

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., July 16, 2009, with the following members present: Dick Coose, Charles Freeman, Jason Harris, Kj Harris, Matthew Olsen, Robert Sivertsen and Marty West.

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, Fire Chief Hill, Acting Gateway Center for Human Services Executive Director Medford, Human Resources Manager Miller, Police Chief Talik, Acting Public Works Director Allen, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Acting Electric Division Operations Manager Adams, Senior Project Engineer Brakke, and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams said there was a substitute motion for the item regarding Change Order No. 2 for the USCG LORAN Station Shoal Cove, as well as an update for the item regarding the IBEW agreement.

PERSONS TO BE HEARD

Ole Sullivan, representing the Ketchikan-Kanayama Exchange, said the program got an award for International Excellence and he handed out a copy of the nomination form. He stated the Ketchikan-Kanayama Exchange Program is truly a community organization and exchange program. He cited organizations that participate as well as individuals, and he stated they really appreciate the City's support. Several participants in the program spoke and thanked the Council for their contribution.

Louise Kern expressed concern relating to the work being done to alleviate the drainage issue at the Hawkins-Denali area. She described an area that may result in a landslide, as she wanted to alert the Council so they would be aware should it come down. Mayor Williams asked her to email pictures of the area.

CONSENT AGENDA

Approval of Minutes

Moved by Jason Harris, seconded by West approval of the minutes of the regular meeting of July 2, 2009 and special meeting of July 9, 2009.

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

UNFINISHED BUSINESS

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 – Second Reading

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

Moved by Jason Harris, seconded by Sivertsen the City Council approve in second 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.

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

Ordinance No. 09-1631 – Amending Section 10.24.230 of the Ketchikan Municipal Code Entitled “Low Speed Vehicle Permits,” By Adding A New Subsection Establishing a Fine for Violation of Section 10.24.230(b)(4) – Second Reading

Copies of Ordinance No. 09-1631 were available for all persons present.

Moved by Jason Harris, seconded by Olsen the City Council approve in second reading Ordinance No. 09-1631 amending Section 10.24.230 of the Ketchikan Municipal Code entitled “Low Speed Vehicle Permits,” by adding a new subsection establishing a fine for violation of Section 10.24.230(b)(4); and establishing an effective date.

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

Request for Reserved Parking Space – Rotary House – Deferred from July 2, 2009

Moved by West, seconded by Jason Harris the City Council direct the city manager to reserve a parking space in the lower Centennial Parking Lot for exclusive use by Rotary House as detailed in the June 16, 2009 correspondence of Ms. Kathie M. Glover.

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

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Ordinance No. 09-1632 – Amending Subsections (b), (c), and (d) of KMC Section 3.12.035 Entitled “Purchases of Public Improvements – When Bidding or Quotations are Required”; Amending Subsections (b) and (c)(1) of KMC Section 3.12.040 Entitled “Purchases of Supplies, Materials, Equipment or Services – When Competitive Bidding or Quotations are Required”; Amending KMC Section 3.12.042 Entitled “Competitive Bid Appeals Process”; Adding a New KMC Section 3.12.043 Entitled “Competitive Sealed Proposals” - Second Reading

Copies of Ordinance No. 09-1632 were available for all persons present.

Moved by Freeman, seconded by Jason Harris the City Council approve in second reading Ordinance No. 09-1632 amending subsections (b), (c), and (d) of KMC Section 3.12.035 entitled “Purchases of Public Improvements – When Bidding or Quotations are Required”; amending subsections (b) and (c)(1) of KMC Section 3.12.040 entitled “Purchases of Supplies, Materials, Equipment or Services – When Competitive Bidding or Quotations are Required”; amending KMC Section 3.12.042 entitled “Competitive Bid Appeals Process”; adding a new KMC Section 3.12.043 entitled “Competitive Sealed Proposals”; and establishing an effective date.

