

Regular Ketchikan City Council meeting was called to order by Mayor Weinstein at 7:04 p.m., February 5, 2009, with the following members present: Sam Bergeron, Dick Coose, Charles Freeman, Jason Harris, Kj Harris, Marty West and Lew Williams III.

The Pledge of Allegiance was given by all persons in the Chambers.

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Hansen, Acting Electric Division Manager Schofield, Senior Project Engineer Brakke, Acting Water Division Manager Johnson, Senior Project Engineer Holstrom, and City Clerk Suiter.



**PUBLIC HEARING ON ORDINANCE NO. 09-1617 –
INCREASING WATER RATES BY 11.4%**

Mayor Weinstein called the public hearing on Ordinance No. 09-1617 to order at 7:05 p.m. and requested public testimony.

As there was no testimony, Mayor Weinstein declared the public hearing closed at 7:05 p.m.



COMMUNICATIONS

In the packet material was a mayoral proclamation regarding Elizabeth Peratrovich Day and correspondence from Eric Youngstrom and Bill Rotecki regarding the live entertainment permit for the Arctic Bar.

Mayor Weinstein noted laid on the table was a modified motion for the agenda item regarding submittal of Statewide Transportation Improvement Program Needs List Project nomination; an email from Assistant Manager Martin stating he had gotten a call from Rachel Williams expressing they have no problem with music from the Arctic Bar; a letter from the Borough thanking the City for the use of the chambers over the years; an email from the Borough notifying that Senator Murkowski will be meeting with the Planning Liaison and Economic Development Committee and anyone else who wishes to attend; and a letter from Shirley Carlin expressing problems with the live music that comes from the Arctic Bar.

Mayor Weinstein asked if there were any problems moving the item regarding the contract with the new city attorney to the first item of business after the consent agenda; none were expressed.

PERSONS TO BE HEARD

Mayor Weinstein read a proclamation regarding Elizabeth Peratrovich Day, and presented it to William Bird. Mr. Bird, ANB Grand Camp Sergeant at Arms, thanked the Mayor and Council for the proclamation. He invited the Council to several events to commemorate Ms. Peratrovich.

Evonne Watson, ANS President Saxman Camp 15, thanked the Council for the proclamation, noting it gives generations to come a head start.

Pat Jirschele, Pennock Island, spoke regarding the Arctic Bar live entertainment permit. He suggested an ordinance that provides specifications for noise levels, and he handed out a model ordinance. He displayed a low-cost decibel meter, saying it could be a good law enforcement tool. He felt that staff could bring back an ordinance that will help keep the peace and make Ketchikan a better place to live.

Paula Weisel, owner of the Arctic Bar and Liquor Store, explained that live music is important to their business and urged the Council to support the live entertainment permit application. She advised they are sensitive to the conflict that occurs when there is a waterfront business adjacent to a residential area. She answered questions from the Council, and explained some sound mitigation steps they have taken.

Henry Keene stated he feels the complaints regarding the Arctic Bar are over-stressed. He outlined many of the events, including charitable events, that take place in the facility, and noted most of the complaints are from the Bergeron family. He felt it may be a vendetta by Mr. Bergeron against the bar.

Jane Volema, representing Misty Thistle Pipes and Drums, thanked the Arctic Bar and its patrons for the opportunity to play there, and she hoped they would have this opportunity for years to come. She read a letter from another member of the group supporting the live entertainment permit.

Carrie Jones, speaking on behalf of the Arctic Bar staff, said the employees would like the Council to know the importance of the bar to their livings. She said many of them rely on the income during these hard economic times. She noted her husband has taken a decibel machine up Water Street, and from her understanding it was not unreasonable. She felt if there were noise stipulations, many more people would be unemployed.

John Engle, 1715 Water Street, strongly urged the Council to issue a live entertainment permit to the Arctic Bar as they have for many years. He pointed out from previous minutes there was no firm agreement that there would be no live music on the deck of the Arctic Bar. He noted there have been attempts to contact the Bergerons, but most have been unsuccessful. He felt the Arctic Bar and Mr. Bergeron just need to get together to work it out.

February 5, 2009

Ed Zastrow, 3530 Denali Avenue, spoke regarding the Pioneer Heights Senior Housing Project. He explained how the money the City provided for the project was used, and updated the Council on the current status. He stated they submitted a grant that was subsequently not awarded because of issues related to water access. He advised another grant was written and submitted, and the project has been funded in the amount of \$3.2 million. He reported the area is wetlands, and he has applied for an Army Corps of Engineer's permit. He felt the project would bring much needed employment into the community.

