

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., December 3, 2009, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay, 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, Human Resources Manager Miller, Police Chief Talik, Acting Public Works Director Allen, Electric Division Manager Kline, Electric Division Operations Manager Adams and City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 09-2305 – AMENDING
THE 2009 GENERAL GOVERNMENT ANNUAL BUDGET – HARBOR
DEPARTMENT- \$1,048,215**

Mayor Williams called the public hearing on Resolution No. 09-2305 to order at 7:01 p.m. and requested public testimony.

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



**PUBLIC HEARING ON RESOLUTION NO. 09-2306 – AMENDING
THE 2009 KETCHIKAN PUBLIC UTILITIES ANNUAL BUDGET –
WATER DIVISION - \$1,223,924**

Mayor Williams called the public hearing on Resolution No. 09-2306 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.



COMMUNICATIONS

Included in the packet were three recommendations to the Council from the Ketchikan Public Utilities Advisory Board regarding work by temporary employees, division self-sufficiency, and accrued leave relative to layoffs.

Mayor Williams said there were several items laid on the table, including: an item relating to repair of the overhead doors at Fire Department Station Nos. 1 and 2; additional information for the report from the federal lobbyist; a request to withdraw the item regarding free use of the Ted Ferry Civic Center by Southeast Alaska Independent Living; a substitute motion for Amendment No. 4 to Contract No. 07-18, Design of Phase

III Harbor Improvements by PND Engineers, Inc.; and information regarding the landslide on Hawkins/Denali.

He said the item regarding the Fire Station doors would be added to New Business; no objections were heard.

PERSONS TO BE HEARD

Ken Truitt spoke in support of the Fire Department, stating the training officer is a very important position. He gave a brief history of his experience with the department, and said he has seen great things come out of the position. He asked the Council to support the position, and also stated he did not agree with combining the position with the Deputy Fire Chief position. He answered questions from the Council.

Keith Wadley said he would like to have his position at the Telecommunications Division restored to the budget. He encouraged the Council to take to heart the recommendation from the KPU Advisory Board to provide laid off employees with their accrued leave.

Robert Boyle, Superintendent of Ketchikan Gateway Borough School District, thanked the Fire Department for their response to a fire at Valley Park. He stated it was a very quick response. He congratulated KPU for the successful Intertie startup. He also spoke in support of the lease agreement for KRBD.

Nathan Graham spoke in support of KRBD as well as the funding request from Ketchikan Area Arts and Humanities Council.

Renee Schofield encouraged the Council to support the request from the Small Business Development Center. She felt it was imperative for small businesses as a wealth of information and training. She said it was a small investment to help sustain the community. In response to Councilmember Kj Harris, she said the Borough did their piece by hiring an economic development director. She answered questions from the Council.

Jason Dinneen, representing the Small Business Development Center, gave a brief description of the funding mechanism for the SBDC. He explained federal money of \$611,000 is matched by the University of Alaska up to just under \$500,000. He emphasized if the rest is not matched, it must be returned to the federal government. He discussed the difference between having a counselor on site rather than have one travel from Juneau. He noted they prioritize the communities that fund them, and he outlined the services and information they provide. He said they are on the ground with business owners on a daily basis, providing oversight and assistance. He answered questions from the Council.

Jacque Meck explained her experience with the Small Business Development Center, stating they have really helped her small businesses in procuring a loan for equipment. She said they really help the small guy.

Jackie Williams said she is an example of someone who used the Small Business Development Center and the Small Business Development Administration. She explained how they assisted her in starting her business, and she felt it was important for our community to have a local office.

Kirk Thomas said he read in the paper the City is considering cuts, layoffs and an increase in property taxes to help balance the 2010 budget. He said while he is a proponent of the Small Business Development Center, he feels those who are going to use the services of the SBDC should pay for it. He didn't feel the City should be asked to fund the development center when there are lots of people who are not going to use the service or benefit from it. He stated he would rather pay for services himself than have property taxes increased. He said he would rather pay a higher fee to attend a function that was put on by the Arts Council than have the taxes increased by funding it through the City. He pointed out we have legitimate requests for funding the community, but the Council will have to tell someone "No." He encouraged the Council to tell everyone "No." He felt every organization that comes to the Council for funding should trim their budgets just like everyone else. He said he likes the organizations and they add tremendously to our community, but right now we cannot afford everything for everybody.

