

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., June 4, 2009, with the following members present: Dick Coose, Charles Freeman, Kj Harris and Marty West. Councilmember Jason Harris arrived at 7:20 p.m.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, City Attorney Bradford, Civic Center Manager Jones, Fire Chief Hill, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Hansen, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Telecommunications Division Engineer Hunt, Telecommunications Division Marketing Manager Cushing and City Clerk Suiter.

Swearing in of Councilmember-Appointment Sivertsen

Mayor Williams said the Council started replacing councilmembers on Tuesday, and has so far selected Bob Sivertsen.

Clerk Suiter administered the oath of office as councilmember to Robert Sivertsen.

Consideration of Councilmember Applicants – Deferred from June 2, 2009

Mayor Williams said he was contacted by John Conley, who requested his name be withdrawn from consideration.

Moved by Kj Harris, seconded by Coose to appoint Matt Olsen to the vacant councilmember seat.

Motion passed with Kj Harris, Coose, Sivertsen, West and Freeman voting yea; Jason Harris absent.

Clerk Suiter administered the oath of office as councilmember to Matthew Olsen.



**PUBLIC HEARING ON ORDINANCE NO. 09-1627 –
AMENDING THE KETCHIKAN MUNICIPAL CODE CHAPTER 11.04 –
PUBLIC UTILITIES GENERAL PROVISIONS**

Mayor Williams called the public hearing on Ordinance No. 09-1627 to order at 7:05 p.m. and requested public testimony.

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



COMMUNICATIONS

Mayor Williams said there were items from the manager laid on the table, including: a request for a waiver of the noise ordinance from S & S General Contractors; a notice of vacations for Manager Amylon and Finance Director Newell, relative to the scheduling of special meetings; a recommendation for the item related to winter layup requests; and additional information regarding violations of Ordinance No. 09-1616.

Mayor Williams read a proclamation regarding Ketchikan Firefighters Appreciation Week, and presented it to Fire Chief Jim Hill. Chief Hill said the firefighters have been doing this for years, and will be out filling the boot to help kids locally.

PERSONS TO BE HEARD

Ron Redman spoke in support of the slow moving vehicles, stating they might bring return trips to Ketchikan from visitors. He felt there were a lot of local restrictions he didn't see a reason for, citing the route in particular.

Julie Isom introduced herself, noting she has been a resident of Thorne Bay for 20 years and has been on the council there as well as serving as mayor. She said she was hired by Senator Stedman and moved to Juneau about a year and a half ago, but she has relocated recently to Ketchikan where she hoped to remain. She stated she was looking forward to working here and volunteering for the community.

Peter Arntzen Jr. spoke in support of the low-speed vehicles. He felt it was a shame to put restrictions on them, and as a whole they were a good idea. He said it was difficult to start a small business in these economic times, and he felt it was time for the Council to put their money where their mouth was and get behind small business.

Anthony Knuteson, owner of the low-speed vehicle business, said they have had a couple of small problems but for the most part they are doing well. He stated they are trying to do things to make it better, citing GPS in the vehicles, although he said Saxman was going to be a problem. He felt the best thing was to ticket people who were breaking local laws, even though it is not good public relations for Ketchikan. He answered questions from the Council.

Councilmember Sivertsen said he visited the business, noting there were some vehicles parked the wrong way on the street. He reminded they are subject to the same regulations as any other vehicle. He related an experience asking questions about them, and he wasn't informed there were any restrictions. He suggested a map showing the approved route might be prudent.

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In response to Councilmember West, Manager Amylon said staff is looking at an ordinance change that will allow citations to be written. He related experiences with the low-speed vehicles that were not conducive to traffic flow.

Councilmember Jason Harris arrived at this point in the meeting.

CONSENT AGENDA

Approval of Minutes

Moved by West, seconded by Jason Harris approval of the minutes of the special meetings of May 19, 2009 and regular meeting of May 21, 2009.

Motion passed with Kj Harris, Coose, Sivertsen, West, Freeman, Olsen and Jason Harris voting yea.

UNFINISHED BUSINESS

Ordinance No. 09-1627 – Amending Chapter 11.04, Public Utilities General Provisions of the Ketchikan Municipal Code – Second Reading

Copies of Ordinance No. 09-1627 were available for all persons present.

Moved by Freeman, seconded by Kj Harris the City Council approve in second reading Ordinance No. 09-1627 amending Chapter 11.04, Public Utilities General Provisions of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Motion passed with West, Olsen, Freeman, Jason Harris, Kj Harris, Sivertsen and Coose voting yea.

