

April 1, 2010

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., April 1, 2010, 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, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Allen, Electric Division Manager Kline, Telecommunications Division Manager Abbott, and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams said there are several items laid on the table, including: a press release relative to House Bill 202; a report of reservoir elevations as of March 31, 2010; a notification from Manager Amylon that the agreements for the lease of Gateway Center for Human Services real property, buildings and equipment will be presented to Council on April 15; and a copy of the Borough Assembly statement regarding Gravina Access Project Supplemental EIS Alternative Screening Report. He also noted there was a letter from a citizen regarding HB19.

PERSONS TO BE HEARD

Electric Division Manager Kline introduced Andrew Donato, the new Senior Electric Systems Engineer, who came to Ketchikan from Marysville, Michigan.

Dan Ortiz spoke to issues regarding water, specifically because of contaminants being above acceptable levels. He said we have ample water, yet we can't seem to get it clean and safe. He felt it would make the town more attractive if we had clean water. He said there are many in the community who are concerned about this issue.

Councilmember Jason Harris explained the City is working on a multi-million dollar water treatment project, and Manager Amylon informed it should be online early summer.

CONSENT AGENDA

Councilmember Jason Harris requested the items regarding the maintenance and repair for bridges, the change order for the City Hall HVAC Upgrade, and the three-year insurance broker service renewal agreement be moved from New Business to the Consent Agenda. Mayor Williams asked if there were any objections, and none were heard.

Approval of Minutes

Moved by Jason Harris, seconded by Sivertsen approval of the minutes of the regular meeting of March 18, 2010.

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

Award of Contract No. 10-11 – Janitorial Services for Berths III and IV Restrooms, HBAA Janitorial Services

Moved by Jason Harris, seconded by Sivertsen the City Council accept the bid of HBAA Janitorial Services in the amount of \$9,510 for Contract No. 10-11, Janitorial Services for Berths III and IV Restrooms; authorize funding from the Port of Ketchikan's 2010 Janitorial Services Account No. 57; 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.

Award of 2010 Hazardous Household Waste Collection and Removal Agreement – Carson Dorn, Inc.

Moved by Jason Harris, seconded by Sivertsen pursuant to Sections 3.12.050(a)(2) and (9) of the Ketchikan Municipal Code the City Council approve the Hazardous Household Waste Collection and Removal Agreement between the City of Ketchikan and Carson Dorn, Inc. in the amount of \$55,500; authorize funding from the Solid Waste Disposal Division's 2010 Contractual Services Account No. 53; and direct the city manager to execute the agreement on behalf of the City Council.

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

Two-Year Extension of Contract No. 07-45 – Ketchikan Police Department Vehicle Towing and Storage, BB Towing & Recovery

Moved by Jason Harris, seconded by Sivertsen the City Council authorize a two-year extension of Contract No. 07-45, Ketchikan Police Department Vehicle Towing and Storage, between the City of Ketchikan and BB Towing and Recovery based on the terms and conditions of the original agreement and direct the city manager to execute the extension document on behalf of the City Council.

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

Revocable and Limited Permit to Work on or Encroach Upon Platted Right-Of-Way – Trident Seafoods

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Moved by Jason Harris, seconded by Sivertsen the City Council approve the issuance of a Revocable and Limited Permit to Work on or Encroach Upon Platted Right-Of-Way to Trident Seafoods and authorize the city manager to execute the permit on behalf of the City Council.

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

**Budget Transfer – Anticipated Repair and Maintenance
Associated with Alaska Department of Transportation &
Public Facilities (ADOT&PF) 2009 Bridge Inspection
Reports**

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the transfer of \$100,000 from Appropriated Reserves of the Public Works Sales Tax Fund to the 2010 Streets Division's Annual Bridge Maintenance and Repair Capital Account.

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

**Budget Transfer – Change Order No. 1 to Contract No.
09-23, City Hall HVAC Control Upgrade, Control
Contractors, Inc.**

Moved by Jason Harris, seconded by Sivertsen the City Council approve Change Order No. 1 in the amount of \$17,836 to Contract No. 09-23, City Hall HVAC Control Upgrade, between the City of Ketchikan and Control Contractors, Inc. of Anchorage, Alaska; increase the contract amount by \$17,836 from \$78,321 to \$96,157; authorize a budget transfer of \$1,157 from Appropriated Reserves of the Public Works Sales Tax Fund to the Building Division's City Hall HVAC Control Upgrade Capital Account; 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.

