

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., June 18, 2009, with the following members present: Dick Coose, Charles Freeman, Jason Harris, Matthew Olsen, Robert Sivertsen and Marty West. Councilmember Kj Harris was absent.

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

Staff present were Manager Amylon, Assistant Manager Martin, City Attorney Bradford, Assistant Fire Chief Goucher, Human Resources Manager Miller, Port and Harbors Director Corporon, Public Works Director Hansen, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Water Division Manager Kleinegger, Electric Division Operations Manager Adams, Telecommunications Division Engineer Hunt and City Clerk Suiter.

COMMUNICATIONS

Items included in the packet were: a letter from McPherson Music opposing the liquor license for the Filipino Community of Ketchikan; a notice of over-the-counter land sale by Alaska Mental Health Trust; and a letter from John Hilsinger, Director of the Department of Fish and Game, Division of Commercial Fisheries regarding the summer Dungeness crab fishing season.

Mayor Williams said there were several items laid on the table, including: a suggested amendment to Ordinance No. 09-1628; a memorandum from Manager Amylon notifying the Council of PeaceHealth's withdrawal of the USDA Rural Development Community Facilities Program Grant application for the Ketchikan General Hospital Pharmacy Relocation and Expansion Project; a notification that Ketchikan Lakes Unit No. 3 experienced a bearing failure; updated information regarding the employment agreement between Ketchikan Public Utilities and Steven Hunt; a replacement for the schedule of General Government Appropriated Reserves through the June 4, 2009 Council meeting; and a request to withdraw the agenda item relating to City Hall HVAC control upgrades.

PERSONS TO BE HEARD

David Ledford spoke out against the contract with Steven Hunt. He noted he was a KPU Advisory Board member, and several employees have come to him to express their concerns about the package. He requested the Council postpone the decision and let it go to the Advisory Board for comments. He answered questions from the Council.

CONSENT AGENDA

Councilmember Coose asked questions about the surplus vehicles and the request for temporary power. He requested information regarding surplus vehicles as to whether they will be replaced and if there is any fleet reduction as a result of declaring them surplus.

Manager Amylon said he would get the information. Mr. Coose suggested perhaps the City should consider installing power at City Park more permanently for future use. Councilmember West requested that the item regarding the liquor license application be considered separately.

Approval of Minutes

Moved by Jason Harris, seconded by West approval of the minutes of the special meeting of June 2, 2009 and regular meeting of June 4, 2009.

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

Liquor License Application – Filipino Community of Ketchikan

Moved by Jason Harris, seconded by West the City Council approve the application of liquor license: Club – Filipino Community of Ketchikan.

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

Declaration of Surplus Vehicles

Moved by Jason Harris, seconded by West pursuant to Section 3.12.070 of the Ketchikan Municipal Code, the City Council declare the vehicles described in the Engineering technician's memorandum dated June 1, 2009 as surplus and authorizing the city manager to dispose of such property as determined appropriate.

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

Live Entertainment Permit Application – Potlatch Bar

Moved by Jason Harris, seconded by West the City Council approve the 2009 live entertainment permit application for the Potlatch Bar, and authorize the clerk to sign the license.

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

UNFINISHED BUSINESS

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

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

Moved by Freeman, seconded by Olsen the City Council approve in second reading Ordinance No. 09-1628 limiting participation by teleconference at City Council meetings; and establishing an effective date.

Moved by Freeman, seconded by Sivertsen to amend by adding Section 2.04.023 (i) to read: “(i) The council may revoke the privilege of participation of a councilmember or the mayor by telephone or electronic means should such participating councilmember or the mayor violate any or all of (a) through (f) above.”

Councilmember Freeman clarified his intent not to substitute but to amend, and remove new sections that were put into the ordinance (in first reading). Councilmember West asked if it removed the “two per year” stipulation, to which Councilmember Freeman replied in the affirmative.

City Attorney Bradford said if Councilmember Freeman were offering an amendment to the existing ordinance, it could act as second reading. He said if he were substituting a new ordinance, it needed to start over. Councilmember Freeman confirmed it was an amendment to the existing ordinance.

Mayor Williams ruled the amendment, if passed, would pass as the main motion.

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

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

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

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

Councilmember Coose said he would like to see a project schedule and he would like to know when it will be implemented. He stated he expected the Council would be kept

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posted on a regular basis because there are a lot of pieces that may or may not be policy, and he expected every employee to be involved because it affects every employee's life.

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

Winter Layup Requests – M/V Columbia and M/V Fairweather – Deferred from June 4, 2009

The deferred motion before the Council was:

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 lay-up purposes as determined appropriate by the City Council.