Elijah Webb spoke in support of the live entertainment permit for the Arctic Bar. He explained he plays in a band there, and he outlined the type of music they play. He said it is how they recreate, and he said it is one of the reasons he likes living here.

Linda Millard said she wanted to make it clear she wasn't protesting the entertainment license, and she never has. She said it came up during the last renewal of a request that no amplified music be allowed on the deck because of its impact on the neighborhood. She pointed out it is not that the music is bad, but she doesn't want to hear any kind of music at all. She stated she just wanted the ability to be in her house, watch a movie or talk with her family. She said that is all their neighbors are asking, and she reminded of the noise ordinance that was created because of panpipes in earlier years. She said it is truly intolerable after five or six hours, and she said no one ever calls her at home.

Pete Halverson, who lives above the tunnel, commented on the live entertainment permit for the Arctic Bar, relating an experience he had in the summer. He advised he and his wife found the music to be soothing, and they invited the bar owner to listen to the music from his deck. In speaking to the majority of their neighbors, they found that most people didn't mind it. He said if the complaints are coming mainly from one source, it seems to be one-sided. He pointed out if Ketchikan promotes itself as having a thriving arts community, music is certainly a part of that. He urged the Council to permit them to continue live music.

CONSENT AGENDA

Approval of Minutes

Moved by Jason Harris, seconded by Williams approval of the minutes of the regular meetings of January 8 and 15 and special meeting of January 13, 2009.

Motion passed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting yea.

Employment Agreement – Elke Tober-Purze

Moved by Williams, seconded by West the City Council approve the employment agreement between the City of Ketchikan and Elke Tober-Purze for the position of city attorney and direct the mayor to execute the agreement on behalf of the City Council.

February 5, 2009

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris, Williams and Coose voting yea.

The Council took a short break at 8:02 p.m. and reconvened at 8:18 p.m.

UNFINISHED BUSINESS

Arctic Bar and Liquor Store Live Entertainment Permit Application – Deferred from January 15, 2009

The motion before the Council was:

“Moved by Williams, seconded by Jason Harris to approve the live entertainment application for the Arctic Bar & Liquor Store.

Moved by Bergeron, seconded by West to amend as a condition of the live entertainment permit, the Arctic Bar be restricted from having live music on the back deck.”

After discussion and with the consent of a second, the motion to amend was withdrawn.

Motion passed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting yea.

Mayor Weinstein said at some point after the new attorney is here, there will be a future agenda item to generally discuss the subject and see what direction, if any, the Council wishes to give.

Ordinance No. 09-1617 – Increasing Water Rates by 11.4% - Second Reading

Copies of Ordinance No. 09-1617 were available for all persons present.

Moved by Williams, seconded by Jason Harris the City Council approve in second reading Ordinance No. 09-1617 increasing water rates by 11.4%; establishing a date for a public hearing; and providing for an effective date.

Motion passed with Williams, Jason Harris, Coose, Kj Harris and Freeman voting yea; Bergeron and West voting nay.

NEW BUSINESS

State FY 2010 Comprehensive Behavioral Health Treatment & Recovery Grant Program Applications – Gateway Center for Human Services

Moved by Williams, seconded by Jason Harris the City Council direct the city manager to prepare an application for the SFY10 Comprehensive Behavioral Health Treatment &

February 5, 2009

Recovery grant funding on the basis of the Gateway Center for Human Services discontinuing all youth service programs on or about July 1, 2009.

In response to Councilmember Jason Harris, Bess Clark, Executive Director for Community Connections, said she felt their organization has the capacity to assist in this area.

Motion passed with Kj Harris, Coose, Williams, Freeman, Bergeron and Jason Harris voting yea; West voting nay.

**Professional Services Agreement for Contract No. 08-56 –
Conceptual Design Study for Ketchikan Public Utilities
Line Extension to USCG LORAN Station Shoal Cove –
Commonwealth Associates, Inc.**

Moved by Williams, seconded by Jason Harris the City Council authorize the general manager to negotiate a professional services agreement between Ketchikan Public Utilities and Commonwealth Associates, Inc. of Mt. Vernon, Washington for Contract No. 08-56, Conceptual Design Study for KPU Line Extension to USCG LORAN Station Shoal Cove, said agreement to be submitted to the City Council for formal review and consideration.