**Three-Year Insurance Broker Service Agreement to
Davies-Barry, Inc. and Alliant Insurance Services**

Moved by Jason Harris, seconded by Sivertsen the City Council award a three-year insurance broker service agreement to Davies-Barry, Inc. and Alliant Insurance Services in the amount of \$70,000 annually for a total contract amount of \$210,000 and authorize the city manager to execute the agreement on behalf of the City Council.

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

UNFINISHED BUSINESS

SB No. 129 and HB No. 202 – Acts Relating to Municipal Building Code Requirements for Fire Sprinkler Systems in Certain Residential Buildings

Moved by Coose, seconded by West the City Council direct staff to take action indicating the Council's support of SB No. 129 and HB No. 202.

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

NEW BUSINESS

Ordinance No. 10-1647 – Amending Section 1.08 of the Ketchikan Municipal Code Concerning Elections – First Reading

Copies of Ordinance No. 10-1647 were available for all persons present.

Moved by Jason Harris, seconded by Sivertsen the City Council approve in first reading Ordinance No. 10-1647 amending Section 1.08 of the Ketchikan Municipal Code concerning elections; and establishing an effective date.

Clerk Suiter outlined the major changes provided by the ordinance, and answered questions from the Council.

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

Requests for Additional Port Crossing Guards and Distribution of Matching Uniforms

Port and Harbors Director Corporon said the crews have matching raingear, which is what they wear on inclement weather days, along with OSHA-approved retro-reflective pants. He informed if it is nice they wear a port-security vest, OSHA-approve and retro-reflective, which covers the entire torso, the entire back and the only things exposed are the sleeves and the legs. He said they will be all be wearing the same hat, and he displayed an example. He stated they cannot wear flip-flops, and must wear work pants or a nice pair of jeans or shorts (on a really nice day).

Mr. Corporon continued by addressing the Newtown area and crossing guards. He stated the purpose of the crossing guards, which is safety and traffic flow in areas where there are large groups of people traversing streets, and he said the Newtown area has not had

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the amount of traffic that required a crossing guard. He stated this was after some experimentation as well as observance. He discussed crossing guards in the context of the Water Street sidewalk widening, and indicated they will continue to monitor the situation. He answered questions from the Council.

Gravina Access Project Supplemental EIS – Alternatives Screening Report

Moved by Coose, seconded by Sivertsen the City Council direct staff to file such comments with the Alaska Department of Transportation & Public Facilities on the Gravina Access Project Supplemental EIS Alternatives Screening Report as determined appropriate by the City Council.

Councilmember Coose felt the City really needed to weigh in on the subject. He said has heard from a number of others in the community that a hard link is preferred vs. ferries, unless the ferries are free. He commented on the alternative construction costs as shown on Page 9 of the report, stating it is not a fair evaluation if you take the life-cycle costs for ferries.

Councilmember Shay agreed with the life-cycle comments, which was affirmed by Councilmember Sivertsen.

Councilmember West expressed she was not in favor of a hard link, and asking for this amount of money in these economic times for a town of this size.

Councilmember Jason Harris expressed support for a hard link, which would provide developable land, and questioned the issue of ferries not operating all the hours they are needed.

Councilmember Olsen said he agreed with Councilmember West, noting he felt we need increased access but didn't need to spend this amount of money. He noted there are acres on this side of town that are available and ready for building. He said there is also maintenance costs associated with a bridge, and it will not be cost-free afterwards. He expressed he felt better ferry access would be better, for reduced or no cost to residents.

Mayor Williams felt we should send a letter and ask them to consider Alternatives C3-4 and F3. He said there is support for a hard link in Ketchikan, even though there are people interested in the ferry options.

Mayor Williams asked the manager if the discussion provided enough direction, and based on Manager Amylon's affirmative answer, no roll call was made on the motion.

Offer of Employment – Assistant Public Works Director

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Moved by Jason Harris, seconded by Coose this item be deferred to the next regular Council meeting.

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

**Ordinance No. 10-1648 – Amending Chapter 11.12
Telecommunications Service and Rates of the Ketchikan
Municipal Code – First Reading**

Copies of Ordinance No. 10-1648 were available for all persons present.

