saravia opined that to keep up the quality of life for citizens some things can't be cut. He emphasized that the ordinances today were in the first reading, and they could be amended in the second reading. He said the State does not have municipal money to pass along, and the cap was not raised when the sales tax was last raised. Many options were discussed at the Work Session to increase revenues. He reiterated the need to look at the type of City and services we want to provide.

Councilmember Arboleda greeted the audience and congratulated Mayor Branson and Councilmember Bishop on their re-election. She reminded the community to drive safely.

Councilmember Davidson stated that he is disappointed to hear that longtime service on the Council has become odious, and he found this hurtful. He stated he has made many sacrifices and spent money out of his own pocket as a Councilmember. He encouraged others to run for office. He congratulated the Mayor and his colleagues on re-election.

Councilmember Walker also congratulated those who were re-elected to the Council. He stated that the vote tonight was to keep the ordinances on the table, and there will be more negotiating. He stated we don't have State or Federal funding to help with the budget. Councilmember Walker voiced disappointment in the turnout for the community forum. He said he would like to see more of the community getting involved and showing up to meetings. He stated Kodiak is his home, and he cares about what happens in Kodiak. He noted the Council will do what they think is best for the community and they have been working very hard for over 18 months on many scenarios; he asked the community to hang in there with them.

IX. AUDIENCE COMMENTS

Mike Milligan clarified that taxes on internet sales have to be legislated at the Federal level, as Internet Commerce is a power allocated to Congress under the Constitution. He stated every community in America is up against the same thing. He stated the importance of "bricks and mortar" business to the community. Mr. Milligan voiced appreciation to the Council for their work, and stated that if anyone thinks they can do better they should run for office.

Marya Nault commented about a previous Kodiak Island Borough effort to raise taxes and how the citizens came out in force. She read a portion of a Kodiak Daily Mirror article about business licenses, and re-emphasized that this is not the answer. She stated the City should deal with busi-

nesses on a case-by-case basis. She said revocation of business licenses for failure to pay taxes will not generate revenue, because the City will then not receive any sales tax.

Chris Lynch (via phone) voiced appreciation for the hard work the Council has done. She said she has received responses to her questions quickly. She supports a mill rate increase. Ms. Lynch recommended sales tax for bazaars and extra-curricular activities. She thanked the Council for their time.

X. OATH OF OFFICE

KCC 2.28.080 requires elected officials to take and subscribe to the Oath of Office. The City Clerk administered the Oath of Office to Mayor Branson and Councilmembers Arboleda and Bishop.

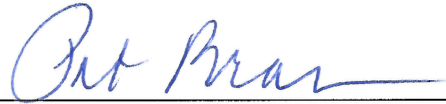
XI. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 8:22 p.m.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Minutes Approved: November 9, 2017