Motion passed with Freeman, Kj Harris, Bergeron, West, Jason Harris, Williams and Coose voting yea.

**Purchase of Mobile Vehicle Lift for Landfill – State of
Alaska Contract No. 06405 – Mohawk Resources, Ltd.**

Moved by Freeman, seconded by Jason Harris pursuant to Section 3.12.050(a)(3) of the Ketchikan Municipal Code, the City Council authorize the purchase of a mobile vehicle lift for use by the Solid Waste Division from Mohawk Resources, Ltd. in the amount of \$53,659.19; approve funding in the amount of \$53,659.19 from the 2009 Solid Waste Division's Mobile Vehicle Lift Acquisition Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Motion passed with Jason Harris, Bergeron, Williams, Freeman, Coose, Kj Harris and West voting yea.

**Professional Services Agreement – Migration of Hansen
Information Systems Version 7 to Version 8 – Eskel
Porter Consulting, Inc.**

Moved by Kj Harris, seconded by Jason Harris pursuant to Section 3.12.051(c)(2)(A) of the Ketchikan Municipal Code, the City Council award a professional services agreement to Eskel Porter Consulting, Inc. in the amount of \$175,000 for migration of the Hansen Information Systems Version 7 to Version 8; establish a 10% contingency in the amount of \$17,500, bringing the total project cost to \$192,500; authorize funding in the amounts

February 5, 2009

of \$96,250 and \$96,250 respectively from the 2009 Public Works Department and KPU Engineering Division's Hansen Information System Upgrade Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Public Works Director Hansen answered questions from the Council.

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris and Williams voting yea; Coose voting nay.

Budget Transfer – Contracted Services for Snow Removal

Moved by Freeman, seconded by Bergeron the City Council authorize the city manager to transfer \$40,000 from Appropriated Reserves of the General Fund to the 2009 Streets Division's Contractual Services Account No. 53 to provide additional funding for expenditures that have been incurred to remove excessive snow from City streets.

Motion passed with Williams, Jason Harris, Coose, Kj Harris, Bergeron, West and Freeman voting yea.

Budget Transfer – Additional Interim Emergency Repairs to Municipal Bridges and Trestles – Pool Engineering, Inc.

Moved by Williams, seconded by Jason Harris pursuant to the motion adopted by the City Council at its meeting of November 6, 2008 declaring the interim repair of municipal bridges and trestles as a public emergency, the City Council direct the city manager to execute purchase orders to Pool Engineering, Inc. in the revised amount of \$248,400 for repairs to Water Street Trestle No. 2, \$199,800 for Phase II interim repairs to the Grant Street Trestle, and \$210,600 for interim repairs to the Dunton Street Trestle; authorize a transfer of \$150,000 from Appropriated Reserves of the Public Works Sales Tax Fund to the Streets Division's Bridges and Trestles Repair and/or Replacement Capital Account; and approve funding from the Streets Division's Bridges and Trestles Repair and/or Replacement Capital Account.

In response to Councilmember West, Senior Project Engineer Brakke said staff could take a look at what could be done with the guardrail. Manager Amylon and Finance Director Newell answered questions regarding funding.

Motion passed with Coose, Jason Harris, West, Kj Harris, Williams, Bergeron and Freeman voting yea.

Budget Transfer – Emergency Repairs to Creek Street Trestle System

Moved by Jason Harris, seconded by Kj Harris pursuant to the motion adopted by the City Council at its meeting of November 6, 2008 declaring the interim repair of municipal bridges and trestles as a public emergency, the City Council direct the city

February 5, 2009

manager to execute purchase orders to qualified contractors as designated by the Engineering Division in an amount not to exceed \$900,000 for interim repairs to the Creek Street trestle system; authorize a transfer of \$900,000 from Appropriated Reserves of the Public Works Sales Tax Fund to the Streets Division's Bridges and Trestles Repair and/or Replacement Capital Account; and approve funding from the Streets Division's Bridges and Trestles Repair and/or Replacement Capital Account.

Mayor Weinstein asked this item be sent to the Borough to be considered as their own internal request for CPV funding, and Manager Amylon said he can make the request.

Motion passed with Freeman, Kj Harris, Bergeron, West, Jason Harris, Williams and Coose voting yea.

The Council took a short break at 9:06 p.m. and reconvened at 9:16 p.m.

