

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., August 20, 2009, with the following members present: Dick Coose, Charles Freeman, Kj Harris, Matthew Olsen, Robert Sivertsen and Marty West. Councilmember Jason Harris attended via teleconference.

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

Staff present were Manager Amylon, Assistant Manager Martin, City Attorney Bradford, Acting Gateway Center for Human Services Executive Director Medford, Museum Director Naab, Electric Division Manager Kline, Assistant Public Works Director Allen, Senior Project Engineer Brakke, Water Division Manager Kleinegger and City Clerk Suiter.

### **COMMUNICATIONS**

Laid on the table was additional information regarding community agency funding; a section of the Ketchikan Municipal Code dealing with berthing assignments for cruise ships; and a letter notifying of Clerk Suiter's achievement of being awarded a Master Municipal Clerk designation.



### **PUBLIC HEARING ON ORDINANCE NO. 09-1633 – AMENDING THE KETCHIKAN MUNICIPAL CODE CHAPTER 11.12 – TELECOMMUNICATIONS SERVICE AND RATES**

Mayor Williams called the public hearing on Ordinance No. 09-1633 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:02 p.m.



### **RESOLUTION NO. 09-2282 – AMENDING THE 2009 GENERAL GOVERNMENT ANNUAL BUDGET – PUBLIC WORKS STREETS DIVISION - \$5,000,000**

Mayor Williams called the public hearing on Resolution No. 09-2292 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:03 p.m.



**PERSONS TO BE HEARD**

Kathleen Light, representing the Ketchikan Area Arts and Humanities Council, thanked the Council past funding and reminded it is crucial for their operations.

Tom Ferry thanked the Council for the crosswalk in the Newtown area. He discussed cruise ship berthing, noting he felt some in the downtown area were trying to bring all business right to their front door. He said those in Newtown don't want to see the passenger count on Berth IV go down any further.

Vanda Patterson, representing Hope Community Resources, said she recently became a member of Ketchikan's community, and she was at the meeting tonight to observe.

Susan Peters, representing the Downtown Steering Committee, said the Downtown Steering Committee and the Borough's neighborhood planner have been working on a Downtown Employee Parking Guide, which she presented. She said they are trying to set up some volunteer standards for employees with suggestions as to where they might park and alternatives to driving a car. She also discussed cruise ship berthing, emphasizing longer times for cruise ship visits. Ms. Peters answered questions from the Council.

Chris Parks, representing Tongass Trading, handed out information regarding cruise ships, which he discussed at length. He related retail history and environment, noting that businesses all across the nation are suffering because of the economic situation. He talked about issues that affect retail sales, which included many factors. He felt the stevedoring company should schedule the ships with the City's input, noting he would like to have a meeting with stakeholders after the stevedores and the City put the schedule together.

Dan Michalsen, owner of Sockeye Sam's, agreed with Mr. Parks' comments. He discussed past practice regarding where cruise ships parked, wherein the captain could choose the dock where they wanted to tie up.

Dennis Pope spoke regarding berthing allocations, noting that Berth IV was created to stimulate the economy as well as the Newtown area. He felt the assignments were best for the community and should remain as they are.

Doug Ward, representing Alaska Ship and Drydock, spoke regarding the rebuild of the Bailey generator. He complimented Electric Division staff, noting it has been a pleasure working with them. He encouraged the Council to support the motion.

Craig Carson referred to the petition that was signed by downtown business people, stating they are not happy with the schedule. He said they are upset that eight of the second class ships are berth at Berth I and II, and he cited percentages relating to such. He requested a balanced schedule, noting that if it were already balanced it could be flip

flopped every other week and it would still work out fairly. He said they are just looking to share the ships.

Elsie Stewart-Burton, representing House of Haida, spoke in support of leaving the berthing schedule as it is.

The Council took a short break at 7:54 p.m. and reconvened at 8:01 p.m.

### **CONSENT AGENDA**

Mayor Williams requested that some items be moved to Consent Agenda if there were no objections, and after discussion it was determined to move items a, b, d, e, h, j, k, and l from New Business to Consent Agenda. He asked if there were any objections, and none were heard.

#### **Approval of Minutes**

Moved by West, seconded by Kj Harris approval of the minutes of the regular meeting of August 6, 2009.

