

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:05 p.m., March 18, 2010, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Marty West, and Robert Sivertsen (via teleconference). Councilmember Jack Shay joined the meeting at 8:00 p.m.

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

Staff present were Assistant Manager Martin, Finance Director Newell, City Attorney Bradford, Fire Chief Hill, Human Resources Manager Miller, Public Works Director Allen, Electric Division Manager Kline, Port and Harbors Director Corporon, Police Chief Talik, and Deputy Clerk Stahl



PUBLIC HEARING REGARDING A REQUEST BY KETCHIKAN YELLOW TAXI INC. TO INCREASE ITS NUMBER OF TAXICABS FROM EIGHT TO THIRTEEN

Mayor Williams called the public hearing to order at 7:07 p.m. regarding a request by Ketchikan Yellow Taxi Inc. to increase its number of taxicab permits from eight to thirteen, and requested public testimony.

Zac Boles, representing Alaska and Sourdough Cab Companies, stated cabs were for convenience (availability) and necessity (demographic). He did not feel there was a need for additional cab permits due to a 10% decrease in Ketchikan's population, 11% decrease in cruise ship passengers, eight major drinking establishments no longer in business that used this service, and the logging industry is at a stand still. He stated the amount of the current cab permits provided service during the Pulp Mill era and did fine. He felt cabs are not really in business for tours, and did not feel they should be cutting into the tour companies business. Mr. Boles said their cabs do not experience the inconvenience of wait time, except at bar closing time and for only a thirty-minute window on Friday and Saturday night. He noted according to the manager's office there have been no complaints regarding long cab waits. He expressed with all these declining factors they did not feel the need or necessity for an increase in certificates to be granted.

Steve McDonald, owner of Dolly's Enterprises, a local tour business in town for over twenty two years, said that three of the six businesses that rent the booths on the dock felt Yellow Taxi was trying to get into the tourism business rather than doing what cabs are supposed to do. He stated this would add more congestion on the docks with five more cabs looking for fare. He felt this would be a problem for all the dock venders and the math doesn't justify the increase. He said it is not a win/win situation except for the cab company owners. He believed new permits should be divided up among all the cab owners if the City felt there was a need, not just all given to one company.

John Flora spoke on behalf of Yellow Taxi Inc. He stated the last time the City gave out permits was in 1979. He admitted the community has experienced a slow down. Mr. Flora provided letters from various companies and individuals on why the City should

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increase its number of permits. He said Yellow Cab Inc. had the best third quarter ever. John explained more permits would employ more cab drivers. He commented it is not about starving out the existing guys; this is about getting more people to work. He concluded that he felt the permits, if granted, would create more sales tax, more jobs, and better cab service.

As there was no further testimony Mayor Williams declared the public hearing closed at 7:16 p.m.



**PUBLIC HEARING ON RESOLUTION NO. 10-2323 – AMENDING THE 2010
GENERAL GOVERNMENT ANNUAL BUDGET**

Mayor Williams called the public hearing on Resolution No. 10-2323 to order at 7:17 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:17 p.m.



COMMUNICATIONS

Mayor Williams said there were a few items laid on the table including; a lake levels report current as of March 18, 2010; a memorandum updating the IBEW health insurance increase; a Gravina Access project report; and a request to withdraw the item regarding the lease agreement for Electric Division pole and material storage and defer to April 1, 2010; and a budget transfer request for Ted Ferry Civic Center. Mayor Williams asked if there were any objections to withdrawing the lease agreement and adding the budget transfer to the Consent Agenda, and none were heard. Councilmember Jason Harris also requested several items be added to the Consent Agenda, including the grant for the Alaska Shield Northern Edge Exercise, the resolution amending the 2010 General Government budget, the item regarding tree removal at the Totem Heritage Center, and the designation for Spring Clean Up Week. Mayor Williams asked if there were any objections, and none were heard.

PERSONS TO BE HEARD

Judy Brownhall thanked the Council for serving in the City Government. She stated she was not representing an organization. She felt that the property the City is buying for the fire station could become the library with city hall, museum, senior service center with underground parking. She also expressed parking and access is a current problem in our downtown area.

