

**MINUTES OF THE REGULAR COUNCIL MEETING
OF THE CITY OF KODIAK
HELD THURSDAY, MARCH 8, 2018
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, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. Councilmember Gabriel T. Saravia was absent. City Manager Mike Tvenge, City Clerk Debra Marlar, and Deputy Clerk Michelle Shuravloff-Nelson were also present.

Salvation Army's Tony Furio gave the invocation and the Pledge of Allegiance was recited.

II. PREVIOUS MINUTES

Councilmember Whiddon MOVED to approve the minutes of the February 6, 2018, special meeting and the February 8, 2018, regular meeting.

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

III. PERSONS TO BE HEARD

a. Public Comments

Nick Szabo, Chairman, Solid Waste Advisory Board (SWAB) thanked the Council for adopting the ordinance to reduce plastic bags within the City limits. He emphasized the ordinance is effective on April 22, 2018, and he referred to the transition plan and shared SWAB's efforts to work on public awareness. He said they are encouraging reusable bags and provided an update on the public service announcements, events, and flyers that will occur during the transition. He shared the list of sponsors that have purchased reusable bags for the community.

Bobbie Ivanoff expressed concern about abandoned vehicles on Murphy Way, which has made it hazardous to enter in and out of her driveway. She referred to the addition of a road that occurred several years ago to enhance parking in the area. She requested assistance to move the abandoned vehicles.

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

- a. Resolution 2018-05, Urging the Governor of the State of Alaska to Declare a Disaster and to Request the Secretary of Commerce to Declare a Commercial Fishery Failure and a Disaster for the 2018 Gulf of Alaska Pacific Cod Fishery**

Mayor Branson read Resolution No. 2018–05 by title. In December 2017, the North Pacific Fisheries Management Council reduced the 2018 Gulf of Alaska Pacific cod catch limits by 80 percent compared to 2017. The Fisheries Work Group Co-Chairs have recommended the adoption of a joint resolution from the City Council and Borough Assembly urging the Governor of the State of Alaska to declare a disaster and to request the Secretary of Commerce to declare a commercial fishery failure and a disaster for the 2018 Gulf of Alaska Pacific cod fishery.

Councilmember Davidson MOVED to adopt Resolution No. 2018–05.

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

b. Resolution No. 2018–06, Rescinding Resolution No. 2017–13 and Establishing Funding Criteria for Nonprofit Grants

Mayor Branson read Resolution No. by title. Resolution No. 2018–06 amends the funding criteria for nonprofit grant awards to nonprofit organizations not to exceed \$175,000 until such time as the fund balance of the General fund reaches an accumulation of six months of operating expenditures, exclusive of any fund balance appropriation and transfers to capital project funds.

Councilmember Arboleda MOVED to adopt Resolution No. 2018–06.

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

c. Direction to City Manager to Increase the City Mill Rate to 4 Mills Beginning With the FY2019 Budget

During the January 2 Council work session, the Deputy Manager presented information on the City's property tax rate, currently at 2.0 mills, as well as information regarding procedures to modify this property tax mill rate and financial impacts if the mill rate were to be increased. The City Manager provided an overview of upcoming FY2019 expenses.

Councilmember Davidson MOVED to direct the City Manager to increase the City mill rate to 4 mills beginning with the FY2019 Budget.

Councilmember Whiddon MOVED to postpone the vote until a public hearing is scheduled.

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

d. Authorization of Bid Award for Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037

Aleutian Homes Phases I - V were constructed from 2007 to 2014. Aleutian Homes Phase V was divided into two Phases. Segment A was constructed during the summer of 2013, and segment B was constructed during the summer of 2014. Phase VI is scheduled for 2018 and includes water, sewer, storm drain, and pavement replacement on Birch Street from Mill Bay Road to Thorsheim Street. Phase VI is roughly 1180 feet long and includes removal and replacement of asphalt

pavement; concrete curb and gutter; asphalt sidewalks; 8" sewer main, including manholes; 20" water main lines; valves and connections; and disconnect and re-connect of approximately 35 residential water and sewer services. The project will also include drainage improvements, including removal and replacement of underground drainage, catch basins, and removal and resetting fencing. Retaining walls will be removed and replaced as needed to accommodate wider sidewalks and utility connections outside the right-of-way.