Ordinance No. 09-1618 – Issuance of General Obligation Bonds Not to Exceed \$6,600,000 – Repairs and Replacement of Bridges and Trestles in the City – Submission to City Voters a Special Election to be held April 28, 2009 – First Reading

Copies of Ordinance No. 09-1618 were available for all persons present.

Manager Amylon explained that the Council may well need to raise the Public Works sales tax from 1.5% to 2.0%, as this fund is the only source of funding for most General Government projects. He indicated this would pay the debt service and provide funding for other bridge maintenance projects.

Moved by Williams, seconded by West the City Council approve in first reading Ordinance No. 09-1618 authorizing the issuance of general obligation bonds in an amount not to exceed \$6,600,000 to finance costs of capital repairs and replacement of bridges and trestles in the City; providing for submission to the City's voters at a special election to be held on April 28, 2009, of a proposition approving these capital projects, approving this ordinance and ratifying the authorization of general obligation bonds; and establishing an effective date.

Motion passed with Jason Harris, Williams, Freeman, Coose, Kj Harris and West voting yea; Bergeron voting nay.

Phased Implementation of Cannery Adjusted Water Rates

Moved by Freeman, seconded by Williams the City Council direct the general manager to proceed with a three-year phased implementation of adjusted cannery water rates as detailed in the finance director's January 23, 2009 report and to prepare such ordinances as may be required to implement said adjusted rates accordingly.

February 5, 2009

Motion passed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting yea.

Ordinance No. 09-1619 – Renewal of the December 20, 1994 Solid Waste Transport and Disposal Contract – Regional Disposal Company – First Reading

Copies of Ordinance No. 09-1619 were available for all persons present.

Moved by Jason Harris, seconded by Williams the City Council approve in first reading Ordinance No. 09-1619 authorizing the renewal of the December 20, 1994 Solid Waste Transport and Disposal Agreement with Regional Disposal Company; provide for the filing of referendum petitions; and establish an effective date.

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris, Williams and Coose voting yea.

Removal of Trees – Undeveloped 5th Avenue Right-of Way

Moved by Freeman, seconded by Jason Harris the City Council direct staff to authorize Mr. Gary Souza to trim trees on the undeveloped 5th Avenue right-of-way as detailed in the senior project engineer's report dated January 14, 2009.

Motion passed with Williams, Jason Harris, Coose, Kj Harris, Bergeron, West and Freeman voting yea.

Change Order No. 1 to Contract No. 08-42 – Ketchikan Lakes Unit No. 3 Rehabilitation Project – NAES Power Contractors, Inc.

Moved by Williams, seconded by Jason Harris the City Council approve Change Order No. 1 in the amount of \$32,785.02 to Contract No. 08-42, Ketchikan Lakes Unit No. 3 Rehabilitation Project between NAES Power Contractors and Ketchikan Public Utilities; authorize funding from the Electric Division's Hydroelectric Plant Modernization Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

Senior Project Engineer Holstrom answered questions from the Council.

Motion passed with Coose, Jason Harris, West, Kj Harris, Williams, Bergeron and Freeman voting yea.

FY 2009 Memorandum of Agreement for Resurfacing of City Streets – State of Alaska DOT&PF

Moved by Coose, seconded by Jason Harris pursuant to paragraph (3) of Section 3.12.050 of the Ketchikan Municipal Code, the City Council approve the FY 2009 Memorandum

February 5, 2009

of Agreement for Resurfacing of City streets between the City of Ketchikan and the Alaska Department of Transportation and Public Facilities in an amount not to exceed \$550,000; authorize funding in the amount of \$550,000 from the 2009 Streets Division Asphalt Chip Seal Capital Account; and direct the city manager to execute the agreement on behalf of the City Council.

Manager Amylon said it is staff's intent to bring back a list of streets to the Council.

Motion passed with Freeman, Kj Harris, Bergeron, West, Jason Harris, Williams and Coose voting yea.

Three-Year Maintenance and Support Agreement for the Telecommunications Billing System – CommSoft

Moved by Bergeron, seconded by Jason Harris pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code, the City Council direct the general manager to enter into a three-year maintenance and support agreement for the Telecommunications Division's billing system with CommSoft of Albany, New York at an annual cost not to exceed \$85,137.72 and authorize funding from the Telecommunications Division's 2009 Data Processing Account No. 75.

Motion passed with Jason Harris, Bergeron, Williams, Freeman, Coose, Kj Harris and West voting yea.

