

Regular Ketchikan City Council meeting was called to order by Vice Mayor West at 7:00 p.m., February 4, 2010, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay and Robert Sivertsen. Mayor Williams was 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 Public Works Director Allen, Water Division Manager Kleinegger, Senior Project Engineer Brakke, Electric Division Operations Manager Adams and City Clerk Suiter.

COMMUNICATIONS

Vice Mayor West said there was an item laid on the table by Councilmember Sivertsen regarding a Cooperative Relations Committee between the City and the Borough.

Vice Mayor West read the proclamation regarding the U.S. Census Bureau and presented it to Sally Piercy. Ms. Piercy emphasized the importance for the community participating in the census, as we want to make sure we are not undercounted. She noted all residents who have a mailing address will receive a form from the census that can be completed and returned. She encouraged people to fill out the forms to be an early part of the count, and she urged the Council to get the word out to forums in which they participate.

PERSONS TO BE HEARD

David Hanger said he has been having problems with KPU, and he didn't think it should take six to seven months to transfer telephone business lines from one carrier to another carrier. He gave a brief history of events in his situation, and he emphasized not all of his key numbers are switched over.

Norman Arriola, President of Ketchikan Indian Community, spoke about their effort to expand their technical schooling program. He encouraged the Council to stop by their facility to see the operation. He related they are targeting youth who either cannot or do not want to go to college or the military. He requested a letter of support for their project.

Mayor West asked if there were any objections to writing a letter of support, and none were expressed. Mr. Arriola answered questions from the Council, and several councilmembers made supportive comments.

Zig Ziegler said he is a member of Enough Is Enough. He related they are continuing with dialogue that was started at a meeting recently, and said they would like support in working on solutions for several issues. He cited the safety resource officer in the schools, bringing the drug dog out of retirement, and beginning a neighborhood watch program. He noted the privatization of Gateway Center for Human Services to Akeela was a good move because of the need for these services in Ketchikan. He said Ketchikan

is a wonderful community, and we need to do everything we can to support the positive and eliminate as much of the negative as possible. He reminded the Ketchikan Wellness Coalition will sponsor a gathering on March 16th. He said it will take a lot of time and preparation to accomplish things. He answered questions from the Council.

Mike Poston referred to previous speakers, stating he admired their goals. He spoke to his efforts to get his tooth fixed, and Vice Mayor West reminded him the Council cannot help him.

Bobbie McCreary said she is available to answer any questions about their request to waive fees for a solid waste container. She said they needed it for another two weeks.

CONSENT AGENDA

Approval of Minutes

Moved by Jason Harris, seconded by Coose approval of the minutes of the regular meeting of January 21, 2010.

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

Request for Vacation of Right-of-Way of a Portion of East Street and to Alter Four Abutting Lots USS 437, Block 27, Lot 6, the TLA USS 437, Lot 5, a Portion of the Tidelands Addition to USS 550, Tract A, and a Portion of East Street to Create the Fran Williams Subdivision; 554 East Street, 526 and 700 Stedman Street, East Street Right-of-Way, City of Ketchikan – Hill & Associates on Behalf of the University of Alaska, Frances V. Williams and the City of Ketchikan

Moved by Jason Harris, seconded by Coose the City Council approve the vacation of a portion of the East Street right-of-way as approved by the Planning Commission on January 12, 2010 and authorize the city manager to execute a quit claim deed for the vacated area.

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

Liquor License Renewals

Moved by Jason Harris, seconded by Coose the City Council approve the renewal of liquor license: Beverage Dispensary – Tourism – Narrows Inn & Thornlow's Water Front Bar.