Councilmember Walker MOVED to authorize the bid award for Aleutian Homes Phase VI, to Brechan Construction LLC in the amount of \$3,008,087 with funds coming from the Water Capital Improvement Fund, Project No. 15-03/7037 and authorize the City Manager to execute the documents on behalf of the City.

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

e. Authorization of a Professional Services Contract for Construction Management Services for the Aleutian Homes Water and Sewer, Phase VI, Project No. 15-03/7037

Aleutian Homes Water and Sewer Replacement Phase VI is a continuation of the upgrade of utilities, pavement and sidewalks in the Aleutian Home area. The professional services contract outlines the construction management services for the Phase VI project, which maximizes the investment through the performance of various tasks throughout construction.

Councilmember Davidson MOVED to authorize the professional services contract with DOWL for construction management services for the Aleutian Homes Water and Sewer Project, Phase VI, in the amount not to exceed \$239,000 with funds coming from the Water Capital Improvement Project No. 15-03/7037, and authorize the City Manager to execute the necessary documents for the City.

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

f. Authorization of Memorandum of Agreement With Sun'aq Tribe of Kodiak for Their Tribal Transportation Program Route Inventory

The Sun'aq Tribe of Kodiak (Sun'aq) is a federally recognized Alaska Native Tribe within the City of Kodiak and serves 1,738 tribal members on the Kodiak Road System. As a federally recognized tribe, Sun'aq is eligible for the Bureau of Indian Affairs (BIA) Tribal Transportation Program (TTP), which allows tribal entities access to funding for the improvement of transportation infrastructure integral to the well-being of the tribe. The Sun'aq Tribe of Kodiak requested the addition of City roads and trails to their inventory of Tribal Transportation routes. The road and trail additions included in the inventory are as follows: Fir Avenue; Thorsheim Street; Willow Street; Hemlock Street; Pine Crest Loop; Birch Avenue; Hillside Drive; Maple Avenue; Madsen Avenue; Selief Lane; Larch Street; North End Trail; Channel Side Trail; Rotary Park Trail; and the South End Trail. By entering into this agreement, the Sun'aq Tribe would potentially bring federal funding to Kodiak to make improvements to these routes. During the Council work session on March 6, 2018, Council requested that the Tribe provide an annual report, which was added to the MOA.

Councilmember Walker MOVED to authorize Memorandum of Agreement, City Record No. 237232, adding City of Kodiak routes to Sun'aq Tribe of Kodiak's Tribal Transportation Program Route Inventory, and authorize the City Manager to sign the MOA on behalf of the City.

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

g. Acceptance of Settlement Agreement and Mutual Release of Claims With Dominion Pipe & Piling and Pacific Pile & Marine, LP

Dominion Pipe & Piling, a Division of Varsteel USA Ltd, was sued by the City of Kodiak for breach of contract. Mediation was held February 1, 2018, in Seattle Washington. The outcome of this mediation, settled by a Mediator Proposal, was Dominion Pipe & Piling would agree to pay the City of Kodiak \$300,000 and dismiss any further litigation by the City, Dominion, and Pacific Pile and Marine.

Councilmember Arboleda MOVED to accept the Settlement Agreement and Mutual Release of Claims with Dominion Pipe & Piling and Pacific Pile & Marine, LP in the amount of \$300,000 and authorize the City Manager to execute the necessary documents for the City.