FY 2009 Memorandum of Agreement and Funding Authorization – State of Alaska DOT&PF – Treemont Street Drainage Improvements

Moved by Williams, seconded by Jason Harris the City Council approve the FY 2009 Memorandum of Agreement and Funding Authorization between the City of Ketchikan and the Alaska Department of Transportation and Public Facilities in an amount not to exceed \$40,000; authorize funding in the amount of \$40,000 from the 2009 Streets Division Water and Treemont Streets Stabilization Capital Account; and direct the city manager to execute the agreement on behalf of the City Council.

Motion passed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting yea.

Budget Transfer – Change Order No. 1 to Contract No. 07-04 – Whitman Lake Hydroelectric Project Final Design – Hatch Acres Corporation

Moved by Coose, seconded by Jason Harris the City Council approve Change Order No. 1 in the amount of \$1,349,442 to Contract No. 07-04, Whitman Lake Hydroelectric Project Final Design, between Ketchikan Public Utilities and Hatch Acres Corporation; authorize the transfer of \$214,882 from Appropriated Reserves of the KPU Enterprise

February 5, 2009

fund to the Electric Division's Whitman Lake Hydroelectric Project Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

Senior Project Engineer Holstrom answered questions from the Council.

Manager Amylon said he would discuss the option of the project going forward in phases with Hatch Acres.

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris, Williams and Coose voting yea.

Amendment No. 1 to Denali Commission Financial Assistance Award for Knudson Cove Harbor Reconstruction

Moved by Jason Harris, seconded by West the City Council approve Amendment No. 1 in the amount of \$63,000 to Financial Assistance Award No. 302-07 between the Denali Commission and the City of Ketchikan for the Knudson Cove Harbor Reconstruction Project and authorize the city manager to execute the amendment on behalf of the City Council.

Motion passed with Williams, Jason Harris, Coose, Kj Harris, Bergeron, West and Freeman voting yea.

Budget Transfer – Contract No. 09-02 for Hawkins/Denali Storm Drain Design – R&M Engineering-Ketchikan, Inc.

Moved by Bergeron, seconded by Jason Harris pursuant to the December 18, 2008 declaration of the November 2008 landslide and flooding conditions in the Denali Avenue and Hawkins Avenue area as a public emergency, the City Council approve Contract No. 09-02, Hawkins/Denali Storm Drain Design, between the City of Ketchikan and R&M Engineering-Ketchikan, Inc. in an amount not to exceed \$40,000; authorize a budget transfer of \$40,000 from Appropriated Reserves of the Public Works Sales Tax Fund to the Streets Division's Denali Avenue and Hawkins Avenue Landslide and Flooding Remediation Capital Account; direct the city manager to execute the contract on behalf of the City Council.

Motion passed with Coose, Jason Harris, West, Kj Harris, Williams, Bergeron and Freeman voting yea.

Submittal of Statewide Transportation Improvement Program (STIP) Needs List Project Nominations

Moved by Coose, seconded by Jason Harris the City Council approve Resolution No. 09-2265 nominating City of Ketchikan transportation infrastructure priority projects for inclusion in the State of Alaska's Needs List; and establishing an effective date.

February 5, 2009

The list of staff's proposed ranking given in priority as provided in the manager's memorandum was:

<u>Project</u>	<u>Priority</u>	<u>Funding Request</u>
Berths I & II Rehabilitation	1	\$26,000,000
Millar Street Bridge Replacement	2	1,192,280
Sayles-Gorge Street Bridge Replacement	3	1,000,000
Creek Street Trestle Replacement	4	3,220,000
Dunton Street Trestle Replacement	5	3,143,880
Bayview Street Wooden Trestle Replacement	6	590,000
Petersen Street Platform Replacement	7	210,000
Tongass Avenue Water and Sewer Main Replacement – Asphalt Paving and Concrete Restoration	8	900,000
Jackson Street Reconstruction Project	9	1,800,000
Grant Street Wooden Trestle Replacement	10	2,518,000
Water Street Trestle No. 1 Replacement	11	1,220,000
Water Street Trestle No. 2 Replacement	12	10,462,000
Schoenbar Road Asphalt Overlay	13	1,000,000
Nordstrom Drive Overlay	14	500,000
Water Street Sidewalk Widening	15	1,500,000
Warren Street Wooden Trestle Replacement	16	480,000
Bauer Way/Hopkins Alley Wooden Trestle Replacement	17	3,100,000
Thomas Street Trestle Replacement	18	3,228,000
Upper Park Avenue Bridge Replacement	19	1,630,000
Lower Park Avenue Bridge Replacement	20	1,135,000
Valley Forge Bridge Replacement	21	750,000
Fair Street Bridge Replacement	22	1,350,000
Harris Street Bridge Replacement	23	715,000
Harding Street Trestle Replacement	24	155,000
Bar Harbor Launch Ramp & Boat Grid Reconstruction	25	2,700,000
Bar Harbor North Phase III Reconstruction	26	1,000,000
Bar Harbor South Phase III Reconstruction	27	4,330,000
Downtown Crosswalk Improvements	28	375,000
Hole-in-the-Wall Harbor Reconstruction	29	2,200,000
Thomas Basin Harbor Phase III Reconstruction	30	3,700,000
Waterfront Promenade Phase II	31	1,900,000

