

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., December 17, 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, Civic Center Manager Jones, Fire Chief Hill, Human Resources Manager Miller, Information Technology Manager Thomas, Library Director McQuerry, Marketing Manager Cushing, Museum Director Naab, Police Chief Talik, Acting Public Works Director Allen, Electric Division Manager Kline, Telecommunications Division Manager Abbot and City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 09-2307 – AMENDING
THE 2009 GENERAL GOVERNMENT ANNUAL BUDGET – MUSEUM
DEPARTMENT – \$4,720 AND PORT DEPARTMENT - \$90,000**

Mayor Williams called the public hearing on Resolution No. 09-2307 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.



**PUBLIC HEARING ON RESOLUTION NO. 09-2291 – DRAFT 2010
GENERAL GOVERNMENT ANNUAL BUDGET**

Mayor Williams called the public hearing on Resolution No. 09-2291 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.



**PUBLIC HEARING ON RESOLUTION NO. 09-2292 – DRAFT 2010
KETCHIKAN PUBLIC UTILITIES ANNUAL BUDGET**

Mayor Williams called the public hearing on Resolution No. 09-2292 to order at 7:03 p.m. and requested public testimony.

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



COMMUNICATIONS

Included in the packet was a letter from Senator Gary Stevens and Representative Mike Chenault regarding the *Alaska: North to the Future, Volume IV* project. There were multiple budget updates laid on the table, including: General Government additional carry over of 2009 capital projects; a revised revenue and appropriations summary; a modification to revenues and utility expenses for the Port Department; a modification to the Engineering Division capital budget; an update regarding the Small Business Development Center; a summary narrative regarding revenues and appropriations; and a revised Resolution No. 09-2291. There were also several updates relating to the 2010 draft Ketchikan Public Utilities budget, including: the reinstatement of Electric Division and Telecommunications Division positions; an explanation of the Electric Division Materials and Services Account No. 89; a proposed decrease to the 2010 Electric Division's Office Equipment and Furniture Account No. 90; a revised estimate of funds available; a summary narrative regarding revenue and appropriations; and a revised Resolution No. 09-2292.

PERSONS TO BE HEARD

Laurie Thomas, representing Ketchikan Area Arts and Humanities Council, thanked the Council for its help over the past several decades for funding and the contribution in purchasing a building last spring. She thanked the Council for its work to help sustain many of the community's vital organizations at the last meeting. She addressed some comments made.

Chris Rose, Vice President of the Ketchikan Area Arts and Humanities Council, stated the majority of the funding in the Arts Council budget is restricted and cannot be used for operating costs. He said the grants dictate how the money is spent.

Ms. Thomas continued by citing the fund raising conducted by the Arts Council, and she thanked the Council again for its past support. She urged the Council to restore the funding to the 2009 levels.

Kathleen Light spoke on behalf of the 50 Celebrations for Alaska's 50th Year. She requested the use of the Civic Center for free on New Year's Eve, noting they have conducted many events this year toward this celebration.

Robert Boyle, Superintendent of Ketchikan Gateway Borough School District, reported the Ketchikan Gateway Borough Assembly has introduced an ordinance appropriating funding of \$25,560 for the SRO position. He said Ketchikan Indian Community has targeted grant sources, and he reiterated the District's willingness to assist the City in seeking funding.

Carstens Jasper spoke against funding the Arts Council. He felt the community was already taking a beating, and the arts are not vital to the community's survival. He said he represented lots of people in the community who supported the decision to cut the funding.

Kirk Thomas appreciated the fact that people may be losing staff because of their funding cuts, and he reminded of the closure of an area automobile dealership. He felt there were a number of businesses in town that are not far behind. He asked the Council to look at the community as a whole and review the entire picture. He referred to the editorial in today's local newspaper, stating the City can do things when funds are flush that we simply cannot do right now. He felt the Council had the responsibility to pay attention to what is going on. He encouraged the Council to go back to the 50% level, and when times are better we can do something better.

Sven Westergard said employees are still around fighting for positions. He stated the Council had tough decisions to make.

Robyn Ries-Cooper spoke in support of maintaining the Telecommunications Division Warehouse Worker/General Laborer position. She explained the functions of the position, noting that to her knowledge the Electric Warehouse has always had two positions. She provided some history of her position as well, noting the work increase with the rollout of additional Telecommunications offerings. She urged the Council to reinstate the position.