CONSENT AGENDA

Approval of Minutes

Moved by Shay, seconded by West approval of the minutes of the regular meeting of November 23, 2009.

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

Resolution No. 09-2304 – Adopting An Alternative Allocation Method for the FY10 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Efforts of Fisheries Business Activity in the Southern Southeast Fisheries Management Area

Moved by Shay, seconded by West the City Council approve Resolution No. 09-2304 adopting an alternative allocation method for the FY10 Shared Fisheries Business Tax Program, certifying that this allocation method fairly represents the distribution of

significant effects of fisheries business activity in the Southern Southeast Fisheries Management Area and establishing an effective date.

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

Award of Contract No. 09-40 – City Hall Janitorial Services – I Even Do Windows

Moved by Shay, seconded by West the City Council accept the bid of Yolanda Dell d/b/a I Even Do Windows in the amount of \$16,025 for Contract No. 09-40, City Hall Janitorial Services; authorize funding from Building Maintenance Division's 2009 Contractual Services Account 53; and direct the city manager to execute the contract documents on behalf of the City Council.

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

Agreement for Professional Services – Hoffman, Silver, Gilman and Blasco

Moved by Shay, seconded by West the City Council approve the 2010 Professional Services Agreement between the City and Hoffman, Silver, Gilman and Blasco for federal lobbying services on behalf of General Government and Ketchikan Public Utilities and authorize the city manager to execute the contract on behalf of the City Council.

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

Procurement of Annual Maintenance Agreement for Police Department Records Management System, Without Competitive Bidding – Huber & Associates, Inc.

Moved by Shay, seconded by West pursuant to Section 3.12.050(6) of the Ketchikan Municipal Code, the City Council authorize the city manager to execute an annual maintenance agreement in the amount of \$10,750 with Huber & Associates for the Police Department's records management system, in order to prevent incompatibility with previously purchased equipment.

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

Change Order No. 1 to Contract No. 09-38, Millar Street Bridge Replacement – Southeast Engineering Inc.

Moved by Shay, seconded by West the City Council approve Change Order No. 1 to Contract No. 09-38, Millar Street Bridge Replacement, and direct the city manager to execute the change order on behalf of the City Council.

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

Change Order No. 4 to Contract No. 08-56, Line Extension to USCG LORAN Station Shoal Cove – Commonwealth Associates, Inc.

Moved by Shay, seconded by Coose the City Council approve Change Order No. 4 to Contract No. 08-56, Line Extension to USCG LORAN Station Shoal Cove, between Ketchikan Public Utilities and Commonwealth Associates, Inc. and direct the general manager to execute the change order on behalf of the City Council.

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

Memorandum of Understanding Between the City of Ketchikan and Rainbird Community Broadcasting Corporation – Transmitting Facilities Lease Agreement

Moved by Shay, seconded by West the City Council approve the Memorandum of Understanding between the City of Ketchikan and Rainbird Community Broadcasting Corporation regarding the use of City property for KRBD's transmitting facilities and authorize the city manager to execute the Memorandum of Understanding on behalf of the City Council.

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

Resolution No. 09-2305 – Amending the 2009 General Government Annual Budget to Provide a Supplemental Appropriation for the Harbor Department in the Amount of \$1,048,215

Moved by Shay, seconded by West the City Council approve Resolution No. 09-2305 amending the 2009 General Government Annual Budget to provide a supplemental appropriation for the Harbor Department in the amount of \$1,048,215; and establishing an effective date.

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

Resolution No. 09-2306 – Amending the 2009 Ketchikan Public Utilities Annual Budget to Provide A Supplemental Appropriation for the Water Division in the Amount of \$1,223,924

Moved by Shay, seconded by West the City Council approve Resolution No. 09-2306 amending the 2009 Ketchikan Public Utilities Annual Budget to provide a supplemental appropriation for the Water Division in the amount of \$1,223,924; and establishing an effective date.