In response to Councilmember Coose, Manager Amylon said he would question the Department of Transportation and Public Facilities if they would like the City to separate

February 5, 2009

between categories of projects, and assign priorities under each category. He noted if that is the case, the list could be modified accordingly.

Motion passed with Freeman, Kj Harris, Bergeron, West, Jason Harris, Williams and Coose voting yea.

Amendment No. 2 to Contract No. 07-18 – Contract Administration and Inspection Services – Phase III Harbor Improvements – PND Engineers, Inc.

Moved by Bergeron, seconded by West the City Council approve Amendment No. 2 to Contract No. 07-18 between the City of Ketchikan and PND Engineers, Inc. in an amount not to exceed \$20,700 for contract administration and inspection services for Contract No. 07-18(A), Bar Harbor Floats 5, 6 and 7; authorize funding in an amount not to exceed \$20,700 from the Port & Harbors Department's Bar Harbor – Phase IIIA Improvements Capital Account; and direct the city manager to execute Amendment No. 2 on behalf of the City Council.

Motion passed with Jason Harris, Bergeron, Williams, Freeman, Coose, Kj Harris and West voting yea.

FY 2010 Department of Environmental Conservation Alaska Clean Water Fund/Alaska Drinking Water Fund Loan Program Questionnaires – Baranof Reservoir Site Development, Tongass Avenue Phase II Water & Sewer Main Replacement and Jackson Street Water and Sewer Main Replacement

Moved by Coose, seconded by Jason Harris the City Council authorize the city manager/general manager to submit program questionnaires under the FY 2010 Department of Environmental Conservation Alaska Clean Water Fund and Alaska Drinking Water Fund programs in the amount of \$9,753,798 for low interest loans for Baranof Reservoir site development, Tongass Avenue Phase II Water and Sewer Main Replacement and Jackson Street/4th and 7th Avenues Water and Sewer Main Replacement.

Motion passed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting yea.

Public Hearing for Local Improvement District No. 99-1 – Bar Harbor Parking and Harbor Amenities Project

Mayor Weinstein advised the Council to let sleeping dogs lie and move on. He said while there was a mistake made, there have been enough property changes in the last ten years and it was just not worth it in his judgment. He asked if there were any objections, and none were heard.

February 5, 2009

Electric Division Manager

Moved by Williams, seconded by Bergeron the position of electric division manager be re-advertised nationwide.

Motion passed with Kj Harris, Williams, West, Freeman and Bergeron voting yea; Coose and Jason Harris voting nay.

VOUCHERS

Moved by Bergeron, seconded by Jason Harris for approval of 2008 vouchers to Ketchikan Daily News in the amount of \$11,472.10 and 2009 vouchers to Ketchikan Daily News in the amount of \$142.00.

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris and Coose voting yea; Lew Williams abstaining.

CITY MANAGER'S REPORT

2009 Cruise Ship Schedule and Draft Berth Assignments

In his report, Manager Amylon provided a schedule for the 2009 cruise ship schedule and draft berth assignments as supplied by Port and Harbors Director Corporon.

Technical Violation of Ketchikan Municipal Code Section 3.12.040 – Snow Removal Services

Manager Amylon provided a memorandum from Finance Director Newell notifying of a technical violation of the Ketchikan Municipal Code for payment of snow removal services. Mr. Newell noted that public safety considerations provided for the exclusion of competitive quotes under KMC 2.12.050(a)(7).