Moved by Coose, seconded by Sivertsen the City Council approve in first reading Ordinance No. 10-1648 amending Chapter 11.12 of the Ketchikan Municipal Code, Telecommunications Services and Rates; providing for a public hearing; and establishing an effective date.

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

**Transfer of Gateway Center for Human Services to
Akeela, Inc.**

Moved by West, seconded by Shay the City Council approve the Gateway Center for Human Services privatization documents providing for the transfer of the agency to Akeela, Inc. as detailed in the city manager's report dated March 25, 2010; extend the Memorandum of Agreement for Clinical Management Services to April 30, 2010; authorize the return to the State of Alaska Department of Health and Social Services of previously awarded behavioral health grants effective April 30, 2010; request that the State of Alaska Department of Health and Social Services reissue previously awarded behavioral health grants to Akeela, Inc. effective May 1, 2010; authorize a \$1.4 million funding commitment to Akeela, Inc. during the three-year period transfer period; authorize the lease of Gateway Center for Human Services real property, buildings and equipment to Akeela, Inc. during the three-year transfer period; approve the Memorandum of Agreement for use of Gateway Center for Human Services vehicles by Akeela, Inc. during the three-year transfer period; and authorize the city manager to execute the Gateway Center for Human Services privatization documents providing for the transfer of the agency to Akeela, Inc. in substantially the same form as detailed in the city manager's report dated March 25, 2010.

Manager Amylon explained the cost of \$1.4 million, noting it is spread out over three years. He answered further questions from the Council.

Rosalie Nadeau, Executive Director of Akeela, addressed the Council and answered questions. She emphasized they don't run what doesn't pay, with the exception of their

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transitional housing program. She said they want to be responsible to the Council and the community. She complimented City staff and their working relationship.

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

HB No. 19 – An Act Exempting the State and Its Political Subdivisions from Daylight Saving Time

Moved by Jason Harris, seconded by Coose the City Council direct staff to bring forward a resolution expressing opposition to HB No. 19.

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

Resolution No. 10-2324 – Requesting the Legislature Amend the Fisheries Business Tax (Raw Fish Tax) Law to Share More than the Current 50% of the Tax Revenue with Qualified Municipalities – Mayor Williams

Moved by West, seconded by Jason Harris the City Council approve Resolution No. 10-2324 requesting the Legislature amend the fisheries business tax law to share more than the current 50% of the tax revenue with qualified municipalities; and establishing an effective date.

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

The Council took a short break at 8:01 p.m. and reconvened at 8:12 p.m.

VOUCHERS

Moved by West, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,382.80.

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

CITY MANAGER’S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the March 18, 2010 City Council Meeting

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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 March 18, 2010.

Ketchikan Visitors Bureau 2009 Community Achievement Award – City of Ketchikan Port and Harbors Department

Manager Amylon informed the Council that the Ketchikan Visitors Bureau awarded its 2009 Community Achievement Award to the City of Ketchikan Port and Harbors Department. He noted it is presented to an individual or organization that reflects a unique contribution to Ketchikan's visitor industry. He acknowledged the efforts of the department and congratulated them for receiving the award.

Councilmember Shay also congratulated the department for the award.

Contract No. 09-38 Progress Report – Millar Street Bridge Replacement, Southeast Engineering

Manager Amylon provided an update from Senior Project Engineer Seth Brakke regarding the Millar Street Bridge Replacement Project. Mr. Brakke noted the project is suffering because of other commitments the contractor has, and he felt it would be difficult for the contractor to meet the completion date of July 16, 2010.

2010 Assessed Property Values

Manager Amylon included a report from Finance Director Newell regarding the Borough's preliminary assessed property values for 2010. He noted a 2% decrease was projected at the time the 2010 General Government annual budget was adopted, but actual property values increased by .4%. Mr. Newell offered the number reflects the challenging economic circumstances that continue to confront the community.

Special Meeting – Library Site Selection

Manager Amylon said a special meeting was being planned for April 21, 2010 to discuss the new library site selection.

Joint Cooperative Relations Committee

Manager Amylon reported the Joint Cooperative Relations Committee met today and selected three issues to tackle: a park at Berth IV; Stedman Street restrooms; and funding of the library from both an operational and capital viewpoint. He noted he has begun working with staff to get information together. He said they will be meeting again on April 16th.