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

#### **Designated Legislative Grant Agreement – Port of Ketchikan Berths I and II Replacement**

Moved by West, seconded by Kj Harris the City Council approve Legislative Grant Agreement No. 10-DC-018 in the amount of \$3,000,000 between the City of Ketchikan and the Department of Commerce, Community and Economic Development for the replacement of Berths I and II and direct the city manager to execute the agreements on behalf of the City Council.

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

#### **Contract No. 09-29, Engineering Services for KPU Power System Study – Electric Power Systems, Inc. - \$28,900**

Moved by West, seconded by Kj Harris the City Council approve Contract No. 09-29, Engineering Services for KPU Power System Study, between Ketchikan Public Utilities and Electric Power Systems, Inc. in the amount of \$28,900; authorize funding from the Electric Division's 2009 Professional Services Account No. 60; and direct the general manager to execute the contract documents on behalf of the City Council.

August 20, 2009

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

**Commercial Passenger Vessel (CPV) Fund Grant Agreement for Creek Street/Stedman-Thomas District Historic Signage**

Moved by West, seconded by Kj Harris the City Council approve the Ketchikan Gateway Borough CPV grant agreement for historic signage in the Creek Street/Stedman-Thomas District in the amount of \$27,000 and direct the city manager to execute the grant agreement on behalf of the City Council.

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

**Resolution No. 09-2282 – Amending the 2009 General Government Annual Budget to Provide a Supplemental Appropriation for Public Works – Streets Division in the Amount of \$5,000,000**

Moved by West, seconded by Kj Harris the City Council approve Resolution No. 09-2282 amending the 2009 General Government Annual Budget to provide a supplemental appropriation for Public Works – Streets Division in the amount of \$5,000,000; and establish an effective date.

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

**Budget Transfers – Professional Services and Moving Expenses for the Law Department**

Moved by West, seconded by Kj Harris the City Council authorize the city manager to transfer \$35,000 and \$17,000 respectively from the 2009 Law Department's Salaries & Wages and Employee Benefits Account Nos. 11 and 16 to the Professional Services Account No. 60 for the purpose of providing additional funding for legal fees.

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

Moved by West, seconded by Kj Harris the City Council authorize the city manager to transfer \$20,000 from Appropriated Reserves of the General Fund to the 2009 Law Department's Moving Expenses Account No. 25 for the purpose of providing additional funding for the relocation costs of the city attorney.

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

**Resolution No. 09-2283 – Authorizing the Submittal of a Loan Application to the State of Alaska Department of Environmental Conservation for \$1,223,924 of Funding Through the State Fiscal Year 2010 Alaska Drinking Water Fund Loan Program with \$1,101,532 in Loan Principal Forgiveness Subsidy Through the American Reinvestment and Recovery Act**

Moved by West, seconded by Kj Harris the City Council approve Resolution No. 09-2283 authorizing the submittal of a loan application to the State of Alaska Department of Environmental Conservation for \$1,223,924 of funding through the State Fiscal Year 2010 Alaska Drinking Water Fund Loan Program with \$1,101,532 in loan principal forgiveness subsidy through The American Reinvestment and Recovery Act; and establishing an effective date.

Manager Amylon answered questions from the Council regarding the resolutions dealing with the loan applications. Councilmember Coose asked for a report regarding how much money will be obligated by the City for repayment in the long run, to which Manager Amylon replied it would be provided.

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

**Resolution No. 09-2284 – Authorizing the Submittal of a Loan Application to the State of Alaska Department of Environmental Conservation for \$3,426,742 of Funding Through the State Fiscal Year 2010 Alaska Clean Water Fund Loan Program with \$2,000,000 in Loan Principal Forgiveness Subsidy through The American Reinvestment and Recovery Act**

Moved by West, seconded by Kj Harris the City Council approve Resolution No. 09-2284 authorizing the submittal of a loan application to the State of Alaska Department of Environmental Conservation for \$3,426,742 of funding through the State Fiscal Year 2010 Alaska Clean Water Fund Loan Program with \$2,000,000 in loan principal forgiveness subsidy through The American Reinvestment and Recovery Act; and establishing an effective date.

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

August 20, 2009

**Resolution No. 09-2285 – Authorizing the Submittal of a Loan Application to the State of Alaska Department of Environmental Conservation for \$1,215,001 of Funding through the State Fiscal Year 2009 Alaska Drinking Water Fund Loan Program**

Moved by West, seconded by Kj Harris the City Council approve Resolution No. 09-2285 authorizing the submittal of a loan application to the State of Alaska Department of Environmental Conservation for \$1,215,001 of funding through the State Fiscal Year 2009 Alaska Drinking Water Fund Loan Program; and establishing an effective date.