Jan Paulsen explained issues he has with building a house on a lot next to his residence. He felt he was getting some conflicting information from various departments within the

City. Mayor Williams said he would have the manager's office address the concerns expressed by Mr. Paulsen.

Andy Rauwolf, representing the Ketchikan Home Builders Association and the National Association of Home Builders, addressed Senate Bill 129 and House Bill 202, both of which are currently going through the process of the Legislature. He stated the bill addresses mandatory code for one to two family residential dwellings to require a built in fire sprinkler systems in all new construction. He explained they are concerned about the additional building cost and the required annual inspections. He said they feel sprinkler systems were more for saving property than lives in one to two family dwellings. He commented that insurance rates could increase due to accidental discharge, which can do more damage to a home than smoke. Mr. Rauwolf estimated the cost for the system would be approximately \$15,000 to \$50,000 for Ketchikan, depending on the size of the home.

CONSENT AGENDA

Approval of Minutes

Moved by West, seconded by Coose approval of the minutes of the regular meeting of March 4, 2010.

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

Resolution No. 10-2322 – Appointing the Judges and Receiving And Hand Count Team for the Special Municipal Election to be Held on April 6, 2010; Approving the Appointment of Members Of the Canvass Board as Authorized by the City Clerk

Moved by West, seconded by Coose the City Council approve Resolution No. 10-2322 Appointing the Judges and receiving and Hand Count Team for the special municipal election to be held on April 6, 2010; approving the appointment of members of the Canvass Board as authorized by the city clerk; and establishing an effective date

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

Request for Budget Transfer – Ted Ferry Civic Center

Moved by West, seconded by Coose to authorize a budget transfer in the amount of \$400.00 from the Civic Center Maintenance Supplies Account No. 37 to the Civic Center Travel and Training Account No. 27.

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

Alaska Shield Northern Edge (ASNE-2010) Grant No. 08SHSP-GR304057

Moved by West, seconded by Coose the City Council authorize the city manager to execute State of Alaska Department of Military and Veterans Affairs Division of Homeland Security and Emergency Management (DHS&EM) Grant No. 08SHSP-GR34057 in the amount of \$14,500 for the purpose of Ketchikan Fire Department participation in the Alaska Shield Northern Edge Exercise on April 27 and 28, 2010 in Anchorage, Alaska.

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

Resolution No. 10-2323 – Amending the 2010 General Government Annual Budget to Provide Supplemental Appropriations for the Library Department in the Amount of \$8,120; Gateway Center for Human Services in the Amount of \$4,000; and the Port Department in the Amount of \$264,220

Moved by West, seconded by Coose the City Council approve Resolution No. 10-2323 – amending the 2010 General Government Annual Budget to provide supplemental appropriations for the Library Department in the amount of \$8,120; the Gateway Center for Human Services in the amount of \$4,000; and the Port Department in the amount of \$264,220; and establishing an effective date.

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

Proposed Tree Removal, Totem Heritage Center

Moved by West, seconded by Coose the City Council authorize the removal of dead and dying trees on the grounds of the Totem Heritage Center and the removal of one healthy tree restricting equipment access to the site.

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

Designating April 17 Through April 24, 2010 as Spring Clean-Up Week

Moved by West, seconded by Coose that the City Council designate April 17 through April 24, 2010 as Ketchikan Spring Clean-Up Week.

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

UNFINISHED BUSINESS - None

NEW BUSINESS

Amendment No. 5 to Contract No. 07-18 - Design of Phase III Harbor Improvements, PND Engineers, Inc.

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager to execute Amendment No. 5 to Contract No. 07-18, Design of Phase III Harbor Improvements, in an amount not to exceed \$48,570 between the City of Ketchikan and PND Engineers, Inc., bringing the contract total to \$495,566 and approve funding from the Harbors Department's 2010 Thomas Basin Finger Float Replacement Capital Account.

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

The Council took a short break at 7:55 p.m. and reconvened at 8:03 p.m.

Councilmember Shay joined the meeting at 8:00 p.m.