Denny Zieser addressed employee furloughs. He felt the manager's assessment of employee furloughs was inaccurate and a violation of the negotiating ground rules. He recited the ground rule he was referring to, stating the memorandum provided by Manager Amylon was public media. He also reminded the Council of what he discussed last time he was before the Council pertaining to temporaries, stating he would not go into it because it would be negotiating in public media. He continued he would be available in his office if any of the Council wished to talk to him.

Kevin Gadsey, representing Southeast Alaska Independent Living, said he would like to withdraw their request for free use of the Ted Ferry Civic Center. He recognized the challenges the City is going through, and he said he will personally cover the cost out of his own paycheck. He explained SAIL also understands the Council will do the right thing if the funding is there. He expressed appreciation for the use of the Civic Center and the discount afforded to non-profits. He explained the event they intend to hold. Councilmember Kj Harris said his bar would donate \$300 to SAIL to help fund the cost of the Civic Center, and Mr. Gadsey said he appreciated the donation but would still give out of his own pocket as well because that is something he does every year.

Brad Cota asked the Council not to sell the Telecommunications Division. He discussed fiber optics and the benefits in Ketchikan. He felt it would be a mistake to sell it, stating the community will lose more than jobs.

John Beck asked the Council to revisit the Telecommunications Division Warehouse Worker/General Laborer position. He felt elimination of the position would affect his ability to do his job. He said the main warehouse person would be working more overtime to get the job done at a premium rate. He requested elimination of temporaries and keeping of the position. He felt it was imperative to have full disclosure when the sale of the Telecommunications Division goes forward. Councilmember Coose clarified the voters would decide whether or not to sell the Division.

Penny Pedersen addressed the Ketchikan Public Library and the Ketchikan Area Arts and Humanities Council. She spoke in support of maintaining positions at the library, noting that people use the library more when the economy declines. She urged the Council to look at the Arts Council from the economic perspective. She felt within the total budget funding could be found.

Tom LeCompte, representing First City Players, said he was going to move to Hawaii but decided to stay in Ketchikan. He said he is active in the arts community, and felt some cuts will affect the community negatively.

David Ledford said there has been a lot of talk about the financial situation we're under. He requested what he termed the same thing others have been asking: to cut only a small piece. He noted apprentice programs pay to the future. He referred to a Leave Request form that allows one to check "Leave Without Pay." He noted while he could not speak for anyone else, he is considering taking some in order to save positions being scheduled for cut. Councilmember West asked employees in the room who else would be willing to do the same, and several hands were raised.

CONSENT AGENDA

Approval of Minutes

Moved by West, seconded by Olsen approval of the minutes of the special meetings of November 30, 2009, December 1, 2, 8, 9, and 10, 2009 and regular meeting of December 3, 2009.

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

Resolution No. 09-2307 – Amending the 2009 General Government Annual Budget to Provide Supplemental Appropriations for the Museum Department in the Amount of \$4,720 and the Port Department in the Amount of \$90,000

Moved by West, seconded by Olsen the City Council approve Resolution No. 09-2307 amending the 2009 General Government Annual Budget to provide supplemental

appropriations for the Museum Department in the amount of \$4,720 and for the Port Department in the amount of \$90,000; and establishing an effective date.

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

Budget Transfer – City Clerk’s Travel and Training Account No. 27

Moved by West, seconded by Olsen the City Council approve the transfer of \$734 and \$366 respectively from the 2009 City Clerk’s Salaries and Wages and Employee Benefits Account Nos. 11 and 16 to the Travel and Training Account No. 27.

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

Liquor License Renewals – Kj’s Raven’s Roost, American Legion Post #3, Eagles Nest, Veterans of Foreign Wars Post 4352, Annabelle’s Famous Keg & Chowder House and Westside Liquor Store

Moved by West, seconded by Olsen the City Council approve the renewal of liquor licenses: Beverage Dispensary – Kj’s Raven’s Roost; Club – American Legion Post #3, Eagles Nest, Veterans of Foreign Wars Post 4352; Beverage Dispensary – Tourism – Annabelle’s Famous Keg & Chowder House; Package Store – Westside Liquor Store; Restaurant/Eating Place – The Pizza Mill.

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

Budget Transfer – Mayor and Council Travel and Training Account No. 27

Moved by West, seconded by Olsen the City Council authorize the city manager to transfer \$2,500 from Appropriated Reserves of the General Fund to the 2009 Mayor and Council Travel and Training Account No. 27.

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

Budget Transfer – Lease of Temporary Bridge, Maybe Bridge & Shore, Inc.