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

**UNFINISHED BUSINESS**

**Ordinance No. 09-1633 – Amending Chapter 11.12 of the Ketchikan Municipal Code, Telecommunications Service and Rates – Second Reading**

Copies of Ordinance No. 09-1633 were available for all persons present.

Moved by Coose, seconded by West the City Council approve in second reading Ordinance No. 09-1633 amending Chapter 11.12 of the Ketchikan Municipal Code, Telecommunications Service and Rates, 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.

**Ordinance No. 09-1635 – Amending Chapter 10.40 of the Ketchikan Municipal Code to Conform to State Statutes Requiring Ignition Interlock Devices as Part of the Penalty for Driving Under the Influence and Refusal to Submit to a Chemical Test and Increasing the Minimum Fine – Second Reading**

Copies of Ordinance No. 09-1635 were available for all persons present.

Moved by West, seconded by Sivertsen the City Council approve in second reading Ordinance No. 09-1635 amending Chapter 10.40 of the Ketchikan Municipal Code to conform to state statutes requiring ignition interlock devices as part of the penalty for driving under the influence and refusal to submit to a chemical test and increasing the minimum fine; and establishing an effective date.

August 20, 2009

Councilmember Olsen commented he did not agree with the transition between item 1 and 2 of Section 1, but that would have to be for another day.

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

**Addendum No. 2 to the Power Sales Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and Alaska Ship and Drydock, Inc. and Approving the Cooperative Agreement Between the Alaska Industrial Development and Export Authority (AIDEA), Alaska Ship and Drydock, Inc. (ASD) and the City of Ketchikan d/b/a Ketchikan Public Utilities (KPU) – Repair of Bailey Unit No. 2 – Deferred from August 6, 2009**

The deferred motion on the floor was:

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the general manager to enter into Addendum No. 2 to the September 15, 2005 Power Sales Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Alaska Ship and Drydock, Inc. providing for the repair of Bailey Unit No. 2 in lieu of purchasing 3 MW of standby diesel generation; approve the Cooperative Agreement between the Alaska Industrial Development and Export Authority, Alaska Ship and Drydock, Inc. and the City of Ketchikan d/b/a Ketchikan Public Utilities; and direct the general manager to execute the Cooperative Agreement on behalf of the City Council.

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

**NEW BUSINESS**

Mayor Williams asked if there were any objections to moving the item regarding cruise ship berthing to be discussed first, as there were many people present regarding that issue as well as the item regarding the development of project implementation alternatives for the hospital master plan budget transfer. No objections were heard.

**Discussion of Petition by Downtown Businesses – Cruise Ship Berthing – Councilmember West**

Councilmember West said she was asked to bring this issue to the Council's attention and she was taking no position. Port and Harbors Director Corporon explained how the berthing schedule is formulated, noting that safety is his primary concerns. He stated he gets a draft schedule from Cruise Line Agencies, and they went back and forth three or four times this year making adjustments to make things equitable, and to make things work with the construction. He noted they then met with several key players who are

August 20, 2009

involved, interested and vocal from each of the four berth areas to explain how the schedule was put together. He stated they talked about the order of arrival, the gangway challenges and he felt they left the meeting this year on pretty good terms.

Councilmember Freeman said no matter what happens, the cruise ship schedule will not be adjusted this year but the Council is being asked to look at it for next year.

Mayor Williams pointed out the applicable Ketchikan Municipal Code outlining the subject.

**Budget Transfer – Professional Services Agreement for the Development of Project Implementation Alternatives for the Ketchikan General Hospital Site and Facility Master Plan Update – NAC Architecture**

Moved by West, seconded by Sivertsen the City Council authorize the city manager to enter into a professional services agreement at a cost not to exceed \$28,700 between the City of Ketchikan and NAC Architecture of Seattle, Washington to develop project implementation alternatives for the Ketchikan General Hospital Master Plan Update; and approve the transfer of \$28,700 from Appropriated Reserves of the Hospital Sales Tax Fund to the Public Health Division's Ketchikan General Hospital Site and Facility Master Plan Update Capital Account.

Manager Amylon explained his goal is to try to have project alternatives identified so they can be transmitted to the governor's office for potential inclusion in the capital budget.