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

VI. STAFF REPORTS

a. City Manager

Manager Tvenge announced that staff prepared the FY2019 budget and the presentation will be Saturday, March 10. He said Engineering is compiling a list of facilities damaged as a result of the January 23 earthquake. He said the Parks and Recreation department would host their annual hockey tournament this weekend. Manager Tvenge provided an overview of the new regulations from Department of Environmental Conservation (DEC) that will affect the Waste Water Treatment Plant. He encouraged the public to comment on the regulation changes regarding the pollutant discharge elimination system from ADEC through March 19 and said the link will be on the City's website to make public comment. He shared the City will be given seven years for implementation, and it will cost the City several million dollars. He spoke about the admirable compliance history of the WWTP permits. Manager Tvenge asked Chief Wallace to participate in the Manager's report. Chief of Police Wallace provided a report on consolidation and the impacts on law enforcement. The report stated that Alaska is facing a fiscal crises, and the Alaska State Troopers have been reduced or eliminated in various locations within the State. She shared that there have been eight Trooper posts closed and vacant positions that have not been filled. She shared this could occur in Kodiak and expressed her concern regarding consolidation including: the potential increase of services; the increased service area; and the current staffing levels and the potential costs of consolidation. She referenced other communities and stated Kodiak is very unique and other comparisons did not adequately represent or help predict the significant financial impacts for law enforcement in Kodiak. Manager Tvenge concluded his report and stated he and staff walked through the small building at the harbor and assessed the facility, which is currently leased and the other portion are public restrooms. He said the facility is adequate for a sat-

elite police station, and he will schedule the future usage of the building for discussion at an upcoming Council work session.

b. City Clerk

Clerk Marlar gave an overview of the upcoming March meetings, which include a budget work session, Economic Development Committee meeting, Fisheries Work Group, a joint work session, and a Council work session and regular meeting. She shared the annual records management was completed and prepared for their review.

VII. MAYOR'S COMMENTS

Mayor Branson said the City staff has been working on the budget and has held the line for years to maintain services. She said the City is in a new paradigm and will need to look at new options. She commented the City has used its savings in the past and continues to look at new revenue opportunities and review exemptions. She said the City created an Economic Development Committee to help facilitate ideas and create an economic development plan. She referred to the recent ordinance that raised the sales tax cap, and she said the mill rate and business licenses requirements are being reviewed by the Council. She spoke about the numerous public hearings and meetings that have been held for transparency within the community. She said the Borough may not be raising the mill rate; however, borough property taxes have increased through higher property assessments. She said there will be continued budget discussions to ensure that citizens have the continued services for safety, water, and recreation services. She spoke about being prudent to assure life and safety services in the event of emergencies, such as the recent earthquake and tsunami warning. She said she welcomes the public's comments and referred to the City's website for contact information for their elected officials. She encouraged the public to comment on the new Kodiak WWTP proposed regulations, reminded the public about the budget meeting, and confirmed that Manager Tvenge will follow up with Ms. Ivanoff regarding the abandoned vehicles on Murphy Way.

VIII. COUNCIL COMMENTS

Councilmember Walker thanked the Chief of Police for her report and thanked Finance Director Mayes for her work on the budget. He said they are trying to keep the City services top notch.

Councilmember Davidson said a municipality has to operate on facts and encouraged the public to attend Council meetings.

Councilmember Arboleda thanked Mr. Szabo for the work to reduce plastic bags in the community. She thanked Ms. Ivanoff for her comments and shared KPD is responsive to these requests. She said the City sidewalks are not a junk yard. She spoke about supporting each other in the community.

Councilmember Whiddon thanked the Chief of Police and said her leadership is exemplary. He commented that the City Council has been misrepresented and they will work on correcting misinformation. He stated they would not use disingenuous or disrespectful comments while discussing changes in government and his commitment is to the City residents and employees.

Councilmember Bishop urged the community to attend the budget meeting on Saturday. He said the citizens could be educated by the City's budgetary process and presentation by staff. He commended the City staff and said they are available to answer questions.

IX. AUDIENCE COMMENTS

None

X. EXECUTIVE SESSION

a. Discuss Finance Director Position

The City Manager will discuss with the City Council the Finance Director position in executive session. The Finance Director does not object to the executive session.

Councilmember Arboleda MOVED to enter into executive session, as authorized by Kodiak City Code 2.04.100(b)(2) to discuss the Finance Director position.

Council entered into executive session at 8:45 p.m.

Mayor Branson convened the regular meeting at 9:30 p.m.

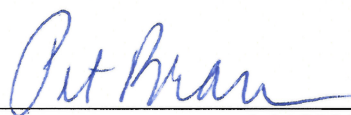
XI. ADJOURNMENT

Councilmember Davidson MOVED to adjourn the meeting.

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

The meeting adjourned at 9:30 p.m.

CITY OF KODIAK



MAYOR

ATTEST:



CITY CLERK

Minutes Approved: March 22, 2018