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

NEW BUSINESS

Award of Contract No. 09-36 – Purchase of 4x4 Snow Plow Truck – Cascadia International - \$144,038

Moved by Sivertsen, seconded by Jason Harris the City Council accept the bid of Cascadia International of Anchorage, Alaska in the amount of \$144,038 for Contract No. 09-36, Purchase of 4x4 Snow Plow Truck; authorize funding in the amount of \$144,038 from the 2009 Streets Division Plow and Sander Truck Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Acting Public Works Director Allen answered questions from the Council.

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

Ordinance No. 09-1634 – Repealing the Requirement for Live Entertainment Permit Application, Investigation, and Fee – First Reading

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Copies of Ordinance No. 09-1634 were available for all persons present.

Moved by Jason Harris, seconded by Coose the City Council approve in first reading Ordinance No. 09-1634 repealing the requirement for live entertainment permit application, investigation, and fee; and establishing an effective date.

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

Award of Contract No. 09-09 – North Yorktown Drive and Jackson Heights Street Asphalt Paving Project – Southeast Engineering, Inc. - \$636,320

Moved by Sivertsen, seconded by Jason Harris the City Council accept the bid of Southeast Engineering, Inc. in the amount of \$636,320 for Contract No. 09-09, North Yorktown Drive and Jackson Heights Street Asphalt Paving Project; establish a ten percent contingency in the amount of \$63,632, bringing the total project cost to \$699,952; authorize funding in the amount of \$699,952 from the 2009 Streets Division's North Yorktown and Jackson Heights Asphalt Paving Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

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

Change Order No. 2 to Contract No. 08-56 – Line Extension to USCG LORAN Station Shoal Cove – Commonwealth Associates, Inc.

Moved by Coose, seconded by Sivertsen the City Council approve Change Order No. 2 in the amount of \$21,500 to Contract No. 08-56, Line Extension to USCG LORAN Station Shoal Cove, between Ketchikan Public Utilities and Commonwealth Associates, Inc. bringing the total contract cost to \$82,150; authorize funding from the Electric Division's 2009 Shoal Cove Distribution Line Extension Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

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

Budget Transfer – Award of Contract No. 09-28 – Bayview Cemetery Garden Mausoleum/Columbarium Project – Pool Engineering, Inc. - \$292,320

Moved by Sivertsen, seconded by Jason Harris the City Council accept the bid of Pool Engineering, Inc. in the amount of \$292,320 for Contract No. 09-28, Bayview Cemetery Garden Mausoleum/Columbarium Project; establish a ten percent contingency in the

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amount of \$29,230, bringing the total project cost to \$321,550; authorize a budget transfer of \$141,550 from Appropriated Reserves of the Bayview Development Fund to the 2009 Cemetery Division's Crypts and Niches Capital Account; approve funding in the amount of \$321,550 from the 2009 Cemetery Division's Crypts and Niches Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

In response to Councilmember Freeman, Manager Amylon said he would have a discussion with Public Works regarding future expansion.

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

**Discussion of Head-In Parking Restrictions –
Councilmember Jason Harris**

Councilmember Jason Harris said many people are frustrated with the requirement to park head-in, which is extremely difficult with larger vehicles.

Moved by Jason Harris, seconded by Freeman to remove head-in parking restrictions for all parking lots.

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

**Budget Transfer – Procurement of SCADA Development/
Backup Server – Open Systems International, Inc. (OSI)**

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 \$12,500 to OSI for the purchase and installation of a SCADA development/backup server; authorize the transfer of \$12,500 from the Electric Division's 2009 SCADA Protocol Converter Upgrade Capital Account to the PC Hardware and Software Account No. 97; and approve funding in the amount of \$12,500 from the PC Hardware and Software Account No. 97.

Moved by Coose, seconded by West to defer until additional information is provided.

Manager Amylon and Electric Division Manager Kline answered questions from the Council.

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

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

The Council took a short break at 7:50 p.m. and reconvened at 7:55 p.m.