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

Submittal of FY 2011 Department of Environmental Conservation Alaska Clean Water Fund/Alaska Drinking Water Fund Loan Program Questionnaires – Baranof Reservoir Replacement Project, 4th and 7th Avenues/Jackson Street & Monroe Street Water and Sewer Main Replacement Projects, and the Alaska Avenue Water Main Replacement Project

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager/general manager to submit program questionnaires under the FY 2011 Department of Environmental Conservation Alaska Clean Water Fund/Alaska Drinking Water Fund Loan Programs in the amount of \$8,827,081 for low interest loans for the Baranof Reservoir Replacement Project, 4th and 7th Avenues/Jackson Street & Monroe Street Water and Sewer Main Replacement Projects, and the Alaska Avenue Water Main Replacement Project

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

Resolution No. 10-2315 – Authorizing an Application for Alaska Department of Environmental Conservation Alaska Clean Water Actions Fiscal Year 2011 Grant Program for the Comprehensive Storm Drainage Study Implementation Phase

Moved by Jason Harris, seconded by Coose the City Council approve Resolution No. 10-2315 authorizing an application for Alaska Department of Environmental Conservation Alaska Clean Water Actions Fiscal Year 2011 Grant Program for the Comprehensive Storm Drainage Study Implementation Phase; and establishing an effective date.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Vice Mayor West said there was a request to switch the item regarding a moving policy with the item about hiring a senior electric system engineer. She asked if there were any objections, and none were heard.

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**Request for Donation of Solid Waste Division Drop Box –
Ketchikan Youth Initiatives**

Moved by Olsen, seconded by Shay the City Council direct the city manager to respond to the January 19, 2010 correspondence of Bobbie McCreary of Ketchikan Youth Initiatives requesting a waiver of solid waste collection fees for the removal of demolition debris at the former Water Division Warehouse located at 632 Park Avenue as determined appropriate by the City Council.

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

Moving Expense Policy

Moved by Sivertsen, seconded by Jason Harris the City Council approve the General Government and KPU Moving Expense Policy as detailed in the finance director's report dated January 27, 2010 and direct the city manager to implement said policy in conjunction with Section 2.6 of the Personnel Rules.

Moved by Jason Harris, seconded by Coose to amend that the manager be authorized to approve up to \$15,000 in moving expenses without prior Council approval, and moving expenses would be repaid proportionately in amounts of \$5,000 per year should the employee sever employment with the City of Ketchikan within the first three years of employment.

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

Moved by Sivertsen, seconded by Shay to amend by removing on Page 4 of 6, second bullet, reference to motor homes, aircraft and boats.

Moved by Coose, seconded by Shay to amend the amendment by additionally removing reference to snow machines and motorcycles.

After discussion, Councilmember Jason Harris suggested withdrawing both amendments, and making it simple by removing everything but cars and trucks. The Council agreed to this by general consensus.

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

**Change Order No. 9 to Contract No. 07-38, UV
Disinfection and Chloramination Facility – Southeast
Engineering, Inc.**

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Moved by Kj Harris, seconded by Shay the City Council approve Change Order No. 9 in the amount of \$61,573 to Contract No. 07-38, UV Disinfection and Chloramination Facility, between Ketchikan Public Utilities and Southeast Engineering, Inc.; add 16 days to the contract completion date; and authorize the general manager to execute the change order on behalf of the City Council.

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

The Council took a short break at 7:58 p.m. and reconvened at 8:05 p.m.

General Government and KPU Employee Suggestion/Incentive Program

Moved by Jason Harris, seconded by Kj Harris the City Council authorize the city manager to implement a General Government and KPU Employee Suggestion/Incentive Program as detailed in staff's report dated January 27, 2010.

Moved by Jason Harris, seconded by Sivertsen to amend by removing a cash incentive and substituting a time off incentive.

Moved by Jason Harris, seconded by Kj Harris to defer this item until the next meeting.

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

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

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

Offer of Employment – Senior Electric System Engineer

Moved by Shay, seconded by West the City Council authorize the general manager to offer the position of senior electric system engineer to Andrew Donato of Marysville, Michigan based on a compensation level of 730 at an annual salary of \$90,541; vacation accrual of 15 days per year; and moving expenses not to exceed \$15,000.

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

Warren Street and Bayview Street Trestle Replacement Project Update – Approval of Preferred Design Alternatives

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Moved by Jason Harris, seconded by Olsen the City Council approve the preferred design alternatives for the replacement of the Warren Street and Bayview Street Trestles as detailed in staff's report dated January 27, 2010.