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

Procurement of Cylinder Head Furnace Braising Without Competitive Bidding – Wartsila North America

Moved by Shay, seconded by West pursuant to Section 3.12.050(6) of the Ketchikan Municipal Code, the City Council authorize the general manager to issue a purchase order in the amount of \$23,000 to Wartsila North America for Bailey Unit No. 4 cylinder head braising and approve funding from the Electric Division's 2009 Bailey Facility Upgrade Capital Account.

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

Liquor License Renewal – Ketchikan Entertainment Center d/b/a My Office

Moved by Shay, seconded by West the City Council approve the renewal of liquor license: Beverage Dispensary – Ketchikan Entertainment Center d/b/a My Office.

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

UNFINISHED BUSINESS

Appointments to Boards and Commissions – Port and Harbors Advisory Board and Gateway Center for Human Services Advisory Board

Mayor Williams submitted the following names for appointment to the Port and Harbors Advisory Board: John Malouf (re-appointment); Donna Gellings (re-appointment) and Rick Erickson (re-appointment). He asked if there were any objections and none were heard.

Mayor Williams submitted the following names for appointment to the Gateway Center for Human Services Advisory Board: Nicole Esau (replaces Wingren); Trish Hoover (replaces Wilson) and Renee Schofield (re-appointment). He asked if there were any objections and none were heard.

Ordinance No. 09-1637 – Amending Section 10.24.220 of the Ketchikan Municipal Code Entitled “Unlawful Use of Low-Speed Vehicles,” Adding a New Section 10.24.230 to the Ketchikan Municipal Code Entitled “Low-Speed Vehicle Permits;”

Copies of Ordinance No. 09-1637 were available for all persons present.

Moved by Coose, seconded by Olsen the City Council approve in second reading Ordinance No. 09-1637 amending Section 10.24.220 of the Ketchikan Municipal Code entitled “Unlawful Use of Low-Speed Vehicles,” adding a new Section 10.24.230 to the Ketchikan Municipal Code entitled “Low-Speed Vehicle Permits;” and establishing an effective date.

Manager Amylon commented he has been approached by more than one potential interested party in getting the permits, so after the first of the year he intended to run a notice for a period of 30 days.

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

NEW BUSINESS

Amendment No. 4 to Contract No. 07-18 – Design of Phase III Harbor Improvements, PND Engineers, Inc.

Moved by Sivertsen, seconded by Kj Harris the City Council authorize the city manager to execute Amendment No. 4 to Contract No. 07-18, Design of Phase III Harbor Improvements, in an amount not to exceed \$30,190 between the City of Ketchikan and PND Engineers, Inc. and approve funding from the Harbors Department’s 2009 Thomas Basin Finger Float Replacement Capital Account.

Manager Amylon and Port and Harbors Director Corporon answered questions from the Council.

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

Request for Free Use of the Ted Ferry Civic Center – Southeast Alaska Independent Living Community Appreciation Dinner

This item was withdrawn at the beginning of the meeting.

Negotiation of Contract No. 09-30 – Tongass Avenue Utilities Replacement Phase II, S&S General Contractors & Equipment Rentals, Inc.

Moved by Coose, seconded by Jason Harris pursuant to Section 3.12.035(d)(7) of the Ketchikan Municipal Code, the City Council authorize the city manager to negotiate the terms and conditions of Contract No. 09-30, Tongass Avenue Utilities Replacement Phase II, and S&S General Contractors & Equipment Rentals, Inc., said contract to be submitted to the City Council for formal consideration.

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

Various General Government Departmental Budget Transfers

Moved by Kj Harris, seconded by Shay the City Council authorize the city manager to transfer \$229,352 from various accounts, including \$27,000 from Appropriated Reserves of the General Fund, in order to address requests for additional funding from various departments as outlined in the finance director's report of November 24, 2009.