NEW BUSINESS

Comprehensive Annual Financial Report of the City of Ketchikan, Alaska and the Supplementary Compliance Report Section for the Year Ended December 31, 2008

Moved by Coose, seconded by Jason Harris the City Council accept the Comprehensive Annual Financial Report of the City of Ketchikan, Alaska and the supplementary Compliance Report Section for the year ended December 31, 2008.

Dirk Richardson of Mecham, Richardson and Company, outlined the details of the Report.

Motion passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Freeman voting yea.

Resolution No. 09-2275 – Levying a General Tax for Municipal Property Purposes Upon All Real and Personal Property in the City for the Year 2009; Providing for the Collection of Taxes Due in 2009; Prescribing Penalties and Interest for Delinquent Taxes

Moved by Freeman, seconded by Jason Harris the City Council approve Resolution No. 09-2275 levying a general tax for municipal purposes upon all real and personal property in the City for the year 2009; providing for the collection of taxes due in 2009; prescribing penalties and interest for delinquent taxes; and establishing an effective date.

Councilmember Freeman reminded the Council has no control over property assessments.

Motion passed with Coose, Jason Harris, West, Kj Harris, Sivertsen, Olsen and Freeman voting yea.

Ketchikan Gateway Borough CPV Fund Grant Program Agreement – Interim Repairs to Berths I and II; Modifications to the Berth III Floating Dock; and Creek Street Pedestrian Trestle Repairs

Moved by Jason Harris, seconded by West the City Council approve the Ketchikan Gateway Borough CPV Fund Grant Program Agreement in the amount of \$1,230,000 for interim repairs to Berths I and II; modifications to the Berth III floating dock; and Creek Street pedestrian trestle repairs and direct the city manager to execute the grant agreement on behalf of the City Council.

Motion passed with Freeman, Kj Harris, Olsen, West, Jason Harris, Sivertsen and Coose voting yea.

Memorandum of Understanding Between the Alaska Department of Environmental Conservation and the City of Ketchikan – Fire Department Hazardous Material Response Equipment and Training

Moved by West, seconded by Jason Harris the City Council approve the Memorandum of Understanding between the Alaska Department of Environmental Conservation and the City of Ketchikan for the purchase of hazardous materials response equipment and training and direct the city manager to execute the Memorandum of Understanding on behalf of the City Council.

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Motion passed with Jason Harris, Sivertsen, Olsen, Freeman, Coose, Kj Harris and West voting yea.

Free Use of the Ted Ferry Civic Center – Ketchikan King Salmon Derby Awards Ceremony

Moved by Freeman, seconded by West the City Council direct the city manager to respond to the request of the Ketchikan King Salmon Derby Committee for free use of the Ted Ferry Civic Center on Friday, June 12, 2009 as determined appropriate by the City Council.

Civic Center Manager Jones answered questions from the Council.

After discussion and a show of hands, the Council determined to provide rental of the Civic Center to the Ketchikan King Salmon Derby Committee for the City's actual costs.

Ordinance No. 09-1628 – Limiting Participation by Teleconference at City Council Meetings – First Reading

Copies of Ordinance No. 09-1628 were available for all persons present.

Moved by West, seconded by Kj Harris the City Council approve in first reading Ordinance No. 09-1628 limiting participation by teleconference at City Council meetings; and establishing an effective date.

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

The Council took a short break at 7:50 p.m. and reconvened at 8:02 p.m.

Change Order No. 4 (Final) to Contract No. 08-42, Ketchikan Lakes Unit No. 3 Rehabilitation Project, NAES Power Contractors, Inc.

Moved by Kj Harris, seconded by Jason Harris the City Council approve Change Order No. 4 (Final) to Contract No. 08-42, Ketchikan Unit Rehabilitation Project, between Ketchikan Public Utilities and NAES Power Contractors, Inc. providing a credit of \$12,963.25 and direct the general manager to execute the change order on behalf of the City Council.

Motion passed with West, Olsen, Freeman, Jason Harris, Kj Harris, Sivertsen and Coose voting yea.

Solicitation of Bids for the Replacement of Plow Truck & Sander

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Moved by Sivertsen, seconded by Jason Harris the City Council authorize the Public Works Department to solicit bids for the purchase of plow truck and sander for the Streets Division as programmed in the 2009-2013 General Government Capital Improvement Program.

Motion passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Freeman voting yea.