Moved by West, seconded by Olsen the City Council authorize the city manager to incur up to \$78,000 for the lease of a portable temporary bridge from Maybe Bridge & Shore, Inc.

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

The Council took a short break at 8:07 p.m. and reconvened at 8:18 p.m.

UNFINISHED BUSINESS

Councilmember Jason Harris requested that New Business be considered first. Mayor Williams asked if there were any objections; none were heard. [Clerk's note: While the Council considered New Business prior to Unfinished Business, the minutes are recorded in agenda order.]

Resolution No. 09-2291 – Adopting the Budget for the Year 2010; Appropriating from the General Government Funds for the Fiscal Year 2010 – Deferred from December 15, 2009

In response to Councilmember Jason Harris, Manager Amylon disagreed with IBEW Business Manager Zeiser's assertion that he violated collective bargaining relative to negotiation of the new collective bargaining agreement to replace that which expires December 31, 2009. He continued following an earlier budget deliberation session when Councilmember West first raised the issue of furloughs, staff took the opportunity to raise the issue with KPU. He stated it was not done in the context of negotiating a new collective bargaining agreement, but rather negotiating a separate memorandum of agreement to see if there was a consensus relative to employee furloughs.

Manager Amylon explained he hasn't run the numbers on the General Government side and he doesn't have the General Government language in front of him, but in terms of the KPU side it equates to about \$410,000. He explained to derive that savings through furloughs it would require about ten days for each represented and non-represented employee to fund the cost of the four positions. He related it is problematic relative to the representative employees and that is why it requires a memorandum of understanding because the individual employees cannot just volunteer to do this.

He continued unlike Mr. Ledford said earlier, Section 12.2 of the existing IBEW Contract says leaves of absence without pay may be granted for periods of up to 180 calendar days without loss of accrued benefits and seniority; provided that the employee must use accrued sick leave before being placed on leave without pay status. He stated it will take a negotiated memorandum of agreement, at least on the KPU side. He said they started those discussions and reported the status of those discussions. He continued IBEW and the City will be meeting tomorrow and he certainly can bring up the issue again separate from the collective bargaining agreement. He related there are issues of disagreement and they may be able to work through those.

Manager Amylon recommended the Council work its way through the budget, adopt what they think is the appropriate spending plan, allow management and IBEW to have those negotiations, and come back after the first of the year if the Council wants to fund the positions. He said if employee furloughs don't work out, then the Council can take action. He cautioned he would not go into it with the assumption that the positions will be funded regardless of what happens with employee negotiations. He felt the door needed to stay open relative to what the Council does with the millage rate. He said if every position on the General Government side is restored, the Council is talking anywhere from a \$1.3 to \$1.4 million deficit, which is double what is normally budgeted for. He felt 2011 is going to be more difficult than what is being dealt with in 2010. He said he will try to negotiate with IBEW on both sides of the government, but if they don't pan out, he recommended the Council be prepared to respond to it. He reminded the City doesn't have much leverage with IBEW in trying to negotiate employee furloughs.

Moved by Coose, seconded by West to remove \$100,000 from the Fire Department budget.

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

Moved by Coose, seconded by Jason Harris to fund Alaska Legal Services at \$11,000.

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

Moved by Coose, seconded by Jason Harris to fund Women In Safe Homes at \$4,663.

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

Moved by Coose, seconded by Jason Harris to fund Big Brothers Big Sisters at \$5,000.

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

Moved by Coose, seconded by Jason Harris to fund First City Players at \$7,500.

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

Moved by Coose, seconded by Jason Harris to fund the Boys & Girls Club at \$12,500.

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

Moved by Coose to fund Southeast Alaska Independent Living at \$3,000. Mayor Williams said as there was no second, the motion was dead.

Moved by Coose, seconded by Olsen to fund the Ketchikan-Kanayama Exchange at \$2,750.

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

Moved by Coose, seconded by Jason Harris to fund the Ketchikan Volunteer Rescue Squad at \$2,000.

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

Moved by West, seconded by Jason Harris to fund the Ketchikan-Kanayama Exchange at \$1,500.

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

Moved by Jason Harris, seconded by Coose to fund the Ketchikan Youth Court at \$6,600.

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

Moved by Jason Harris, seconded by Olsen to reduce the recommended mill rate to 6.1.

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

Moved by Olsen, seconded by West to increase the sales tax limit to \$2,000.

In response to Councilmember Coose, Manager Amylon said an ordinance would be required and the likely effective date would be April 1, 2010 in order to allow staff to work with the Borough to get merchants up to speed.

