

**MINUTES OF THE REGULAR COUNCIL MEETING  
OF THE CITY OF KODIAK  
HELD THURSDAY, MARCH 22, 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, Gabriel T. Saravia, Richard H. Walker, and John B. Whiddon were present and constituted a quorum. 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 March 8, 2018, regular meeting.

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

**III. PERSONS TO BE HEARD**

**a. Public Hearing About Increasing the City Mill Rate to 4 Mills**

The City Council sets its mill rate each year in the budget ordinance. The last mill rate increase was in 1985. June 15 is the legal deadline to present the Borough Assembly with a statement of the rate.

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

**b. Public Hearing About Changing the Method of Publishing Meeting Notices**

Kodiak City Charter and Code provide that publishing public notices may be accomplished by publishing in a newspaper of general circulation or by posting notices in at least five conspicuous places. The City Clerk's Office currently publishes agendas, public hearing notices, and ordinance passed notices in the newspaper, which costs approximately ten thousand dollars annually. At the Council's direction, City departments are exploring ways to reduce annual operating costs for the FY2019 budget.

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

Clerk Marlar requested direction from the Council for the method to publish meeting notices.

Councilmember Whiddon recommended the Clerk's Office continue to use the local newspaper to publish meeting notices and draft a social media policy that could assist in public notification options.

Councilmember Davidson stated he supports publication in the local newspaper.

Mayor Branson confirmed consensus from the Council that the local newspaper will continue to be the method of publishing meeting notices, and the Council will review this in the future if a social media policy is in place.

**c. Public Comments**

**Stosh Anderson** commented on the feasibility of City business licenses. He said if businesses are not paying sales tax they would probably not be compliant with business licenses and commented the State of Alaska issues business licenses. He suggested using the State's licenses requirements to track and collect City sales tax. He said the local businesses are the tax collectors and supported the two percent discount they previously received for early tax filing.

**IV. UNFINISHED BUSINESS**

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

During the January 2 planning work session, staff 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 Council voiced a consensus at the planning work session to increase the mill rate to 4.0 mills in an effort to balance the FY2019 budget and stabilize revenue.

*{Clerk's Note: The motion is on the floor from the March 8, 2018, regular meeting, to direct the City Manager to increase the City mill rate to 4 mills beginning with the FY2019 Budget.}*

Councilmember Whiddon MOVED to substitute for the pending motion the following: Direct the City Manager to maintain the current City mill rate at 2 mills.

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

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

**V. NEW BUSINESS**

**a. First Reading, Ordinance No. 1373, Establishing Supplemental Appropriation No. 1 to the Budget for the Fiscal Year Commencing on the First Day of July 2017 and Ending on the Thirtieth Day of June 2018**

The Supplemental Appropriation No. 1 to the budget for the fiscal year commencing on the first day of July 2017 and ending on the thirtieth day of June 2018 is in the amount of \$677,596. It is customary for the City Council to approve at least one supplemental budget annually to authorize the adjustments of current revenues and expenses. 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.

Councilmember Davidson MOVED to pass Ordinance No. 1373 in the first reading and advance to second reading and public hearing at the next special or regular Council meeting.

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

**b. First Reading, Ordinance No.1374, Approving a Memorandum of Agreement Between the City of Kodiak and the Alutiiq Heritage Foundation Allowing the Alutiiq Heritage Foundation to Enter Block 17, Lot 2 New Kodiak Townsite for the Purpose of Constructing and Maintaining a Memorial Park for an Initial Term of Ten Years**

The Alutiiq Heritage Foundation, through the Alutiiq Museum, is requesting a Memorandum of Agreement with the City of Kodiak, which would allow the creation of a new monument downtown honoring our community's Alutiiq heritage, culture, and ancestral significance.

Councilmember Arboleda MOVED to pass Ordinance No. 1374 in the first reading and advance to second reading and public hearing at the next special or regular Council meeting.

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

**c. Authorization of Change Order No. 1 for the Wastewater Treatment Plant Centrifuge Project No. 7519**

In October 2017, installation of the new WWTP Centrifuge began. The project is now complete, and the centrifuge is exceeding expectations. During the installation a number of issues were found that required additional engineering and construction modifications. These modifications were performed by Change Order pursuant to City Code 2.08.060 (f) and 3.12.020. The amount of the change order exceeds the \$35,000 City Manager's limit and is being brought before the City Council for acknowledgement and authorization of funding.

Councilmember Walker MOVED to authorize Change Order No. 1 to the construction contract with Bering Industrial Contractors Inc. for the Wastewater Treatment Plant Centrifuge Installation Project No. 17-03/7519 in the amount of \$49,883.06 with funds coming from the Sewer Capital Improvement Fund, Waste Water Treatment Plant Centrifuge Project No. 7519.

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

**d. Authorization of Survey and Professional Services Agreement for Annual Inspection and Preventative Maintenance of the Kodiak Police Department Building Control Systems**

This authorization would award a three-year agreement to Long Building Technologies Inc. (Long) to provide preventative maintenance and correction of minor deficiencies encountered during routine inspections of the fire, security, and mechanical systems utilized within the Kodi-

ak Police Station. This authorization also includes an initial survey to assess the condition of the existing HVAC and Johnson Controls.