After discussion, Mayor Williams said the consensus was to take care of the Marine Highway first, and this was the direction for staff.

Appointments to Boards and Commissions – Mayor Williams

Mayor Williams recommended the name of Dragon London to the Ketchikan Historic Commission, and asked if there were any objections. None were heard.

Mayor Williams said Councilmember Olsen had been a member of the Library Advisory Board, from which he resigned. The mayor noted he had been appointed as the Council representative to the Library Advisory Board last fall, and he was turning that position over to Mr. Olsen.

No objections were heard.

NEW BUSINESS

Change Order No. 2 (Final) to Contract No. 08-47 – Knudson Cove Harbor Replacement Project – Pool Engineering, Inc.

Moved by West, seconded by Jason Harris the City Council approve Change Order No. 2 to Contract No. 08-47, Knudson Cove Harbor Replacement Project, between the City and Pool Engineering, Inc. providing a net credit of \$36,500 and direct the city manager to execute the change order on behalf of the City Council.

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

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Change Order No. 6 to Contract No. 07-38, UV Disinfection and Chloramination Facility – Southeast Engineering, Inc.

Moved by Sivertsen, seconded by Jason Harris the City Council approve Change Order No. 6 in the amount of \$53,195 to Contract No. 07-38, UV Disinfection and Chloramination Facility, between Ketchikan Public Utilities and Southeast Engineering, Inc. and authorize the general manager to execute the change order on behalf of the City Council.

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

Employment Agreement Between Ketchikan Public Utilities and Steven Hunt

Moved by Olsen, seconded by Coose the City Council authorize the general manager to enter into an employment agreement with Steven Hunt of Ketchikan, Alaska for the position of Telecommunications Division Engineering manager providing for substantially the same terms and conditions of employment as detailed in the Telecommunications Division manager's report dated June 9, 2009.

Manager Amylon and Telecommunications Division Manager Abbott answered questions from the Council.

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

Budget Transfers – Increase of Professional Services for IP Network Projects – SCN Research

Moved by West, seconded by Olsen pursuant to Section 3.12.051(c)(2)(A) of the Ketchikan Municipal Code, the City Council increase the amount of the purchase order issued to SCN Research to \$115,000 for IP Network related projects; authorize budget transfers in the amounts of \$44,000 and \$21,000 respectively from the Telecommunications Division's 2009 Salaries & Wages and Employee Benefits Account Nos. 11 and 14 to the Professional Services Account No. 60; approve additional funding in the amount of \$65,000 from the Telecommunications Division's 2009 Professional Services Account No. 60; and direct the Telecommunications Division manager to execute a revised purchase order to SCN Research.

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

The Council took a short break at 7:54 p.m. and reconvened at 8:00 p.m.

**Budget Transfer – Furnace Braising for Bailey Unit No. 4
Cylinder Head – Wartsila North America**

Moved by Sivertsen, seconded by Jason Harris pursuant to Section 3.12.051(c)(2)(A) of the Ketchikan Municipal Code, the City Council direct the general manager to issue a purchase order in the amount of \$22,250 to Wartsila North America for furnace braising of an existing cylinder head from Bailey Unit No. 4; authorize the transfer of \$49,750 from the Electric Division’s 2009 Automatic Meter Reading Capital Account to the Bailey Facilities Upgrade Capital Account; and approve funding in the amount of \$22,250 from the Bailey Facilities Upgrade Capital Account.

Electric Division Operations Manager Adams answered questions from the Council.

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

**Ordinance No. 09-1630 – Adding A New Subsection (E) to
Section 18.44.020 of the Ketchikan Municipal Code
Entitled “Charges” to Provide for An Additional Charge
to Ambulance Fees When Transport by Airport Ferry is
Required – First Reading**

Copies of Ordinance No. 09-1630 were available for all persons present.

Moved by West, seconded by Sivertsen the City Council approve in first reading Ordinance No. 09-1630 adding a new Subsection (E) to Section 18.44.020 of the Ketchikan Municipal Code entitled “Charges” to provide for an additional charge to ambulance fees when transport by airport ferry is required; and establishing an effective date.

Assistant Fire Chief Goucher answered questions from the Council.

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

**Budget Transfer – Replacement of Engineering Division
Wide Format Copier**

Moved by West, seconded by Jason Harris the City Council accept the proposal of Surveyors Exchange of Anchorage, Alaska in the amount of \$13,656 for the purchase of a Xerox wide format copier/printer; authorize budget transfers of \$8,194 and \$5,462 respectively from the Engineering Division’s 2009 Salaries & Wages and Employee Benefits Account Nos. 11 and 14 to the Engineering Division’s 2009 Wide Format Copier Replacement Capital Account; approve funding in the amount of \$13,656 from

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the Engineering Division's 2009 Wide Format Copier Replacement Capital Account; and direct the city manager to issue a purchase order to Surveyors Exchange accordingly.