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

Moved by Coose, seconded by Jason Harris the City Council approve the carry over of \$2,000 programmed in 2009 for the Streets Division's Plow and Sander Truck to 2010.

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

Moved by Coose, seconded by Jason Harris the City Council modify the Engineering Division's 2010 Capital Budget by decreasing the cost of the Office Remodel/Expansion Project by \$15,000 from \$25,000 to \$10,000.

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

Moved by Coose, seconded by Jason Harris the City Council modify the Port Department's Budget by increasing the Fees from Electric Services Account by \$112,000 and the Utilities Account No. 65 by \$112,000.

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

Main motion on Resolution No. 09-2291, as amended, passed with Jason Harris, Sivertsen, Olsen, Shay, Coose and Kj Harris voting yea; West voting nay.

The Council took a short break at 9:35 p.m. and reconvened at 9:40 p.m.

Resolution No. 09-2292 – Adopting the Budget for the Year 2010; Appropriating from the Ketchikan Public Utilities Enterprise Fund for the Fiscal Year 2010 – Deferred from December 15, 2009

The deferred action before the Council was:

Moved by Sivertsen, seconded by Jason Harris the City Council direct staff to modify the 2010 KPU Electric Division Budget by providing for a three percent electric rate increase effective March 1, 2010, in order to fund the restoration of the positions of Telecommunications Division Outside Plant Manager, Warehouse Worker/General Laborer and Journeyman Apprentice.

[Clerk's note: The Electric Division Journeyman Apprentice Lineman was approved immediately after the motion to defer, thereby removing the position from the motion.]

Moved by Jason Harris, seconded by West to amend by removing the Telecommunications Warehouse Worker/General Laborer.

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

Moved by Olsen to amend the percent increase to 2.2%.

Manager Amylon suggested the Council allow staff to crunch the numbers and bring a percentage to the next meeting. Councilmember Olsen withdrew the motion.

Moved by Jason Harris, seconded by Shay this item be deferred until the regular meeting of December 17, 2009 in order to allow staff to come up with an electric rate percentage in order to fund the restoration of the positions of the Telecommunications Division Outside Plant Manager and Journeyman Apprentice.

Moved by West, seconded by Olsen to amend by adding in the Warehouse Worker/Laborer.

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

Moved by Jason Harris, seconded by Coose to amend by deleting the three percent increase.

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

Moved by West, seconded by Shay to amend the rate increase to 2.1 percent.

Manager Amylon clarified that if a rate increase of 2.1 percent goes forward, it will not fund the four positions. He continued under that scenario, the Council has given direction to negotiate employee furloughs. He said he will bring back an ordinance in January, assuming it goes forward, with a 2.1 percent increase. He explained if the Council enacts it, there is no motivation for the employees to negotiate furloughs because the positions are fully funded. After further discussion, the motion was withdrawn with the consent of the second.

Moved by Jason Harris, seconded by Coose to amend to reinstate the employees to January 31, 2010 to provide staff the opportunity to discuss furloughs with the Union.

In response to Councilmember West, Manager Amylon clarified the issue would be broached assuming participation by all employees, not just represented employees.

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

Moved by West, seconded by Shay to incorporate a 2.1 percent electric rate increase.

Councilmember West clarified the increase was not tied to anything.

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

Moved by Sivertsen, seconded by West to amend by reducing temporary salaries in the Telecommunications Division to half.

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

Moved by West, seconded by Olsen to amend by funding Ketchikan Area Arts and Humanities Council at \$57,240.

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

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

Moved by Jason Harris, seconded by Coose the City Council amend the Electric Division's 2010 Budget by decreasing the Office Equipment and Furniture Account No. 90 by \$2,500 from \$10,000 to \$7,500.

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

Moved by Jason Harris, seconded by Coose the City Council amend the Sales, Marketing & Customer Service Division's 2010 Budget by increasing the Vehicle & Moving Equipment Account No. 92 by \$12,000 from \$0 to \$12,000.

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

Moved by Olsen, seconded by West the City Council modify the Water Division's 2010 Capital Budget by decreasing the cost of the Office Remodel/Expansion Project by \$15,000 from \$25,000 to \$10,000.

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

In response to Mayor Williams, Manager Amylon informed four of the six and half positions originally proposed for elimination have been put back in. He said they are reinstated until January 31, 2010 and once that date comes around he will come to the Council and advise that either staff has negotiated furloughs both for management and non-represented, or we haven't, and at that point he would seek direction as to what the Council would like to do relative to the positions.