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

**Discussion of Budget Year 2010 Community Agency Funding – Councilmember Kj Harris**

Councilmember Kj Harris said his concern is based on the monetary tough times the City is facing. He stated there have been discussions on how much the City might be short, and the Council is going to have to make some hard decisions, some of which may involve non-profit organizations. He noted he has had discussions with some councilmembers who just want to cut all non-profits, and others want to pay for them out of savings. He said if the Council doesn't make the hard decisions before the manager gets to them, he will make them first and then the Council will have to decide.

Manager Amylon explained how the process works for community agencies. After discussion, the Council reached a consensus not to entertain any new applications.

**Award of Contract No. 09-38, Millar Street Bridge Replacement – Southeast Engineering, Inc. - \$998,230**

Moved by West, seconded by Coose the City Council accept the bid of Southeast Engineering, Inc. in the amount of \$998,230 for Contract No. 09-38, Millar Street Bridge Replacement; establish a contingency of 10% in the amount of \$99,823, bringing the total project cost to \$1,098,053; authorize funding from the Streets Division's 2009 Bridges and Trestles Repair/Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

In response to Councilmember Coose, Manager Amylon explained the \$5,000,000 is tracked separately for state reporting purposes.

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

**Contract No. 09-24, Engineering Services for Modifications to Bethe Substation – Commonwealth Associates, Inc.**

Moved by Sivertsen, seconded by Olsen the City Council approve Contract No. 09-24, Engineering Services for Modifications to Bethe Substation, between Ketchikan Public Utilities and Commonwealth Associates, Inc. in the amount of \$49,912; authorize funding from the Electric Division's 2009 Bethe Substation Study Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

**Privatization of Gateway Center for Human Services**

Moved by West, seconded by Kj Harris pursuant to the August 11, 2009 recommendation of the Gateway Center for Human Services Advisory Board, the City Council affirm its previous direction to move forward with the privatization of Gateway Center for Human Services and direct staff to aggressively pursue privatization of the agency consistent with the city manager and acting executive director's report dated August 13, 2009.

Manager Amylon said the process is two-way, and the state has advised the next step be a community meeting to make sure everyone such as clients and other providers know the City is moving in this direction. He noted staff will be coming back to the Council after that with some request for some direction relative to how a solicitation should be put together and who will be participating in the evaluation. He said there will then have to be a due diligence period where interested parties can look at Gateway to see if they are,

in fact, interested. He stated his objective is to transfer responsibility by July 1, 2010, before the new state fiscal year.

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

**Offer of Employment – Solid Waste Collections/Disposal Supervisor**

Moved by Jason Harris, seconded by West the City Council authorize the city manager to offer the position of solid waste collections/disposal supervisor to Lenny Neeley of St. Louis, Missouri based on a compensation level of 58R at an annual salary of \$65,371 and moving expenses not to exceed \$15,000.

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

**VOUCHERS**

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,589.11.

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

**CITY MANAGER'S REPORT**

**Schedule of General Government Appropriated Reserves Through the August 6, 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 City Council meeting of August 6, 2009.

**2010 Community Agency Funding**

Manager Amylon requested direction, given the fiscal challenges confronting the City, as to whether the Council desires management to entertain any new requests this year relative to community agency funding, or if the Council has any direction relative to currently funded agencies.

**2009 ADEC Inspection of the Deer Mountain Landfill**

Manager Amylon included a copy of the 2009 ADEC Inspection Report for the Deer Mountain Landfill, noting the landfill operations received a compliance rating of 96%.

August 20, 2009

He acknowledged the Public Works Department Solid Waste Division for their staff's ongoing efforts in maintaining and operating the landfill.

**Classification of the Position of Microsoft Server Administrator**

Pursuant to Section 4.4.6 of the City's Personnel Rules, Manager Amylon notified the Council that the position of Database and Systems Administrator has been reclassified as Microsoft Server Administrator. He advised the salary grade remains the same.

**2009 Update of the Southeast Alaska Comprehensive Economic Development Strategy**

Manager Amylon transmitted excerpts from the 2009 Update of the Southeast Alaska Comprehensive Economic Development Strategy that was prepared by Southeast Conference and the Central Council Tlingit & Haida Indian Tribes of Alaska. He noted a copy of the complete report is available in his office.

**Public Works Department Project Status Report – July 2009**

Manager Amylon copied the Council with the project status report of the Public Works Department for the month of July 2009.