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

Budget Transfers – 2009 Electric Division Diesel Generation and Purchased Power Accounts

Moved by Coose, seconded by West the City Council authorize the general manager to transfer \$41,000 and \$116,000 respectively to the Electric Division's 2009 Diesel Generation and Purchased Power Account Nos. 29 and 69 from various accounts as outlined in the finance director's report of November 24, 2009.

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

Three-Year Funding Commitment – Small Business Development Center

December 3, 2009

Moved by West, seconded by Sivertsen the City Council direct the city manager to respond to the Alaska Small Business Development Center's November 25, 2009 request for funding to locate an office in Ketchikan as determined appropriate by the City Council.

Moved by Coose, seconded by Shay to amend by directing the city manager to include the \$50,000 in the draft 2010 budget(s) in the appropriate account(s) for Council review.

No objections to the amendment were heard.

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

**Budget Transfer – Declaration of Public Emergency for
Repair of Overhead Doors at Fire Department Station
Nos. 1 and 2, Spenard Builders Company**

Moved by West, seconded by Sivertsen pursuant to paragraph (7) of Section 3.12.050 of the Ketchikan Municipal Code, the City Council declare the repair of overhead doors at Fire Department Station Nos. 1 and 2 as a public emergency; direct the city manager to execute a purchase order in the amount of \$13,739.82 to Spenard Builders Company for repair of overhead doors at Fire Department Station Nos. 1 and 2; and authorize a budget transfer of \$13,740 from the Fire Department's 2009 Tanker/Pumper Replacement Equipment Capital Account to the Fire Department's Overhead Door Repair – Stations Nos. 1 and 2 Capital Account.

City Attorney Bradford said the City is attempting to contact the contractor who installed the doors, but has had no success to this point. He said if there is indication the installation was improper, the City will seek reimbursement.

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

The Council took a short break at 8:05 p.m. and reconvened at 8:15 p.m.

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$5,315.30.

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

CITY MANAGER'S REPORT

**Schedule of General Government and KPU Appropriated
Reserves Through November 23, 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 November 23, 2009.

Report of Federal Lobbyist

Manager Amylon attached a copy of the November 16, 2009 report of the City's federal lobbyist, Steve Silver. Councilmember Shay said there is a good point in the report regarding earmarks, and he complimented the Ketchikan Daily News for an opinion piece regarding earmarks earlier this year.

Report of November 13, 2009 Ketchikan Fight Night

Manager Amylon copied the Council with a memorandum from Police Chief Talik detailing the November 13, 2009 Ketchikan Fight Night at the Ted Ferry Civic Center. Chief Talik's report indicated the event appeared to have been conducted without any major issues.

Contract No. 09-28 Update – Bayview Cemetery Garden Mausoleum/Columbarium Project, Pool Engineering, Inc.

Manager Amylon transmitted photographs of the nearly-completed Bayview Cemetery Garden Mausoleum/Columbarium Project. Councilmember Sivertsen complimented Engineering Technician Barry for the work he has done on the project.

Christmas Eve and New Year's Eve Municipal and KPU Office Closings

Manager Amylon informed his office's intent to authorize early closings on Christmas Eve and New Year's Eve unless the Council had objections.

Bayview Street and Warren Street Bridge Replacements – Neighborhood Project Design Meeting

Manager Amylon transmitted a notice for a Neighborhood Project Design Meeting for the Bayview Street and Warren Street Bridge Replacement Projects on December 14, 2009 at 5:30 p.m. at the Ted Ferry Civic Center.

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

Manager Amylon provided the General Government Financial statements for the nine months of the year ending October 31, 2009. Councilmember Coose asked questions about the Main Street Parking Garage Capital Project, and Manager Amylon said the

money has been encumbered. Councilmember Shay thanked staff for keeping expenses down.

Finance Director Newell explained the encumbrance of funds and carryover to the next year.