Councilmember Olsen requested clarification as to whether the journeyman lineman apprentice was included in the January 31, 2010 deadline, and Manager Amylon said the motion adopted earlier this evening included that position.

Main motion on Resolution No. 09-2292 passed with Jason Harris, Olsen, Shay, Coose, Kj Harris and West voting yea; Sivertsen voting nay.

NEW BUSINESS

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

This item was removed by the requestor.

Request for Free Use of the Ted Ferry Civic Center – “50 Celebrations for Alaska’s 50th Year” Committee

Moved by West, seconded by Jason Harris the City Council direct the city manager to respond to the request of the “50 Celebrations for Alaska’s 50th Year” Committee for free use of the Ted Ferry Civic Center on Thursday, December 31, 2009 as determine appropriate by the City Council.

After discussion, the Council determined to allow the committee to have the Civic Center for the cost of the facility rental alone, and they would pay for staff or audio/visual costs.

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

Award of Contract No. 09-49 – Rewind and Core Repair of KPU Bailey Unit No. 2, Delta Electric Motors - \$203,883

Moved by Sivertsen, seconded by West the City Council deny the appeal of SIMMCO for Contract No. 09-49, Rewind and Core Repair of Bailey Unit No. 2

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

Moved by Sivertsen, seconded by Coose the City Council authorize the general manager to enter into an agreement with Delta Electric Motors of Auburn, Washington for Contract No. 09-49, Rewind and Core Repair of Bailey Unit No. 2 at a cost not to exceed \$203,883 and approve funding from the Electric Division’s 2009 Bailey Unit No. 2 Re-Commissioning Capital Account.

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

Ordinance No. 09-1636 – Authorizing the Sale of the Telecommunications Division of Ketchikan Public Utilities at a Fair Market Price Determined by Falkenberg Capital Corporation; Authorizing the City Manager to Negotiate the Terms and Conditions of An Asset Purchase Agreement for Said Sale; Providing for Protection of Telecommunications Division Employees – First Reading

Copies of Ordinance No. 09-1636 were available for all persons present.

Moved by West, seconded by Olsen the City Council approve in first reading Ordinance No. 09-1636 authorizing the sale of the Telecommunications Division of Ketchikan Public Utilities at a fair market price determined by Falkenberg Capital Corporation; authorizing the city manager to negotiate the terms and conditions of an Asset Purchase Agreement for said sale; providing for protection of Telecommunications Division employees; and establishing an effective date.

Moved by Jason Harris, seconded by Sivertsen to amend Paragraph B of Section 5 to read: With the exception of those Customer Service Division employees retained by Ketchikan Public Utilities for other utility purposes, at the closing of the sale, the Qualified Buyer shall offer employment, at a location in the City of Ketchikan or Ketchikan Gateway Borough, to all employees then holding employment positions within the Customer Service Division and Telecommunications Division, on terms and conditions and for rates of compensation not less favorable, and in positions substantially comparable to, those then applicable to such employee in his or her positions immediately prior to the closing date.

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

Mayor Williams said he was involved with the first attempt to sell the division, and he gave a brief history of events since then. He said the value from that time has dramatically fallen, and if it doesn't sell, the next time the Council sits here it will be to talk about closing the doors.

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

Award of Contract No. 09-30 – Tongass Avenue Utilities Replacement Phase II, S&S General Contractors & Equipment Rentals, Inc. - \$6,737,047

Moved by Shay, seconded by Jason Harris pursuant to Section 3.12.035(d)(7) of the Ketchikan Municipal Code, the City Council award Contract No. 09-30, Tongass Avenue Utilities Replacement Phase II, to S&S General Contractors & Equipment Rentals, Inc. in

the amount of \$6,737,047; establish a 15% contingency in the amount of \$1,010,557; allocate \$400,000 for project inspection and administration services and \$40,000 for Alaska Department of Transportation and Public Facilities required testing, bringing the total project cost to \$8,187,604; authorize funding in the amount of \$4,502,406 from the Wastewater Division's 2010 Tongass Avenue Sewer Main Replacement Phase II Capital Account and \$3,685,198 from the Water Division's 2010 Tongass Avenue Water Main Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Acting Public Works Director Allen and Senior Project Engineer Jurczak answered questions from the Council.