**Unapproved Minutes of the City/Borough Tax Coordinating Committee Meeting of July 23, 2009 and Request for Councilmember Comments Regarding A Draft Property Tax Exemption Ordinance**

Manager Amylon transmitted a copy of the unapproved minutes of the City/Borough Tax Coordinating Committee meeting of July 23, 2009. He pointed out the committee has requested comments from the City Council and Borough Assembly regarding a draft ordinance providing for certain types of property tax exemptions.

**2009 Cruise Ship Passenger Traffic Update**

Manager Amylon reported the cruise ship passenger counts through the week ending July 27, 2009 are down .42 percent from last year.

**“Libraries at the Heart of Communities,” Summer 2009 Edition of the Planning Commissioners Journal**

Manager Amylon attached an article illustrating how important such projects as the new public library can be to the revitalization of the downtown.

**K.P.U. MANAGER'S REPORT**

**Ketchikan Public Utilities Financial Statements for the Quarter Ending June 30, 2009**

Manager Amylon transmitted the Ketchikan Public Utilities financial statements for the second quarter ending June 30, 2009.

**Classification of the Position of Senior Electric Systems Engineer**

Pursuant to Section 4.4.6 of the City's Personnel Rules, Manager Amylon notified the Council that the position of Electric Systems Manager/Engineer has been reclassified as Senior Electric Systems Engineer. He advised the salary grade remains the same.

**Gravina Island Electric & Telecommunications Lines Extension Project**

Manager Amylon provided documentation from the Economic Development Administration indicating that the Gravina Island Electric & Telecommunications Lines Extension Project has been successfully closed out.

In response to Councilmember Coose, Manager Amylon said there are no current plans in place to extend the line to the airport from Seley's property.

**Utility Operating Divisions' Project Status Reports – July 2009**

Manager Amylon copied the Council with the project status reports of the Utility division managers for the month of July 2009.

**Report of August 5, 2009 Telecommunications Outage**

Manager Amylon provided a report from Telecommunications Division Manager Abbott regarding the August 5, 2009 telecommunications outage.

**Metlakatla Intertie Update**

Manager Amylon included a report from Electric Division Manager Kline summarizing the current status of the Metlakatla Intertie. He noted that depending on funding, operation of the Intertie is not likely to occur for two to five years.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS** – None

**MAYOR AND COUNCIL COMMENTS**

Councilmember Sivertsen felt a complicated agenda went well tonight. He said there was a lot of good public participation.

Councilmember West expressed congratulations to Clerk Suiter, who achieved her Master Municipal Clerk designation. She said she appreciates Mayor Williams' flexibility in working with the agenda.

Councilmember Kj Harris thanked City IBEW workers for not striking. He said the problem is a money problem, with the possibility of laying off people.

Councilmember Coose congratulated Clerk Suiter on her accomplishment. He encouraged Mayor Williams to meet with the Borough mayor regarding a future joint meeting.

Councilmember Jason Harris requested clarification on the action regarding community agencies, which was elaborated upon.

Mayor Williams said there is a SEAPA meeting next week on Thursday, and on Friday a group from Washington DC, the Department of Agriculture – the guy that runs the Forest Service and the guy that runs Rural Development – will be here to discuss economic opportunities. He noted it will be at The Landing from 10:00 a.m. to 3:00 p.m. He said he and Manager Amylon will be meeting briefly on Wednesday with a fellow from Congressman Young's office, and on Monday at 10:00 at the Ketchikan Visitors Bureau he will be meeting with a contingent from Norway that is wanting to get into the cruise business and will be looking at how things are done here. He said everyone around town is feeling the economic situation. He expressed appreciation to everyone for working with him on the agenda tonight. He also said there is a Legislative Liaison meeting tomorrow at noon in the Borough chambers.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS** – None

**ADJOURNMENT**

As there was no further business, the Council adjourned at 8:55 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk

**FYI ITEMS INCLUDED**

Southeast Senior Services' Quarterly Activity and Financial Reports – April Through June 2009

Southeast Alaska Independent Living, Inc.'s Quarterly Activity and Financial Reports – April Through June 2009

Rendezvous Senior Day Services, Inc.'s Quarterly Activity Report – April Through June 2009

Alaska Legal Services Corporation's Quarterly Financial Report – April Through June 2009

Lake Levels and System Generation Report for the Month of July 2009

Water Utilization Study Report – July 2009