Request from Ketchikan Yellow Taxi, Inc to Increase the Number of Taxicabs Authorized Under its Certificate of Public Convenience and Necessity

Moved by West, seconded by Olsen the City Council, after taking into consideration the number of taxicabs already in operation in the City, whether existing transportation is adequate to meet the public need, the probable effect of increased service on local traffic conditions, and the character, experience, and responsibility of the applicant, hereby finds that further taxicab service in the City is required by the public convenience and necessity.

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

The reasons listed as to why taxi permits were declined by Council were as follows:

1. Council was not given enough proof to establish a need for additional cabs.
2. Testimony and information provided by Yellow Taxi Inc. indicated a level of inconvenience, but not necessity.

No further action was taken.

Contract No. 10-02, Construction Project Management for Tongass Avenue Sewer and Water Main Replacement Phase II – R&M Consultants, Inc. of Anchorage, Alaska - \$375,214.00

Moved by Jason Harris, seconded by West the City Council authorize the city manager to execute Contract No. 10-02 with R&M Consultants, Inc. of Anchorage, Alaska to provide construction project management services for the Tongass Avenue Sewer and Water Main Replacement Phase II Project in the amount of \$375,214.00, and approve funding in the amount of \$187,607 from the 2010 Wastewater Division Tongass Avenue Water Main Replacement Phase II Project Management Capital Account and \$187,607 from the 2010 KPU Water Division Tongass Avenue Water Main Replacement Phase II Project Management Capital Account.

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

Contract No. 09-30 Tongass Utilities Replacement Project – Phase II, Change Order No. 1 – S&S General Contractors and Equipment Rentals, Inc.

Moved by Jason Harris, seconded by Coose the City Council approve Change Order No. 1 to Contract No. 09-30 Tongass Avenue Utilities Replacement Project – Phase II, with S&S General Contractors and Equipment Rentals, Inc. in the amount of \$82,883.84 bringing the total project cost to \$6,819,930.84, and authorize the city manager to execute the change order on behalf of the City Council

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

Council Direction Relative to Senate Bill 129

Fire Chief Hill spoke regarding Senate Bill 129 and House Bill 202, emphasizing that sprinkler systems do save lives. He stated the sponsors of these bills think they are doing us a favor by allowing our communities the ability to adopt residential sprinkler requirements. He explained Ketchikan is a deferred community and the fire department already has that authority. He noted both bills are unfunded mandates, and allow the State to come in and dictate to communities the code revision process that is already in place. He felt this is not a sprinkler issue because that battle has already been fought and won. He noted a municipality may or may not mandate sprinkler systems in one to two family residential dwellings.

Mayor Williams said SB129 is a big direction and a big decision for this community. He stated if we take this direction he would like to see all the public input and information

we can get, including cost of installation. He said he would like to defer until next meeting, when the Council can give support or not.

Moved by KJ Harris, seconded by Olsen the City Council defer until next meeting.

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

**Approving 2009-2010 Collective Bargaining Agreement
Between the City of Ketchikan and the Ketchikan
Professional Firefighters Association, IAFF, Local 2761**

Moved by Coose, seconded by West the City Council approve the 2009-2011 Collective Bargaining Agreement between the City of Ketchikan and the Ketchikan Professional Firefighters Association (IAFF) Local 2761 and direct the city manager to execute the agreement on behalf of the City Council.

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

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,687.00.

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

CITY MANAGER'S REPORT

Alaska Senate Bill 59 – Low Speed Vehicles

In his report, Assistant Manager Martin indicated Roger Healy, Alaska Department of Transportation and Public Facilities recently enacted legislation that allows low-speed vehicles to operate on roads where the maximum-posted speed is 45 mph. He explained SB59 is not expected to have impact within the City limits.

**Public Works Department Project Status Report –
February 2010**

Assistant Manager Martin presented to the City Council for review the project status report of the Public Works Department for the month of February.

Tongass Avenue Phase II Project Status Report

Assistant Manager Martin submitted for Council review the Public Works Director's Tongass Avenue Phase II Project Status Report

2010 Sales Tax Report – Update No. 2

Assistant Manager Martin transmitted a memorandum from the Finance Director Newell, regarding sales tax collections for the first quarter of 2010. Mr. Newell noted it appears sales are down, but above the budgetary estimate for 2010.