United Fire Service, Inc. – Fire Pumper-Tanker Truck

Manager Amylon advised the Council that the United Fire Service, Inc. Fire Pumper-Tanker truck had been placed into service on January 20, 2009.

Report of Federal Lobbyist

Manager Amylon included copies of the January 16, 2009 report of the City's federal lobbyist, Steve Silver. He noted Mr. Silver strongly suggests a legislative trip to Washington DC this year due to the change in administration and the Alaska Congressional Delegation.

Notification of Retirement – Solid Waste Collections/ Division Supervisor

February 5, 2009

Manager Amylon notified the Council of the impending retirement of Solid Waste Collections/Disposal Supervisor Bob Sivertsen.

Mayor Weinstein expressed his appreciation for Mr. Sivertsen, stating he is disappointed to see him retiring. He stated he has done a great job for the City in solid waste, and he saw him on one of the streets during the snowfall in a front end loader. He said he is a very talented, hard-working and dedicated employee.

Councilmember Jason Harris asked Manager Amylon what it would take to keep Mr. Sivertsen around for a while longer, and he presented the idea of going to Mr. Sivertsen to see what it would cost to keep him around a little longer. Mayor Weinstein agreed Manager Amylon should have that discussion.

Totem Heritage Center Structural Status Update

Manager Amylon provided a memorandum from Assistant Public Works Director Allen regarding short-term and long-term approaches for structural repair to the Totem Heritage Center. Mr. Allen reported significant rot and insect damage in both primary beams spanning the main center portion of the building.

Library and Fire Station Information

Manager Amylon reported the information the Council requested about the Library and Fire Station sites is complete and whenever the Council desires to schedule a special meeting, staff is ready to go.

Federal Funding Priorities

Manager Amylon said federal funding priorities are due next Friday, and there are no surprises as the priorities are the ones the Council has been discussing. He listed the Fire Station, Library, docks, Whitman Lake, Tongass Phase II, Jackson, and Baranof Reservoir as well as the hospital.

Hawkins/Denali

Manager Amylon reported that R&M Engineering has been working on the design for the repair of Hawkins and Denali area, even though the Council didn't approve it until tonight, given the urgency of the project. He noted they are getting close to the point where advertising will take place. He stated they are looking at a project cost of approximately \$420,000, and if the City's proportionate share is factored out and if the City were to agree to pick up the cost of materials, there will be a cost of about \$30,000 per property owner. He said this has been conveyed to the property owners this week, and they are not happy about it and are arguing it should all be City costs, which staff doesn't agree with. He reminded the direction staff is under is to come to a negotiated settlement or proceed with the formation of an LID. He stated staff can go ahead and move on the improvements and there is a process to start down the LID road. He alerted the Council that, if during that process there comes the point where there is a certain percentage of

February 5, 2009

objection from those within the district and the Council wants to move the LID forward, it must be done by a six-to-one vote. He explained if there was not a six-to-one vote and a contract has been awarded for repairs, the City will be on the hook for that contract.

Mayor Weinstein said not to proceed with award of the contract until there have been discussions.

K.P.U. MANAGER'S REPORT

KPU Financial Statements for the Quarter Ending December 31, 2008

Manager Amylon provided copies of the KPU financial statements for the quarter ending December 31, 2008.

Gravina Island Electric & Telecommunications Lines Extension Project

Manager Amylon included a memorandum detailing the status of the Gravina Island Electric & Telecommunications Lines Extension Project. He noted the line should be energized no later than the end of February.

Swan-Tyee Transmission Line Intertie – 2008 Year End Report

Manager Amylon provided the Council with a report prepared by Commonwealth Associates, Inc. on behalf of the Four Dam Pool Agency providing a year-end summary of activity on the Swan-Tyee Transmission Line Intertie.

AP&T FERC License on Schlocum Lake

Councilmember Coose questioned whether AP&T would have to hook into the Swan-Tyee Intertie to get this power to go anywhere, and Mayor Weinstein asked the manager to review the subject and bring information back to the Council.

Mayor Weinstein requested there be a discussion about Grace Lake at some point.

CITY CLERK'S FILE

Gaming Permit Applications – Iditarod Trail Committee, Inc., ASC Corporation and Ketchikan Gymnastics Club

Deputy Clerk Welk provided the Council with applications from the Iditarod Trail Committee, Inc., ASC Corporation and Ketchikan Gymnastics Club. It was noted if the Council wish to deny any application, a resolution can be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Jason Harris thanked Public Works and all the employees of the City for their hard work over the past couple of weeks with all the weather. He noted he has had numerous people say how good a job was done in keeping the streets clean and keeping things open. He felt we were fortunate with the crew we have.