K.P.U. MANAGER'S REPORT – None

CITY CLERK'S FILE

Gaming Permit Notification – Nenana Ice Classic

Clerk Suiter provided the gaming permit notification for the Nenana Ice Classic. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE

Landslide on Hawkins/Denali

City Attorney Bradford updated the Council regarding the situation with the November 2008 landslide in the Denali Avenue/Hawkins Street area. He said it is the position of attorneys that liability for the collapsed storm drain culvert rests with the property owner and not with the City. He advised he received word that a lawsuit has been filed by one of the downhill property owners who experienced damage and loss, and that the counsel for the City's liability insurance carrier intends to vigorously defend against the lawsuit.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose said he was approached by a citizen regarding the possibility the fire and police departments may be overstaffed. He questioned whether there was a way to confirm this. Mayor Williams requested numbers from other municipalities.

Councilmember Kj Harris said he was led to believe the reason for more police and fire staff is because of the huge number of cruise ship passengers and the fact that it is almost impossible to hire those type of personnel for just the summer months. He reminded the public that everything costs money.

Councilmember Shay said his granddaughter is doing better, and he thanked everyone for their thoughts. He commented on the concern in Seattle about the slaughter of four police officers in the area. He hoped that never happens here in Ketchikan because it was a wrenching experience for everyone in Seattle. He said the budget CD was marvelous, and

the only problem with it is that he cannot scroll through it fast enough when the rest of the Council is turning pages.

Councilmember Olsen said he made a request of the city manager that department heads attend the budget meeting on Tuesday, since the Council will be making adjustments on the proposed General Government budget. He encouraged any community funding agencies to show up as well.

Councilmember West said she is glad to hear about Councilmember Shay's granddaughter.

Councilmember Jason Harris discussed Councilmember Shay's comments about earmarks, and he agreed that earmarks can be a good thing but it has been taken out of context on a national level. He appreciated the comments made by Mr. Thomas, and the difference between SBDC and the community agencies is if we are able to start more small businesses, there will be more funds in the community to work with. He felt it was important to support the organization and hold them accountable to do the job they claim they can. He expressed disappointment at the job that was done on the doors of the fire department, and he recalled the Council voting on the contractor because he was local and assured the Council he could do the job. He was sorry to have to spend another \$13,000 to get the job done right. He requested the Council to keep him and his wife in their thoughts and prayers.

Councilmember West said Councilmember Jason Harris was the only one to vote "No" on the fire station door contract.

Councilmember Sivertsen said he appreciated the KPU Advisory Board minutes, and he appreciated the discussion that had taken place.

Mayor Williams said he and Steve Corporon, along with the cruise line agencies met with users of the Port to examine the early schedule for berthing. He said not everyone is happy, although he feels they did a good of trying to get everything set up where everyone gets their 25, 25, 25, and trying to make sure some of the bigger boats are on the south side. He didn't know if it could be done any better, and there are so many different things involved. He felt the City should not be involved in scheduling.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for Executive Session – Collective Bargaining Agreement Between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547

December 3, 2009

Moved by West, seconded by Shay the City Council declare that consistent with the City Manager's memorandum dated November 20, 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 the 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 November 20, 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 Sivertsen, Olsen, Shay, Coose and West voting yea; Kj Harris voting nay; Jason Harris absent.

The Council recessed into executive session at 8:37 p.m. and reconvened at 9:00 p.m.

Mayor Williams said the Council has completed an executive session 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.

Request for Executive Session – Collective Bargaining Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers, Local 1547

Moved by West, seconded by Shay the City Council declare that consistent with the City Manager's memorandum dated November 23, 2009 it is in the best interest of the City to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan d/b/a/ Ketchikan Public Utilities 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 the 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 November 23, 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 Sivertsen, Coose, Olsen, West and Shay voting yea; Kj Harris voting nay; Jason Harris absent.

The Council recessed into executive session at 9:04 p.m. and reconvened at 9:16 p.m.

Mayor Williams said the Council has completed an executive session regarding a collective bargaining agreement between the City of Ketchikan d/b/a/ Ketchikan Public

December 3, 2009

Utilities 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 9:16 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the November 12, 2009 KPU Advisory Board Meeting