

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., September 3, 2009, with the following members present: Dick Coose (via teleconference), Jason Harris, Matthew Olsen, Robert Sivertsen and Marty West. Councilmembers Charles Freeman and Kj Harris were absent.

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, Library Director McQuerry, Port and Harbors Director Corporon, Police Chief Talik, Electric Division Manager Kline, Telecommunications Division Manager Abbott and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams read a proclamation regarding National Alcohol and Drug Addiction Recovery Month, and presented it to Renee Schofield of Tongass Substance Screening. Ms. Schofield said this is a day for those who are in recovery, many known and many unknown, who have come out on the other side and are productive members of our society. She encouraged everyone to join in celebrating recovery this month.

Mayor Williams read a proclamation regarding Suicide Prevention Week and presented it to Laura Medford. Ms. Medford accepted the proclamation on behalf of the Ketchikan Suicide Prevention Coalition, and she stated several events are planned over the next week.

PERSONS TO BE HEARD

Robert Boyle, Superintendent of the Ketchikan Gateway Borough School District, expressed appreciation for the great snow removal last year that resulted in no lost school days. He also expressed appreciation for the painting of crosswalks around the schools as well as the support shown in the proclamations read tonight. He discussed the school's relationship with KPU and the Fire Department, relating his praise for the cooperative work that is ongoing.

Mayor Williams noted several items laid on the table, including: a request from the manager to substitute motions for the item relating to the encroachment request from Madison Lumber & Hardware; additional information regarding the item related to reservoir elevations and diesel generation; and a questionnaire score sheet relating to municipal matching grants.

He stated he has gotten a request from the University asking for a letter of support with regards to grant funding for the Rainbird Trail Project. He asked if there were any objections for such a letter, and none were heard.

CONSENT AGENDA

Councilmember Jason Harris requested to move Resolution No. 09-2287 and Resolution No. 09-2288 to the Consent Agenda. Mayor Williams asked if there were any objections, and none were heard.

Approval of Minutes

Moved by Jason Harris, seconded by Sivertsen approval of the minutes of the regular meeting of August 20, 2009.

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

Liquor License Transfer – Creekside Liquor

Moved by Jason Harris, seconded by Sivertsen the City Council approve the transfer of the Package Store – Seasonal License to Creekside Liquor, 133 Stedman, Ketchikan, Alaska 99901; owner: James B. Elkins II, Nancy E. Elkins.

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

Resolution No. 09-2289 – Appointing the Judges and Receiving and Hand Count Team for the Regular Municipal Election to be Held on October 6, 2009; Approving the Appointment of Members of the Canvass Board as Authorized by the City Clerk

Moved by Jason Harris, seconded by Sivertsen the City Council approve Resolution No. 09-2289 appointing the judges and receiving and hand count team for the regular municipal election to be held on October 6, 2009; approving the appointment of members of the canvass board as authorized by the city clerk; and establishing an effective date.

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

Resolution No. 09-2287 – Authorizing an Application for Department of Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant Funding for Rehabilitation of Berths I and II

Moved by Jason Harris, seconded by Sivertsen the City Council approve Resolution No. 09-2287 authorizing an application for Department of Transportation Investment

September 3, 2009

Generating Economic Recovery (TIGER) discretionary grant funding for rehabilitation of Berths I and II; and establishing an effective date.

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

Resolution No. 09-2288 – Authorizing an Application for Department of Transportation Investment Generating Economic Recovery (TIGER) Discretionary Grant Funding for Water Street Trestle No. 2 Replacement Project

Moved by Jason Harris, seconded by Sivertsen the City Council approve Resolution No. 09-2288 authorizing an application for Department of Transportation Investment Generating Economic Recovery (TIGER) discretionary grant funding for Water Street Trestle No. 2 Replacement Project; and establishing an effective date.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Contract No. 09-44 – 2009-2012 Agreement for Lobbying Services – Ray Matiashowski & Associates

Moved by Jason Harris, seconded by Sivertsen the City Council approve Contract No. 09-44, 2009-2012 Agreement for Lobbying Services, between the City of Ketchikan and Ray Matiashowski & Associates in the amount of \$42,000; authorize funding from the 2009 City Council's Professional Services Account No. 60; and direct the city manager to execute the contract on behalf of the City Council.

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

Draft 2010-2013 Statewide Transportation Improvement Program (STIP)

Moved by Jason Harris, seconded by West the City Council authorize staff to comment on the draft 2010-2013 Statewide Transportation Improvement Program to incorporate within the STIP those recommendations detailed in the city manager's report dated August 25, 2009 and with such other revisions as the City Council determines appropriate.

September 3, 2009

The city manager's report detailed the Berths I and II Replacement Project and the Jackson Street Corridor Reconstruction Project as projects to be included in the STIP.

Manager Amylon answered questions from the Council.