Budget Transfer – Partial Repayment of Principal and Accrued Interest of Interfund Advances from the Major Capital Improvements and Economic Parking Development Funds to the Port Enterprise Fund

Moved by Freeman, seconded by Sivertsen the City Council authorize the city manager to transfer \$1,186,000 from Appropriated Reserves of the Port Enterprise Fund to the Port Department's 2009 Interfund Advance Account No. 67 for the purpose of paying back \$250,000 and \$102,960 respectively in principal and accrued interest to the Major Capital Improvements Fund and to pay back \$833,040 in accrued interest to the Economic & Parking Development Fund.

Finance Director Newell and Manager Amylon answered questions from the Council.

Mayor Williams asked about the amount of reserves, and requested an update.

Motion passed with Coose, Jason Harris, West, Kj Harris, Sivertsen, Olsen and Freeman voting yea.

Budget Transfer – Design Services for Structural Rehabilitation and Civil Site Work for the Totem Heritage Center, BCRA

Moved by Jason Harris, seconded by Olsen the City Council direct the city manager to enter into a professional services agreement with BCRA of Tacoma, Washington at a cost not to exceed \$49,600 for design services for structural rehabilitation and civil work associated with repair of the Totem Heritage Center building and grounds; and authorize a budget transfer of \$49,600 from Appropriated Reserves of the Public Works Sales Tax Fund to the Totem Heritage Center Building and Grounds Rehabilitation Capital Account.

Assistant Public Works Director Allen answered questions from the Council.

Motion passed with Freeman, Kj Harris, Olsen, West, Jason Harris, Sivertsen and Coose voting yea.

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Budget Transfer – Change Order Nos. 1 and 2 (Final) to Professional Services Agreement for the Migration of Hansen Information Systems Version 7 to Version 8 – Eskel Porter Consulting, Inc.

Moved by Sivertsen, seconded by Jason Harris the City Council approve Change Order Nos. 1 and 2 (Final) in the total amount of \$19,450 to the professional services agreement between the City of Ketchikan and Eskel Porter Consulting, Inc. for migration of the Hansen Information Systems Version 7 to Version 8; increase the project contingency from \$17,500 to \$19,450, bringing the total project cost to \$194,450; authorize additional funding in the amounts of \$975 and \$975 respectively from the 2009 Public Works Department and KPU Engineering Division's Hansen Information System Upgrade Capital Accounts; and direct the city manager to execute the change orders on behalf of the City Council.

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

Request for Discovery Center Tour Bus Parking

Moved by Jason Harris, seconded by West the City Council direct staff not to change the parking as it currently exists.

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

Ordinance No. 09-1629 – Exempting the Purchase of Software and Implementation Services for an Enterprise Resource Management System from Competitive Bid Requirements – First Reading

Copies of Ordinance No. 09-1629 were available for all persons present.

Moved by Jason Harris, seconded by Olsen the City Council approve in first reading Ordinance No. 09-1629 exempting the purchase of software and implementation of services for an enterprise resource management system from competitive bid requirements; providing for the filing of referendum petitions; and establishing an effective date.

Finance Director Newell and Manager Amylon answered questions from the Council.

Motion passed with West, Olsen, Freeman, Jason Harris, Kj Harris, Sivertsen and Coose voting yea.

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Discuss, List and Schedule Agenda Items or Special Meetings – Councilmember Coose

Councilmember Coose said there have been several discussions about issues and agenda items, one of which was giving direction to the manager on the 2010 budget. He wanted to bring it up so those things started getting scheduled. He thought other councilmembers had issues to schedule, and he felt it was time to get a list together.

Mayor Williams said a special meeting will be scheduled for July for the 2010 budget. He asked councilmembers to get their schedules for July and items to discuss at special meetings to the clerk.

At the request of Councilmember Freeman, Finance Director Newell said he could provide a breakdown of mid-year tax revenues, and where those dollars come from. He also said he would get the sales tax numbers for the first quarter for Mayor Williams.

Winter Layup Requests – M/V Columbia and M/V Fairweather

Moved by Jason Harris, seconded by West the City Council direct staff to give preference for the use of Berth III for 2009-2010 winter layup purposes as determined appropriate by the City Council.

In response to Councilmember Jason Harris, Port and Harbors Director Corporon said the Berth III floating dock can accommodate large vessels on the outboard side, not the inboard side. He reported the Fairweather has not been very responsive in communicating, and it cannot be accommodated at Daly Float. He said Berth IV worked well for the Fairweather in nice weather, but in bad weather it would not work well. He noted power was needed there as well. He explained he talked to the Marine Highway System about putting the Columbia at Berth IV instead, and they were willing to do that.