Councilmember Williams asked how final the berth assignment is, and Port and Harbors Director Corporon said everything is pretty much final but can be subject to change as things come up during the season.

Councilmember Kj Harris asked when the special meeting would be set to talk about the library and fire station, and Mayor Weinstein asked the Council to get schedules to the clerk as to their availability.

Councilmember Freeman said the warm, fuzzy glow of vacation lasted until tonight.

Councilmember Bergeron said he will be out of town from February 8 until February 19, which means he will be traveling the night of the Council meeting and will not be able to participate telephonically. He said any other night he will be able to participate over the phone, but he would prefer for the Council to have a meeting after he returned.

Councilmember West asked about the progress on the KPU Advisory Board, and Mayor Weinstein said it was advertised. Clerk Suiter commented on the applications that have been received, and Mayor Weinstein asked that it be re-advertised to get more applications.

Mayor Weinstein reminded the Council to get their schedules to the clerk regarding a possible joint meeting with the Borough Assembly. He noted he talked with Mayor Kiffer, who suggested March 9 or 17 or something similar, and they will work together to figure out a date. He also wished Mayor Kiffer a happy 50th birthday.

Mayor Weinstein continued that he had attended an AML meeting/Mayor's meeting in Juneau last week, and spent time with the City's legislators and others on issues of concern to the City. He reported there is a lot of interest, especially in light of the several billion dollar shortfall the State has, in getting our fair share of federal money for shovel-ready projects. He felt Ketchikan has positioned itself very well in that regard, thanks to the work of staff and the Council.

He also reported it was brought to his attention that the NOAA vessel went south for some routine repairs and it also might not be returning for awhile. Upon questioning, he found the dock that NOAA had done a condition survey on was condemned, and the person he talked to didn't want to elaborate. He noted since that time both the Borough and he have had discussions with members of our delegation both directly and through our lobbyist in Washington DC. He stated it seems that NOAA is saying it is a \$6 million fix, they need \$500,000 to do a study, they probably won't get money for that for a

February 5, 2009

couple of years, the fix will take a couple of years, the ship is getting decommissioned in 2017 and wouldn't be replaced until 2020. He was advised they have a problem with crew here because they don't show up for work even though most of them aren't residents, and it sounds more like a management problem to him. He said the point is that with the departure of Senator Stevens, who was instrumental in getting the vessel home ported here, NOAA is trying to move a vessel that spends 90% of its operational time in Alaskan waters back down to Seattle. He said it is an issue, and the Borough will be discussing it with the delegation, and both the senators and Don Young's office are aware of the issue.

Mayor Weinstein said the Southeast Alaska Power Agency, which is the new name of the Four Dam Pool Power Agency, had a bond sale today. He reported there was very good news, and \$16.5 million in bonds were sold, which is roughly half a million less than was anticipated less than two weeks ago. He stated the interest rate, which had been fluctuating over the last few weeks as high as 7.5%, was 5% with a callable provision, which means the bonds can be paid off early after the first five years. He said with the lower than anticipated interest rate, the Agency will save about \$90,000 in debt service a year compared to what was projected a short time ago. He reported in his capacity as chair he approved the bonds as authorized, and the bond sellers in Seattle, as well as the attorney and financial advisory Allen Dashen, did a great job. He said the bonds will be used to not only close the deal regarding the second divestiture, \$4.5 million goes to Copper Valley, \$5 million is for the Intertie project so there is complete funding for that, and the balance will be used for some start-up and other costs for SEAPA itself.

He continued he traveled to the inauguration of the new president, and it was an historical event. He said you don't want to go there for inaugurations very often, as it was 19 degrees and the crowd started forming at 4:00 a.m. He said it was interesting to see the excitement and pomp and ceremony.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 10:26 p.m.

Bob Weinstein, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

February 5, 2009

FYI ITEMS INCLUDED

January 23, 2009 Edition of the Legislative E-Bulletin

Alaska Legal Services Corporation's quarterly Financial Report – October-December
2008

Boys & Girls Clubs of Southcentral Alaska's quarterly Financial Report – April-June
2008

Unapproved minutes of the January 13, 2009 Port & Harbors Advisory Board Meeting