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

2009-2010 Agreement Between the City of Ketchikan and the Ketchikan Gateway Borough – Payment of Funds to the City of Ketchikan for Library Services

Moved by Sivertsen, seconded by Jason Harris the City Council approve the agreement between the City of Ketchikan and the Ketchikan Gateway Borough for the payment of funds to the City of Ketchikan for library services during Borough Fiscal Year 2009-2010 and authorize the city manager to execute the agreement on behalf of the City Council.

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

2010 Legislative Liaison – Initial City of Ketchikan/Ketchikan Public Utilities Priority Requests

Moved by Coose, seconded by West the City Council approve City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the 2010 Legislative Liaison Community Priority List (CPL) as detailed in staff's report dated August 26, 2009 and/or as modified by the City Council and direct the city manager to advise the Ketchikan Gateway Borough as to future City funding of the Legislative Liaison.

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

Request for Vacation and Incorporation of a Portion of Right-of-Way in a Central Commercial (CC) Zone into the Tidelands Addition (TLA) to USS 1220, Block 13-A, Lot 1-A to Create the Tidelands Addition to USS 1229, Block 13-A, Lot 1A01 to Resolve an Existing Encroachment into Named and Unnamed Right-of-Way in the Area Immediately North and South of 2557-2601 and 2603 Tongass Avenue, City of Ketchikan – Madison Lumber & Hardware

Moved by Jason Harris, seconded by Coose the City Council consent to the vacation and incorporation of right-of-way as detailed in Ketchikan Gateway Borough Planning

September 3, 2009

Commission/Platting Board's Resolution No. 3420A and authorize the city manager to execute a quit claim deed for the vacated area.

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

Budget Transfer – Award of Contract No. 09-41, Third Avenue Fiber Optic Cable Placement – Chatham Electric, Inc. - \$129,399

Moved by West, seconded by Jason Harris the City Council accept the bid of Chatham Electric, Inc. in the amount of \$129,399 for Contract No. 09-41, Third Avenue Fiber Optic Cable Placement; authorize the transfer of \$61,200 and \$28,800 respectively from the Telecommunications Division's 2009 Salaries and Wages and Employee Benefits Account Nos. 11 and 16 to the Telecommunications Division's 2009 Third Avenue Conduit Capital Account; authorize funding in the amount of \$130,000 from the Telecommunications Division's 2009 Third Avenue Conduit Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

Telecommunications Division Manager Abbott answered questions from the Council.

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

Budget Transfer – Replacement of Fire Station No. 1 Fuel Tank – Ketchikan Mechanical, Inc. - \$12,000

Moved by Jason Harris, seconded by Sivertsen pursuant to Section 3.12.050(a)(7) of the Ketchikan Municipal Code, the City Council declare the replacement of the fuel tank at Fire Station No. 1 as a public emergency; direct the city manager to issue a purchase order in the amount of \$12,000 to Ketchikan Mechanical, Inc. for replacement and demolition of the existing fuel tank; and authorize a budget transfer of \$12,000 from the Fire Department's 2009 Fire Training Building Replacement Capital Account to the Fire Station No. 1 Fuel Oil Tank Replacement Capital Account.

Fire Chief Hill answered questions from the Council.

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

Financial and Compliance Audit for the Year Ending December 31, 2009

Moved by Sivertsen, seconded by West the City Council authorize the finance director to negotiate a contract with Mecham, Richardson and Company for the financial and

September 3, 2009

compliance audit for the City of Ketchikan for the year ending December 31, 2009, said contract to be submitted to the City Council for formal consideration and approval.

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

Southeast Alaska Power Agency (SEAPA) Request for Restoration of Swan Lake Reservoir Level

Manager Amylon said staff is not recommending that KPU commit any Swan Lake reservoir capacity that may be available next spring to Petersburg and Wrangell. He noted use and level of diesel generation will have to be reevaluated against reservoir elevations, reservoir inflows, weather forecasts and local need. He stated staff will begin operating diesels tomorrow on a limited basis, and review the lake levels in January and February.

Electric Division Manager Kline reviewed the situation with the Council, and answered questions. He commented there is a significant storage deficit.

VOUCHERS

Moved by West, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$7,413.68.

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

CITY MANAGER'S REPORT

Schedule of General Government Appropriated Reserves Through the August 20, 2009 City Council Meeting

Manager Amylon provided the Council 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 20, 2009.

Community Forum Regarding Privatization of Gateway Center for Human Services

Manager Amylon copied the Council with a flyer noting the community forum regarding the privatization of the Gateway Center for Human Services has been scheduled for Thursday, September 10, 2009 in the Plaza.

Justice Assistance Grant (JAG) Program Award – Police Department Digital Evidence Management System

September 3, 2009

Manager Amylon advised the City has been awarded a grant of \$38,807 from the Justice Assistance Grant Program for the purchase of a digital evidence management system.

**General Government Financial Statements for the Period
Ending June 30, 2009**

Manager Amylon provided the General Government financial statements for the six months of the year ending June 30, 2009 for Council review.