Staff's report recommended a retaining wall and fill design for replacement of the Warren Street Trestle and steel girders and concrete deck panels design for replacement of the Bayview Street Trestle.

Senior Project Engineer Brakke answered questions from the Council. In response to Councilmember Coose, Manager Amylon said he would check with the state in regards to funding a retaining wall and fill design.

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

Resolution No. 10-2314 – Refinancing Ketchikan Public Utility Revenue Bonds Series U

Moved by Shay, seconded by Kj Harris the City Council approve Resolution No. 10-2314 approving the City's participation in a proposed refinancing by the Alaska Municipal Bond Bank of the Alaska Municipal Bond Bank Authority Revenue Bonds, 1998 Series A, which provided funds to purchase the City Municipal Utility Revenue Refunding Bond, 1998 Series U, pursuant to a loan agreement between the City and the Bond Bank, and authorizing the City's finance director to approve a revised schedule of principal and interest payments on the City's 1998 Series U Bond, in accordance with such loan agreement, if the Bond Bank successfully refinances its bonds.

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

Public Education Program for the April 6, 2010 Special Election Regarding the Sale of the KPU Telecommunications Division and Sale of KPU Series X Municipal Utility Revenue Bonds

Moved by Kj Harris, seconded by Jason Harris the City Council authorize the general manager to proceed with a public education program in connection with the April 6, 2010 special election regarding the sale of the KPU Telecommunications Division as detailed in staff's report dated January 29, 2010.

Councilmember Olsen suggested information regarding the keeping of the Telecommunications Division and how much would need to be expended to keep it competitive should be included in the advertising. Councilmember Jason Harris further

suggested information be included regarding why KPU advanced into television and internet.

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

VOUCHERS

Moved by Jason Harris, seconded by Sivertsen for approval of 2009 vouchers to Ketchikan Daily News in the amount of \$6,764.84 and 2010 vouchers to Ketchikan Daily News in the amount of \$568.00.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the January 21, 2010 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 January 21, 2010.

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

Manager Amylon included the General Government financial statements for the twelve months of the year ending December 31, 2009 for Council review.

Councilmember Shay pointed out the manager and staff have very prudently under expended the budgetary amount and the amount of income has exceeded the budgeted amount.

New Snow Plow

Manager Amylon pointed out the new snow plow was parked outside City Hall. He said it is now equipped and ready for use.

K.P.U. MANAGER'S REPORT

Ketchikan Public Utilities Financial Statements for the Quarter Ending December 31, 2009

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Manager Amylon provided the Ketchikan Public Utilities financial statements for the fourth quarter ending December 31, 2009 for Council review.

Report of January Telecommunications Outages

Manager Amylon included a report from Telecommunications Division Manager Abbot regarding the January 2010 telecommunications outages.

Bailey Generator No. 2

Manager Amylon reported the rebuilt Bailey Generator No. 2 was brought online today. He said the project has gone very well, which is a credit to Electric Division System Operations Manager Adams and the mechanics at Bailey. He noted it will continue to be broken in for the next several days, and it will come in under budget.

KPU Series X Bonds

Manager Amylon detailed discussions he had today with the City's lobbyist, Ray Matiashowski, and Senator Bert Stedman. He said the legislature is working on a comprehensive energy bill, which they hope to have passed sometime this session. He stated if they are successful, they hoped to have opportunity to go after financial resources.

In recognition of that, Mr. Amylon continued that staff came out with a collective recommendation to, if accepted by the Council at the next meeting, postpone the bond election until June to give the legislature opportunity to see what they can put together. He said if there are no objections, staff will bring back a resolution for the Council at the next meeting. He noted there will be some minor incidental expenses incurred relative to reprinting of the ballots, but based on what he heard from our representatives, it is a prudent course to follow.

Mayor West asked if there were any objections, and none were heard.