**Budget Transfer – Telecommunications Division
Overtime and Temporary Salaries Expenses**

Moved by Freeman, seconded by West the City Council authorize the general manager to transfer \$235,000 from the 2009 Telecommunications Division's Salaries and Wages Account No. 11 to the Overtime and Temporary Salaries Account Nos. 12 and 14 in the amounts of \$190,000 and \$45,000 respectively for the purpose of funding unanticipated overtime and temporary salaries expenses.

In response to Councilmember Olsen, Manager Amylon and Telecommunications Division Manager Abbott explained the difficulty in changing the engineering positions to be union positions and provide internal training and subsequent advancement.

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

**Negotiation of a Professional Services Agreement for
Contract No. 09-29, Engineering Services for KPU Power
System Study – Electric Power Systems, Inc.**

Moved by Jason Harris, seconded by Olsen the City Council authorize the general manager to negotiate a professional services agreement between Ketchikan Public Utilities and Electric Power Systems, Inc. of Anchorage, Alaska for Contract No. 09-29, Engineering Services for KPU Power System Study, said agreement to be submitted to the City Council for formal review and consideration.

Electric Division Manager Kline answered questions from the Council.

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

**Professional Services Agreement Between the City of
Ketchikan and Wandal W. Winn, M.D. – Gateway Center
for Human Services Psychiatric Services**

Moved by West, seconded by Olsen the City Council approve the Professional Services Agreement between the City of Ketchikan and Wandal W. Winn, M.D. for psychiatric and other medical management services to be rendered on behalf of the Gateway Center for Human Services; authorize funding from the Gateway Center for Human Services'

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2009 Professional Services Account No. 60; and direct the city manager to execute the agreement on behalf of the City Council.

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

Resolution No. 09-2277 – Recognizing Nancy Ridgley for Her Years of Service at Ketchikan Public Utilities Telecommunications Division for the City of Ketchikan

Moved by Sivertsen, seconded by Jason Harris the City Council approve Resolution No. 09-2277 recognizing Nancy Ridgley for her years of service at Ketchikan Public Utilities Telecommunications Division for the City of Ketchikan; and establishing an effective date.

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

2009 Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Brotherhood of Electrical Workers, Local 1547

Manager Amylon reported he got a call from Denny Zieser shortly before the Council meeting this evening to advise the proposed collective bargaining agreement had been overwhelmingly rejected by the IBEW membership. He also reported within the vote there was technically a strike authorization, and Mr. Zieser requested the City return to the table as soon as possible. Manager Amylon recommended the Council defer any direction to staff until such time as the Council has had time to review information, and in anticipation of the scheduled special budget meeting.

VOUCHERS – None

CITY MANAGER’S REPORT

Schedule of General Government Appropriated Reserves Through the July 2, 2009 City Council Meeting

Manager Amylon provided a schedule of the current balance of Appropriated Reserves of the various funds of General Government and KPU through the Council meeting of July 2, 2009.

Public Works Department Project Status Report – June 2009

Manager Amylon included the project status report of the Public Works Department for the month of June 2009.

Insurance Appraisal Report – American Appraisal

Manager Amylon advised that American Appraisal has completed its report for insurance and property appraisal services and is estimating the value of the City's capital assets based on reproduction new at approximately \$295 million. He noted that a number of recommendations will be forthcoming that may have an impact on the premiums that the City pays for property insurance.

General Government Financial Statements for the Period Ending April 30, 2009

Manager Amylon transmitted the General Government financial statements for the four months of the year ending April 30, 2009.

2009 Collected City Sales Tax

Manager Amylon provided an updated report of a comparison of the first and second quarters sales tax collections for 2008 and 2009.

Conversion of Seventy-Two Hour Parking Spaces to Seven-Day Parking Spaces – Madison Parking Lot

Manager Amylon included a memorandum from Port and Harbors Director Corporon regarding the change of 11 of the 72-hour parking spaces to seven-day spaces.

Councilmember Coose felt this move was a good thing, considering the commercial fishermen that work out of there. He brought up the possibility of converting some of the spaces in the north end parking lot, as many fishermen use this lot as well. He stated the fishermen may consider permits. Councilmember Olsen agreed, for the fishermen and the locals as well.