2009 Cruise Ship Passenger Traffic Update

Manager Amylon included a memorandum from Finance Director Newell updating cruise ship passenger counts through the week ending August 23, 2009. Mr. Newell's memorandum noted the counts are currently down 1.2 percent from last year.

**"State and Local Financial Woes Still Building," Wells
Fargo Security Economic Groups**

Manager Amylon included an article by the Wells Fargo Securities Economic Group indicating that it may be an additional two to three years before economic recovery effects are realized at a local level. He noted the financial forecast dictates the need for both the City Council and staff to take a conservative approach when finalizing the 2010 General Government and Ketchikan Public Utilities Annual Budgets.

2009 Sales Tax Update

Manager Amylon provided a memorandum from Finance Director Newell updating sales tax collections through August 25, 2009. Mr. Newell noted sales tax receipts are currently down 8.27% for the second quarter and 5.42% for the year.

**Annual Evaluation of the City Manager/KPU General
Manager**

Manager Amylon requested direction from the Council as to how it wished to proceed regarding his evaluation. He noted he will not be available from September 9 through September 23, 2009.

After discussion, it was determined to hold a special meeting regarding the three Council employee evaluations on September 24, 2009.

Municipal Matching Grant Questionnaire Score Sheet

Manager Amylon provided a copy of the municipal matching grant questionnaire score sheet detailing the scores for the Alaska Avenue Water and Sewer Main Replacement Project, the Baranof Reservoir Replacement Project, and the Jackson Street/Monroe

Street/4th/7th Avenues Water and Sewer Projects. He noted projects with scores around 820 have usually been funded, and Alaska Avenue was slightly under that. He advised staff talked to ADEC and secured another 25 points for the Alaska Avenue Project. He said if all the projects are funded it would be roughly \$7 million, which represents about 25% of the statewide allocation for municipal matching grant program. He said while he is optimistic, he is realistic as well but it is good news for Ketchikan.

Retirement of Public Works Director

Manager Amylon announced that Public Works Director Hansen has notified management of his intent to retire effective September 4, 2009. He said Harvey has been employed by the City of Ketchikan for 12 years and in advising management of his decision, Mr. Hansen said it has been an honor to work in the service of the citizens of Ketchikan. Manager Amylon said it has been a pleasure to work with Harvey and he believed both the Public Works Department and the Engineering Division have vastly improved under his direction. He said Mr. Hansen will be missed, and he is confident in the abilities of Assistant Public Works Director Allen who will assume the duties as Acting Public Works Director on Monday.

K.P.U. MANAGER'S REPORT

Report of August 21, 2009 Internet Outage

Manager Amylon provided a report from Telecommunications Division Manager Abbott regarding the August 21, 2009 internet outage.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose discussed the tragic shooting and said he would like to see the manager and Police Department develop some type of action plan that would get the drug dog back on the street and beef up the Police Department to deal with the drug situation.

Councilmember West wished Mr. Hansen well in his retirement and hoped he has many enjoyable years ahead of him. She commented on the shooting and her heart goes out to the families involved.

Mayor Williams said he went to two SEAPA meetings and the City was represented well.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

**Collective Bargaining Agreement – Public Safety
Employees Association (PSEA)**

Moved by West, seconded by Jason Harris the City Council declare that consistent with the city manager's memorandum dated August 21, 2009 it is in the best interest of the City to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the Public Safety Employees Association in executive session; in accordance with that finding, the City Council go into executive session in accordance with KMC 2.04.025(a)(1) and (b)(2) and AS 44.62.310(c)(1) and (3) to discuss said negotiations and the auxiliary items described in the city manager's memorandum dated August 21, 2009, which matters include the need to discuss subjects the knowledge of which would have an adverse impact upon the finances of the City and upon the City's ability to negotiate favorable labor settlements.

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

The Council recessed into executive session at 7:58 p.m. and reconvened at 8:06 p.m.

Mayor Williams said the Council has completed an executive session to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the Public Safety Employees Association and no action would be taken tonight.

**Collective Bargaining Agreement – International
Brotherhood of Electrical Workers, Local 1547 (IBEW)**

Moved by West, seconded by Jason Harris the City Council declare that consistent with the city manager's memorandum dated August 21, 2009 it is in the best interest of the City to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547 in executive session; in accordance with that finding, the City Council go into executive session in accordance with KMC 2.04.025(a)(1) and (b)(2) and AS 44.62.310(c)(1) and (3) to discuss said negotiations and the auxiliary items described in the city manager's memorandum dated August 21, 2009, which matters include the need to discuss subjects the knowledge of which would have an adverse impact upon the finances of the City and upon the City's ability to negotiate favorable labor settlements.

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

The Council recessed into executive session at 8:08 p.m. and reconvened at 8:21 p.m.

September 3, 2009

Mayor Williams said the Council has completed an executive session to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547 and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 8:21 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

None