K.P.U. MANAGER'S REPORT

Report of March 8, 2010 Power Outage

Assistant Manager Martin provided the Council a copy of the report from Bailey Operations regarding a recent power outage due to high winds. The report noted the outage affected approximately 730 customers on South Tongass.

Councilmember Coose mentioned without the Tye Intertie, the outage could have been for a longer period of time.

Report of March 9, 2010 Power Outage (Morning)

Assistant Manager Martin attached report from Bailey Operations regarding a morning power outage on March 9, 2010 caused by a tree falling due to high winds on South Tongass Highway, affecting approximately 730 customers.

Report of March 9, 2010 Power Outage (Afternoon)

Assistant Manager Martin attached a report from Bailey Operations regarding the March 9, 2010 afternoon power outage during which Bethe substation feeder one was opened because of primary lines coming loose from a cross-arm due to high winds.

Utility Operating Divisions' Project Status Reports – February 2010

Assistant Manager Martin presented for Council review the Utility Operating Division's project reports for the month of February 2010.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE

Attorney Bradford informed the Council the purchase agreement for Lot 10(A)1 was drafted and executed in his office today between the City and Mr. Dawson for the fire station .

FUTURE AGENDA ITEMS

Mayor Williams requested an update on the Gravina Access Project be added to the agenda, as well as an update on Senate Bill 129.

MAYOR AND COUNCIL COMMENTS

Councilmember Coose reminded that there is a special energy meeting next week. He encouraged Mr. Paulsen to keep moving forward, noting we all should be proactive.

Councilmember Kj Harris responded to the comments made on possible other uses of the new fire department property. He stated he is not agreeing with her but suggested may be there are more uses than just the fire department.

Councilmember Shay said his granddaughter is doing well and glad he was able to visit her in Iowa. He noted he was very pleased he could get and read the entire Council packet on line. He advised he would be home in time to attend the special council meeting on March 25, 2010.

Councilmember Sivertsen commented on the big blast up on the Baranof reservoir property. He stated he understands it, in the original contract the City had a blasting consultant, and he just wanted to make sure we were following procedure to keep things under control. He advised was just coming back from the Cruise Shipping Conference in Miami where it was very nice, and Governor Parnell was able to attend. He hoped they were making progress with their disagreements, and he will have a full report when he gets home.

Councilmember Olsen said the Library Committee has a meeting tomorrow night to formalize the group, where they are still discussing properties.

Councilmember West indicated the KPU Advisory Board usually meets the last Thursday of the month but will not be meeting because of the special Council meeting next week. She hoped since the meeting will be on energy that the KPU Advisory Board members will attend. She continued they are a very good group of people. Mayor Williams requested Assistant Manager Martin to send the group an invitation to the meeting, to which Assistant Manager Martin responded it had already been done.

Councilmember Jason Harris said he would really like to have a report on the last terms or agreements with the IBEW negotiations. Assistant Manager Martin said they were currently setting up meetings. Councilmember Harris said he would not be here for the special meeting nor would he be calling in, but he would be here for the regular April meeting.

Mayor Williams informed he has several interviews lined up with Chamber, KTKN, KRBD, and Rotary regarding the sale of the Telecommunications Division. He invited anyone else to attend if they desired. He said any hard questions can be answered by the manager or the Telecommunications Division manager. He commented on the Gravina

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hard link, stating management can take a look at it so the Council can form some kind of response to send to the State.

Councilmember Jason Harris also spoke regarding some of the actions the Borough Assembly is taking with the CPV funds, and encouraged you to keep an eye on some of the transactions that are happening. Mayor Williams said that is one of the topics at the first Cooperative Relations Committee meeting. Mayor Williams said so far it has been hard getting all parties together, but a meeting is currently set for the middle of April.

OTHER NEW BUSINESS – None

ADJOURNMENT

As there was no further business, the Council moved to adjourn at 9:00 p.m.

Lew Williams III, Mayor

ATTEST:

Kim Stahl
Deputy Clerk

FYI ITEMS INCLUDED

March 5, 2010 Edition of the Legislative E-Bulletin
Water Utilization Study Report – February 2010
March 11, 2010 Edition of the Legislative E-Bulletin