Manager Amylon said while NOAA has expressed an interest, the City has yet to receive a bonafide request. Port and Harbors Director Corporon said Berth I and II would not accommodate them for various reasons.

Mayor Williams felt the City should accommodate the Alaska Marine Highway first, but he would like to work something out to get the Fairweather here.

Moved by Jason Harris, seconded by Freeman to defer this item until the next regular meeting.

Motion to defer passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Freeman voting yea.

**American Recovery and Reinvestment Act Grant
Opportunities – Assistance to Firefighters Station
Construction Grants**

Moved by Sivertsen, seconded by Jason Harris the City Council direct the city manager to proceed with securing an option for the purchase of Lot 10A-1 and that contracts be negotiated with Bettisworth Welsh Whiteley and RISE Alaska for design and construction management services associated with the construction of a new municipal fire station, said option and contracts to be submitted to the City Council for formal review and consideration.

Fire Chief Hill answered questions from the Council.

In response to Mayor Williams, Manager Amylon said he would provide a copy of the report done on Lot 10A-1 by R&M Engineering-Ketchikan.

Motion passed with Coose, Jason Harris, West, Kj Harris, Sivertsen, Olsen and Freeman voting yea.

VOUCHERS

Moved by West, seconded by Jason Harris for approval of vouchers to Alaska Outboard Service in the amount of \$18.22.

Motion passed with West, Olsen, Jason Harris, Kj Harris, Sivertsen and Coose voting yea; Freeman abstaining.

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$10,355.73.

Motion passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Freeman voting yea.

CITY MANAGER’S REPORT

**Deferment of 2009 General Government Capital
Improvement Projects**

In his report, Manager Amylon listed capital projects his office intends to defer for the balance of 2009, including: Main Street Fire Station Replacement; Replace Police Station Phone System; Police Digital Evidence Management System; Library Facility Replacement; Totem Heritage Center Electric Boiler; KAR House Window Replacement; City Hall Front Entrance Remodel; and City Hall Electric Boiler. He advised the need to defer these projects is largely the result of this year’s excessive draw down of Appropriated Reserves of the Public Works Sales Tax Fund. He recommended the City

Council schedule a special session(s) to address the parameters of the 2010 General Government and KPU Annual Budgets, in order to formulate a long-term strategy for prioritizing and funding required capital projects. He also provided information regarding vacation for himself and Finance Director Newell.

**Comparison of Actual Reserves with Estimated Reserves
for the Year Ended December 31, 2008**

Manager Amylon provided a report from Finance Director Newell detailing a comparison of actual reserves with estimated reserves for the year ending December 31, 2008.

DOE Energy Efficiency and Conservation Block Grant

Manager Amylon advised both the City and Borough are eligible to receive a \$50,000 Energy Efficiency and Conservation Block Grant as part of the American Recovery and Investment Act of 2009. He noted City and Borough staff have discussed pooling funding to pursue replacement of the heating system at the Ketchikan International Airport, as it would be a benefit to the community as a whole by reducing operational costs at the airport. He commented regarding the Borough's financial participation in recent Port improvements and repairs and/or replacement of municipal bridges and trestles, and felt it would be appropriate for the City to participate in the project at the airport.

Councilmember Coose expressed appreciation at seeing this type of cooperation.

Engineering Division's Summer Interns

Manager Amylon reported the Engineering Department's summer interns are both from Ketchikan, Nick Fama and Stefan Hovik.

**Request for Trimming and/or Removal of Trees Within
the Undeveloped 5th Avenue Right-of-Way**

Manager Amylon provided a memorandum from Senior Project Engineer Brakke detailing the history of trimming and/or removing trees within the undeveloped 5th Avenue right-of-way. He stated it would be difficult for the City to negotiate an agreement between Mr. Rogers and Mr. Souza, and until one is done and if it is necessary for the City to oversee and/or inspect the work, he recommend that both parties share costs equally.

**Ongoing violations of Ordinance No. 09-1616 – Low Speed
Vehicles**

Manager Amylon provided a log from the Police Department documenting that the recently permitted low-speed vehicles are not staying on approved routes or within the twenty-five mile per hour zones as required. He cautioned, however, the log is only

partial documentation, as many additional complaints have been received by his office regarding the same. He advised he is hesitant to cite the drivers, and he has asked the owner of the vehicles to provide in writing how he intended to comply with the terms and conditions of the permit going forward. He was told that instead of submitting a response, the permit holder would attend the City Council meeting to address questions from the Council.