Public Works Director Hansen answered questions from the Council.

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

Budget Transfer and Award of Contract No. 09-23 – City Hall HVAC Control Upgrade – Ketchikan Mechanical Inc. - \$118,843

This item was removed at the request of the manager.

Resolution No. 09-2276 – Supporting an Application for Financial Assistance Under the American Recovery and Reinvestment Act of 2009 for An Assistance to Firefighters Grant for the Construction of a New Fire Station

Moved by Jason Harris, seconded by Coose the City Council approve Resolution No. 09-2276 supporting an application for financial assistance under the American Recovery and Reinvestment Act of 2009 for an Assistance to Firefighters grant for the construction of a new fire station; and establishing an effective date.

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

Option Agreement for the Purchase of Lot 10A-1 – J.R. Dawson

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager and city attorney to enter into a formal option agreement with J.R. Dawson for the purchase of Lot 10A-1 in a form substantially consistent with the terms and provisions detailed in staff's report dated June 11, 2009.

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

Budget Transfer – Professional Services Agreement for Investigation of Copper Levels in Municipal Wastewater Effluent Stream, CH2M Hill

Moved by Coose, seconded by West the City Council direct the city manager to enter into a professional services agreement with CH2M Hill at a cost not to exceed \$29,200 to analyze copper levels in municipal wastewater effluent stream; authorize a transfer of

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\$29,200 from Appropriated Reserves of the Wastewater Services Fund to the 2009 Wastewater Division's Professional Services Account No. 60; and approve funding in the amount of \$29,200 from the Wastewater Division's Professional Services Account No. 60.

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

Contract No. 09-33 – Design of Engineering of Municipal Fire Station – Bettisworth Welsh Whiteley, LLC

Moved by Olsen, seconded by Jason Harris the City Council approve Contract No. 09-33, Design and Engineering of a Municipal Fire Station, between the City of Ketchikan and Bettisworth Welsh Whiteley at a cost not to exceed \$40,160; authorize funding in the amount of \$40,160 from the Fire Department's 2009 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Councilmember Coose asked that the Council be kept up to date. He expressed concern about the size of the new fire station.

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

Contract No. 09-34 – Project Management Services for Municipal Fire Station Design and Construction – RISE Alaska LLC

Moved by Sivertsen, seconded by Jason Harris the City Council approve Contract No. 09-34, Project Management Services for Municipal Fire Station Design and Construction, between the City of Ketchikan and RISE Alaska LLC at a cost not to exceed \$31,307; authorize funding in the amount of \$31,307 from the Fire Department's 2009 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

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

VOUCHERS

Moved by West, seconded by Coose for approval of vouchers to Ketchikan Daily News in the amount of \$246.40.

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

CITY MANAGER'S REPORT

General Government Financial Statements for the Period Ending March 31, 2009

In his report, Manager Amylon provided the General Government financial statements for the three months of the year ending March 31, 2009.

Councilmember Coose asked if there was a conflict between this report and the sales tax collection report, and Manager Amylon said the dates are the issue. He noted one report is through the first quarter and the other is through June 4, 2009. He advised the first two quarters of 2009 are trending down.

Councilmember Jason Harris thanked staff for the new format of the reports.

Schedule of General Government Appropriated Reserves Through the June 4, 2009 City Council Meeting

In response to Councilmember Coose, Manager Amylon provided a schedule of the current balance of Appropriated Reserves of the various funds of General Government through the City Council meeting of June 4, 2009.

Public Works Department Project Status Report – May 2009

Manager Amylon provided the project status report of the Public Works Department for the month of May 2009.

Collected City Sales Tax – First and Second Quarters Comparison Report

In response to Councilmember Freeman, Manager Amylon included a report regarding sales tax collections, and a comparison of the first and second quarters for 2008 and 2009. He advised the collections for the second quarter of 2009 reflect receipts through June 8, 2009 only.

Grants for Gateway Center for Human Services

Manager Amylon reported it may be as late as next Friday before the City hears of the status of the Gateway Center for Human Services grant applications. He stated it was his intent to bring the grant agreements to the Council for formal consideration, and it may necessitate a special meeting. He further reported in the interim, KAR House is now closed. He explained given the late disposition of the grant agreement, it was impossible for Tongass Substance Services to make any commitment prior to knowing whether they will get funded.