Placement of Fiscal Year 2009-10 Liability and Property Insurance Program

Manager Amylon provided a memorandum from Finance Director Newell, notifying that the City's liability and property insurance program is lower by 1.6% than last year's program.

Special City Council Meeting of July 21, 2009

Manager Amylon requested the Council provide any specific questions and/or concerns regarding the special meeting to provide direction relative to the 2010 General Government and KPU Annual Budgets by July 14, 2009.

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**Accounting and Financial Management Systems
Procurement Project Schedule**

In response to Councilmember Coose, Manager Amylon transmitted a project schedule for the replacement of the City's accounting and financial management systems.

**Grant Appeal for Gateway Center for Human Services
Grant Award**

Manager Amylon reported two letters have gone out to Commissioner Hogan, both of which have been acknowledged, and Mr. Hogan said he would get back to staff as soon as possible.

Manager Amylon also stated Steve Hamilton will be here in August to meet with himself and members of the GCHS Advisory Board and discuss plans to move Gateway to a not-for-profit concept.

Bridges and Trestles Repair Meeting

In response to Councilmember Jason Harris, Manager Amylon said the meeting with residents regarding repair of bridges and trestles was positive. He said a number of acknowledgements were received from residents thanking the City for the efforts to date. He noted there are a couple of issues relative to design, and accommodation issues relating to the bridges that will be replaced first. He stated a couple of residents expressed a desire that parking be added to some of the structures, and it was put in the context of being in conjunction with construction or permitting easements. Manager Amylon advised them that given the fiscal constraints the City is under that if there would be conditions to replacing the structure, it would be brought back to the Council for direction. He commented overall it was a productive meeting, which Councilmember Sivertsen, also in attendance, agreed.

Downtown Seal Coat

In response to Councilmember Jason Harris, Acting Public Works Director Allen said the risk is higher when chip sealing is done in downtown areas. He noted there is a lot more turning traffic, and turning tires tend to tear the chip seal when it is real fresh.

K.P.U. MANAGER'S REPORT

Report of June 30, 2009 Power Outage

Manager Amylon included a memorandum from the Electric Division's Chief Powerhouse Operator Graham regarding the June 30, 2009 power outage.

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Utility Operating Divisions' Project Status Reports – June 2009

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

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE

City Attorney Bradford noted he provided a confidential report for the Council.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Jason Harris asked about the customer service area at the mall, and Telecommunications Division Manager Abbott said they are anticipated to be on site the first part of September. Councilmember Harris thanked Ms. Ridgley for her work, and Mr. Abbott said there was a party for her after work on Friday, which went very well.

Councilmember Freeman reported on the state marquis extortion, and noted he has talked to several who don't intend on complying until the AG comes in and does something about it. He questioned whether anyone realized the amount of autonomy that the City and KPU were going to have to give up with the Intertie. He stated it is not necessarily a free ride and there will be some adjustment. He felt the process will put some noses out of joint because we are going to become part of a larger system.

Councilmember Kj Harris said he was looking forward to next Tuesday's meeting on budget discussions.

Councilmember Coose thanked the staff who laid down the chip seal, as it went down really fast and cleaned up well, and was a nice looking job. Relative to the Intertie, he commented that we need to be smart enough to work the system as we are the ones gaining the power, and we could participate or we could fight. He hoped we worked together.

Councilmember Freeman said the line is being laid quickly, and it may be done by August.

In response to Councilmember Coose, Manager Amylon said the surcharge depends on the amount of rain we get. He pointed out Electric Division Manager Kline's report, which notes we have about 60 days of water.

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Councilmember Jason Harris said if anyone wants to put out \$360 for a parking permit at the Centennial Lot, it would be for a worthy cause.

Mayor Williams reminded everyone of the meeting on Tuesday, July 21st. He wished Ms. Ridgley a wonderful retirement.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 8:15 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Lake Levels and System Generation Report – June 2009
Water Utilization Study Report – June 2009
Unapproved Minutes of the June 30, 2009 KPU Advisory Board Meeting