Councilmember Walker MOVED to authorize the initial survey in the amount \$7,584 and a three-year professional service agreement for maintenance services with Long Building Technologies Inc. in the proposed amounts of \$15,324 for FY2019, \$15,324 for FY2020, and \$15,324 for FY2021, with first-year funding from the FY2019 General Fund, Police Administration, Repair and Maintenance account 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.

**e. Recommendation for Appointment to City Seat on the Planning and Zoning Commission**

Three of the seven seats on the Planning and Zoning Commission are designated as City seats. There is one vacant City seat, and the Council needs to recommend an applicant for appointment.

Councilmember Arboleda MOVED to recommend James Scholz for appointment to the vacant City seat on the Planning and Zoning Commission for a term to end in December 2020.

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

**VI. STAFF REPORTS**

**a. City Manager**

City Manager Tvenge said the City filed public comment to the Department of Environmental Conservation (DEC) on the regulation changes regarding the pollutant discharge elimination system changes that will affect the Wastewater Treatment Plant. The proposed regulation will cost the City approximately four million; therefore, the City is asking for additional time to complete the facility assessment. He said there were two additional comments on the discharge permit process, and he would provide more information in the future. He said the 2018 lead and copper water samples are completed: staff collected 60 water samples from the public to test. He thanked the public that volunteered to help the City complete their required sampling.

**b. City Clerk**

Clerk Marlar asked the Council if the majority of the Council could be present for a budget work session on April 2, 2018, at 6:30 p.m. in the Library. There was consensus to schedule the work session on the suggested date and time. She gave an overview of the upcoming April meetings.

**VII. MAYOR'S COMMENTS**

Mayor Branson referenced the Stanley cup and the longevity of the award in hockey. She thanked Parks and Recreation Director Gronn for the City's hockey rink and for providing the popular service to the community. She said she is pleased that the Alutiiq Memorial Park is moving forward and confirmed they hope to break ground this spring. She thanked Mr. Scholz for volunteering for the vacant P&Z seat. She said there was a joint work session to discuss consolidation, merger, unification, and annexation; she referred to the packet material that was compiled. She thought the work session had an open dialogue and she hopes for continued partnership with the Borough for all of the residents.

## VIII. COUNCIL COMMENTS

Councilmember Walker thanked Manager Tvenge and Finance Director Mayes for their preparation of the budget and he commended their efforts. He said Director Mayes has done a great job making the budget reports user friendly. He commended staff from Parks and Recreation, Public Works, Police department and the Clerk's office for their work. He commented that the City would continue to work on infrastructure projects and acknowledged that they are behind on projects due to funding.

Councilmember Bishop congratulated the hockey state champions. He complimented the Mayor for her leadership at the joint work session. He thanked staff for the materials on consolidation and clarified a statement was made that it was only the Mayor's perspective on consolidation; he clarified it was a Council endorsed perspective.

Councilmember Davidson welcomed the ComFish visitors. He stated the City is one of the best managed municipalities in the State. He commented that a consolidation or merger would equal dollar signs for the community.

Councilmember Saravia thanked staff for the draft budget and working through the proposed changes. He said he thought the joint work session went well. He said he hopes all elected officials continue to work together in the best interest of the people. He believes in a public forum, for people to be respectful, to not personally attack others when expressing their viewpoints, and to keep an open mind. He commented that he is a City and Borough resident.

Councilmember Arboleda said she is happy spring is approaching. She said she heard feedback from citizens that the mill rate increase would be a burden, especially with the recent increase to the sales tax cap, and increased assessed values of homes, which will increase the property tax. She encouraged people to attend the meetings and share their input directly with the Council; she thanked those who attended the meeting. She said she recently went to Baranov Museum's State Write Laureate Ernestine Hayes event and said it was enjoyable and inspiring. She reminded the public ComFish started and encouraged people to go visit the booths.

Councilmember Whiddon said he and Lori were invited and attended a USCG's flight suit formal and commented on the fabulous Coast Guard in town; he thanked them for their service to the community and to the nation. He said there was a fisheries meeting yesterday and stated it was the first meeting without a fisheries analyst and it went well. He said the Fisheries Work Group (FWG) would recommend a letter for Chinook salmon PSC cap adjustment for the Gulf of Alaska, stating the Trawl fleet needs the ability fish. He said they will continue to monitor the pink salmon disaster funding relief, and the cod declaration letter has gone through the Governor's office. He said the FWG is working through the topics and using local experts. He said

everyone has an interest and bias, and the committee works to balance out the issues. He acknowledged the Mayor's positive and effective leadership and commended the Council for their participation at the joint work session. He said the topic of consolidation is complicated and said it will be difficult if the City is not involved. He said the City wants to be part of the solution. He thanked Clerk Marlar for preparing the material for the joint work session.

**IX. AUDIENCE COMMENTS**

None

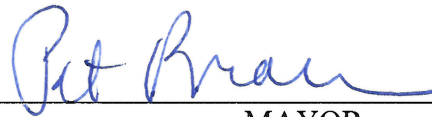
**X. ADJOURNMENT**

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 8:27 p.m.

CITY OF KODIAK



MAYOR

ATTEST:



DEPUTY CITY CLERK

Minutes Approved: April 12, 2018