Manager Amylon said he has been reluctant to revoke the permit, but it may be the only option if violations continue, or to reduce the number of allowed vehicles until the violations cease or decrease significantly. He said if the Council wanted to offer further suggestions he will take them into consideration.

Mayor Williams felt they needed to be ticketed if they are being warned properly by management of the restrictions, and still break the rules. He hoped the owners, knowing what the violation would be, will provide them warning. He felt it was working fine within City limits, but outside City limits they are a real pain. He wondered if other roads could be opened up in town.

Councilmember Sivertsen said he noticed the slow-moving vehicles were parked on public streets when they were not in use, taking up public parking. He asked this be checked into, and Manager Amylon said staff will do so.

Councilmember Coose said something needs to be done for those vehicles going outside of town, and to just keep working with them for inside of town. He hoped the GPS systems will work for them.

Councilmember Freeman said he has heard reports of slow-moving vehicles as far south as Homestead. He reminded once they pass outside City limits it is a state problem.

Request for Waiver of Noise Ordinance – Tremont Street Drainage Improvements Project

Manager Amylon informed he has received a request from S & S General Contractors for a waiver of the noise ordinance, in order to replace a 30-inch storm drain on Tongass Avenue as part of DOT&PF's Tremont Street Drainage Improvements Project. He noted his office has approved the request.

Water Street Sidewalk Widening Project

Manager Amylon reminded the Council of the \$2.5 million in stimulus funding that was budgeted for the Water Street Sidewalk Widening Project, and he advised he got an email from Gary Watters of PND. He said the project now appears to be back on track and after all the necessary submittals are done it appears the work will be bid in the December-January time frame.

K.P.U. MANAGER'S REPORT

Report of May 21, 2009 Telecommunications Outage

Manager Amylon copied the Council a report from Telecommunications Division Manager Abbot regarding the May 21, 2009 telecommunications outage.

Report of May 21, 2009 Internet Outage

Manager Amylon provided the Council a report from Telecommunications Division Manager Abbot regarding the May 21, 2009 internet outage.

Intertie Tower Setting

Manager Amylon reported he had the opportunity to go to Neets Bay on Tuesday to see the towers for the Swan Lake-Lake Tyee Intertie being installed. He said it was impressive, and as of noon today, 170 of the 267 towers have been placed.

Telecommunications Division Engineering Manager Retirement

Manager Amylon reminded the Council approved an offer of employment for the position of Telecommunications Division engineer, and staff has subsequently been advised the candidate will not be coming to Ketchikan. He also noted the Telecommunications Engineering Manager will be retiring at the end of June. He said staff will be coming back to the Council with proposals that may be out of the norm, but the division must have engineering in place.

New KPU Channel Debut

Manager Amylon said the new channel for KPU has debuted, and pointed out the limited edition t-shirts provided. He stated they are hoping it will take off. He also noted there have been new advertisements on the radio that have been of high quality, and he thanked the Telecommunications Division Marketing staff for their efforts.

CITY CLERK'S FILE

Clerk Suiter provided the amended gaming permit application from Southern Southeast Alaska Building Industry Association. She noted if the Council wished to deny the application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose welcomed the two new councilmembers.

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Councilmember Freeman also congratulated the two new councilmembers.

Councilmember Olsen said it was an honor and a privilege, and he looked forward to the next few months.

Councilmember Jason Harris apologized for his tardiness, but noted the summer has made things much busier for him. He welcomed the two new councilmembers, stating he looked forward to working with them. He said he would answer any questions regarding the teleconference ordinance.

Councilmember West said she felt the low-speed vehicles should be ticketed. She said the KPU Advisory Board had their first meeting, and the minutes are in the packet. She noted it was interesting and wide-ranging, and has some real possibilities. She felt the recommended motions for the meeting were shorter and cleaner, which she appreciated.

Mayor Williams welcomed the two new councilmembers, and said they all have about four months in what they are doing. He felt things would go well. He related he had a SEAPA Board meeting, and there will be a big budget meeting for them at the end of June.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 8:53 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Ketchikan Visitors Bureau's Executive Director Reports – January-March 2009
Unapproved Minutes of the May 12, 2009 Port & Harbors Advisory Board Meeting
Unapproved Minutes of the May 27, 2009 KPU Advisory Board Meeting