Port Bronze Sculpture

Manager Amylon said Dave Rubin came by his office today to show his portfolio of the bronze sculpture, which is quite impressive. He stated they are looking at sometime in November to put it on the docks.

K.P.U. MANAGER'S REPORT

Utility Operating Divisions' Project Status Reports – May 2009

Manager Amylon provided the project status reports of the Utility's division managers for the month of May 2009.

Completion of Contracts Nos. 07-01 and 08-42 – Ketchikan Lakes Powerhouse Turbine Upgrade Work

Manager Amylon copied the Council with a memorandum from Senior Project Engineer Holstrom detailing the completion of Contract Nos. 07-01 and 08-42, both related to turbine upgrades at the Ketchikan Lakes Powerhouse.

Lake Levels

In response to Councilmember Jason Harris, Electric Division Manager Kline answered questions about the lake levels, and said the levels are down this period over 2008. He stated the dikes may be looked at in the fall.

Water Metering

In response to Councilmember Jason Harris, Water Division Manager Kleinegger said metering the water serves multiple purposes. He noted it provides information as to how much water a household consumes and allows the division to monitor large users.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE

City Attorney Bradford said he provided information regarding the status of certain litigations.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

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Councilmember Jason Harris said he was disappointed in the response from the State of Alaska regarding the crab fisheries. He felt it was unfortunate for people of Southeast Alaska, and he was informed today that pots are now in place. He encouraged people to get crab quick because they are going to be gone pretty soon. He thought every person should have opportunity to make a living, but also be able to use it as recreation as many of us do. He thanked the Council for the support regarding the teleconference ordinance and he thanked staff again for the readability of the financial reports.

Councilmember Sivertsen complimented Public Works staff for the good work they have done on the float repairs at Bar Harbor.

Councilmember West said she also saw Mr. Rubin's photo portfolio of the statues, and it is very impressive. She said she is an advocate of advisory boards because the work they do is important, but she didn't feel that City business needed to be slowed down pending the advisory board's input on a regular basis. She felt if something could be reasonably delayed, then having the advisory board's opinion would be a good thing, but if not, the Council should not as a rule make sure items go to the advisory board first. She reported she is encouraged at the KPU Advisory Board, as there are a lot of people on it with a lot of opinions, and it will have a real value when the purpose is hammered out. She noted the Gateway news is disappointing. She informed there is a town meeting next Thursday night at 6:00 p.m. at the Discovery Center on suicide prevention, with a man from Juneau who has worked with the Suicide Prevention Task Force. She also said Gateway is having counselors tomorrow at the High School to talk with people because of the tragic death of a young man in our community. She extended her thoughts and prayers to his family.

Councilmember Olsen said he attended the Department of Labor meeting at Ketchikan Campus, and it was nice to see the commitment the DOL is showing to Ketchikan in developing its workforce. He reported he also went to the Chamber's meeting about the Intertie.

Councilmember Coose said it was an unfortunate decision on the crab fishery, and it is unfortunate the board tries to track its resource management without using any science behind its decisions or any biological base. He stated the crab will be decimated in those places, just like 20 years ago. He hoped the Council could get legislators to put in a bill this fall to put a stop to it. He asked if the motions in the Council packets could be shortened up, and still be legal and clear. He questioned the repair work on the Hawkins Street drainage, and he doesn't understand the drainage coming out of the velocity reducer. He felt it will wash gravel down. He wondered if KPU television could get a copy of the Intertie video and post it on television somewhere. Manager Amylon said it has already been considered and that is the intent.

Mr. Coose continued by noting the tragedy yesterday, and he wondered if there was something that could be done to put a stop to the drug dealers. He felt if the Council had to put some money into it, maybe it is worth it. He said if we don't have our dogs yet,

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let's get them out. He felt the Council needed to decide what they wanted to put into it. He also commented on Mr. Ledford's statement about being fearful of saying what he said, and the Council needs to make sure that the Council and management supports employees being open about what they do so we can make it a better city and a better place to go. He thought the Council should encourage employees to go to management, and encourage management to make sure the Council takes those words and not use them wrongly.

Mayor Williams said a special meeting will be scheduled for the budget on July 21st, and he noted the Gateway meeting will be called when everyone is in town. He stated there is a Two Dam Pool meeting next week, where they will be talking about considering the budget. He advised he and Manager Amylon met with the Borough mayor and manager, and the Borough has interest in getting the Joint Tax Coordinating Committee and the Solid Waste Committee together. Mayor Williams said he and Councilmember Olsen will be on the Tax Committee, and Councilmember Sivertsen volunteered to be on the Solid Waste Committee.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 8:45 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Lake Levels and System Generation Report for the Month of May 2009
Water Utilization Study Report – May 2009