CITY CLERK'S FILE

Gaming Permit Applications – Fraternal Order of Eagles Ketchikan Aerie #162 Inc. and First City Players

Clerk Suiter provided the gaming permit applications for Fraternal Order of Eagles Ketchikan Aerie #162 Inc. and First City Players. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Councilmember Sivertsen referred to the Borough resolution placed on the table, noting it forms a committee in order to promote interaction and to discuss items of mutual interest.

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He said he would like to see staff draft a resolution that pretty much mirrors it. He noted it was amended to be made up of three assemblymembers and three councilmembers.

MAYOR AND COUNCIL COMMENTS

Councilmember Coose reminded the Council discussed having a workshop to deal with energy and electricity. He felt it was anticipated to occur toward the end of this month, and he requested we invite SEAPA staff so we can pick their brain as we gain knowledge on how all this works. He commented he attended the AML Legislative Fly-in in Juneau the last two days. He reported both the house and senate energy people discussed energy two different times. He said we have good chance of doing some things there for the community. He continued there were some private people who evaluated the state budget, which is not as rosy as the state's evaluation. He said they will be out of money again if it works out. He referred to GAG legislation, which basically shuts everybody down from lobbying. He said anyone who gets any type of public money will be prohibited from lobbying, and he felt there will be a massive effort on the part of AML and other entities to fight it. He stated it was being orchestrated by a billionaire named Rich, who lives back East somewhere, and it is being done through the initiative process. He related the attorney general felt it was very likely unconstitutional.

Councilmember Coose said he attended the Conference of Mayors for Southeast Conference and AML. He noted Southeast Conference of Mayors passed a couple of resolutions, one of which encourages an increase in the number of legislators by 12 total. He related the other one was to have a Southeast caucus.

Councilmember Shay said the GAG legislation that is being proposed, also called an anti-corruption law, is coming from Howie Rich from New York City. He reported Mr. Rich has done this in several other states, and states have spent millions to defeat it. He noted an analysis shows it would prevent an individual from receiving a permanent fund dividend because of the way it is worded. He said he attended a number of other AML sessions. He advised Sitka is ready to ship water to the United Arab Emirates, which is a work in progress. He explained how this would happen, and he said Yakutat is looking to produce biomass energy at a relatively low cost. He said there was frustration expressed at federal regulations and environmental suits have been lodged.

Councilmember Shay continued that Energy Bill 150 may eventually bring advantages to Ketchikan, by possibly bringing gas from Valdez.

Councilmember Olsen reported he went to a library construction meeting, which is being headed up by the Foraker Group. He said they are an outside agency that is fully funded by the Denali Commission and the Rasmusen Foundation. He stated they have brought in additional architects who have reexamined the size of the library, and they are now looking at two options, one at 15,000 square feet and the other at 18,000 square feet. He said they are trying to get it to the point of the library folks being able to take it to the public for affirmation or rejection. He expressed with the Foraker Group working on it, hopefully we will be able to get more money in the future from outside agencies. He felt

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it was important we take projects as far as we can locally and have them ready for building when we get the money. He stated the other thing that came out of the meeting was questions about proposed conference rooms at the library, and he requested staff look at the possibility of using the conference room at the Ted Ferry Civic Center until 7:00 p.m. instead of just 5:00 p.m.

Councilmember Sivertsen said he has been out in the community with the great weather we have been having, and there are a lot of projects going on, which is nice to see in February.

Councilmember Jason Harris told Councilmember Shay a resolution was passed a while back regarding cruise ships. He extended his condolences to the Conley family, saying JC is going to be well missed in the community. He said many have rubbed shoulders with him, but he believed JC had the best of the community at heart.

Vice Mayor West agreed with Councilmember Harris, stating she and Mr. Conley didn't always see eye to eye, but she never doubted his sincerity and commitment to the community.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

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

Marty West, Vice Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Alaska Legal Services Financial Report – October Through December 2009
Alaska Legal Services Financial Statements – Year Ended December 31, 2008
Ketchikan Area Arts & Humanities Council Financial Reports – October Through
December 2009
Legislative E-Bulletin – January 23, 2010 Edition