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

Ordinance No. 09-1640 – Amending Ordinance No. 05-1516; Authorizing the City to Borrow Not to Exceed \$3.9 Million from the Alaska Clean Water Fund to Finance the Cost of Improvements to Facilities of the City's Sewer Utility; Approving Forms of Loan Agreements with the Alaska Department of Environmental Conservation for Such Loans; Securing Such Loans with a General Obligation Pledge of the City as Authorized by Resolution No. 04-2103 of the City Council and Approved by the Voters at an Election Held on October 5, 2004; and Declaring an Emergency – First and Final Reading

Copies of Ordinance No. 09-1640 were available for all persons present.

Moved by Sivertsen, seconded by Jason Harris the City Council approve Ordinance No. 09-1640 amending Ordinance No. 05-1516; authorizing the City to borrow not-to-exceed \$3.9 million from the Alaska Clean Water Fund to finance the cost of improvements to facilities of the City's sewer utility; approving forms of loan agreements with the Alaska Department of Environmental Conservation for such loans; securing such loans with a general obligation pledge of the City as authorized by Resolution No. 04-2103 of the City Council and approved by the voters at an election held on October 5, 2004; and declaring an emergency.

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

Ordinance No. 09-1641 – Authorizing the City to Borrow Not-to-Exceed \$2.9 Million from the Alaska Drinking Water Fund to Finance the Cost of Improvements to Facilities of the City's Water Utility; Approving Forms of

Loan Agreements with the Alaska Department of Environmental Conservation for Such Loans; Authorizing a Junior Lien Pledge of Municipal Utility Revenue to Secure Such Loans; and Declaring an Emergency – First and Final Reading

Copies of Ordinance No. 09-1641 were available for all persons present.

Moved by Coose, seconded by Olsen the City Council approve Ordinance No. 09-1641 authorizing the City to borrow not-to-exceed \$2.9 million from the Alaska Drinking Water Fund to finance the cost of improvements to facilities of the City's water utility; approving forms of loan agreements with the Alaska Department of Environmental Conservation for such loans; authorizing a junior lien pledge of municipal utility revenue to secure such loans; and declaring an emergency.

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

VOUCHERS

Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$3,303.70.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through December 3, 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 December 3, 2009.

Public Works Department Project Status Report – November 2009

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

2010 Cruise Ship Schedule and Draft Berth Assignments

Manager Amylon included a memorandum from Port and Harbors Director Corporon outlining berthing assignments for the 2010 cruise ship season.

K.P.U. MANAGER'S REPORT

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

Manager Amylon provided the project status reports of the division managers for the month of November 2009.

CITY CLERK'S FILE

**Gaming Permit Applications – Veterans of Foreign Wars
Post 4352 and Ketchikan Lions Club**

Clerk Suiter provided the gaming permit notification for Veterans of Foreign Wars Post 4352 and Ketchikan Lions Club. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Jason Harris thanked everyone for their hard work, stating it has been a long process. He said Merry Christmas and Happy New Year to everyone.

Councilmember Sivertsen thanked everyone for their participation, although it didn't go as well as everyone wanted it to. He really enjoyed the comments from the public because they gave the Council a lot of insight and more material to work with.

Councilmember Coose said he appreciated everyone bearing with the Council. He stated he didn't feel the Council is holding the Ketchikan Visitors Bureau accountable for the money they are getting. He requested the KVB agreement be in front of the Council before it is signed in case the Council wants to make some changes to obtain accountability and what it is they are performing for the City and the \$360,000.

Councilmember KJ Harris thanked everyone for the hard work on the budget, and all the opinions expressed. He wished the Council could make everybody happy, but there is no chance of doing that. He said it will probably be changed in the next couple of days anyway.

Councilmember Shay questioned the appeal, and was informed the Council took care of it prior to considering the motion. He reported he and Councilmember Coose attended the Legislative meeting, and the items on the priority list are available online. He said a fly-in

is scheduled for early February to see what can be done in order to advance our interests. He stated the concern regarding the “big party” has already been taken care of.

Councilmember Olsen thanked everyone.

Manager Amylon said the KVB agreement can be brought back to the Council in January, but unless directed otherwise the other community agency agreements will be processed as has been done in the past.

Mayor Williams said he was glad everyone got through the budget, but not everyone got all they wanted. He thought it was really weird not being able to vote, and he is trying to find more power in the Charter but hasn't been able to yet. He wished everyone Merry Christmas.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 10:15 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the November 10, 2009 Port and Harbors Advisory Board
PATCHWorks, Inc.'s Quarterly Activity Reports – January Through March and June Through August 2009
Letters of Appreciation – Solid Waste Collection/Disposal Supervisor
Lake Levels and System Generation Report – November 2009
Water Utilization Study Report – November 2009