K.P.U. MANAGER'S REPORT

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Electric Division Journeyman Lineman Hire

Manager Amylon reported the Electric Division is now fully staffed at the Journeyman Lineman positions, due to a recent hire. He noted the Journeyman Apprentice position remains vacant pending resolution of issues with IBEW regarding the hiring process.

Report of March 8, 2010 Triple Play Outage

Manager Amylon provided a report from Telecommunications Division Manager Abbot regarding the March 12, 2010 Triple Play customer outage.

Retirement of Nortel DMS 100

Manager Amylon informed the Council, through a memorandum from Telecommunications Division Manager Abbot, the Nortel switch was retired on Friday, March 26, 2010. He noted this was a culmination of a two-year effort and congratulated all the employees who were involved.

Diesel Maintenance

Manager Amylon reported maintenance will be performed on the diesel generators next week, and the fuel to operate them has been programmed into the 2010 budget. He noted the diesel surcharge has come off the KPU bills as of the March 26, 2010 bill run.

CITY CLERK'S FILE

Clerk Suiter reminded councilmembers to return their financial disclosure statements before April 15th.

CITY ATTORNEY'S FILE

City Attorney Bradford noted he provided a memorandum to the Council tonight.

FUTURE AGENDA ITEMS - None

MAYOR AND COUNCIL COMMENTS

Councilmember Kj Harris reminded everyone there is vote coming up next Tuesday, and he encouraged everyone to get out and vote. He requested people to consider the issue carefully.

Councilmember Shay addressed a certain email that councilmembers received, expressing it is essentially junk mail. He reported there is an AML board meeting coming up on May 7 and 8, to which AML will pay his transport and lodging. He said he will

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cover meals. He addressed Mr. Ortiz' concern about water, noting there is only one element that is potentially hazardous, and Ketchikan is only a few percentage points above the maximum allowed. He noted there will be a Solid Waste Committee meeting tomorrow at noon.

Councilmember West said she has heard some union employees are concerned about the vote, and if a contract is not in place they might be at a disadvantage. She reassured she has not heard anything from other councilmembers indicating such, and that the three-year requirement would be in place. She commented she is very pleased with Akeela's presence here and with their plans for Gateway. She said it is a new day for them, and she encouraged everyone to get out and vote.

Councilmember Jason Harris requested the newspaper have a section for community announcements and public notices. He said it was tough to come back from Hawaii to snow.

Councilmember Sivertsen said he and Councilmember Jason Harris went to see the bronze statues that are being created by David Rubin, and they are pretty amazing. He said the foundations for them are being made. He said there is going to be a meeting with Mr. Paulsen, and he hoped some of his issues could be resolved. He reported on his attendance at SeaTrade, noting Governor Parnell was also in attendance. He said it is the single largest meeting of the cruise industry, and he felt the governor's presence and current legislation would help Alaska. He encouraged future attendance as well as increased marketing.

Mayor Williams said he was glad Mr. Sivertsen went to SeaTrade and felt we need to keep promoting Alaska. He also commented he was glad about Akeela because he felt Gateway should be run as a non-profit organization. He encouraged everyone to vote on April 6. He addressed the Council's travel budget, stating he would bring details to the next meeting. He felt the Council needed to look ahead at what is coming up in the future and deal with it.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

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 Sivertsen the City Council declare that consistent with the general manager's memorandum dated March 23, 2010 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

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Workers, Local 1547 in executive session; in accordance with that finding, the City Council go into executive session in accordance with KMC 2.04.025(a)(1) and (b)(2) and AS 44.62.310(c)(1) and (3) to discuss said negotiations and the auxiliary items described in the general manager's memorandum dated March 23, 2010, 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, Jason Harris, Coose, Olsen and West voting yea; Kj Harris and Shay voting nay.

The Council recessed into executive session at 8:28 p.m. and reconvened at 8:40 p.m.

Manager Amylon advised that the KPU/IBEW and utility negotiating teams this morning reached a tentative agreement in which the current collective bargaining agreement would be extended. He said Larry Bell had been down from Anchorage, and he, Manager Amylon and Jay Rhodes met yesterday and today after which they signed a memorandum of understanding that would be subject to formal approval by the Council and IBEW bargaining unit. He reported it is his understanding that the bargaining unit will be meeting on Monday, and if it is ratified he will bring it back to the Council on April 15. He felt it was a win-win for both parties

ADJOURNMENT

As there was no further business, the Council adjourned at 8:40 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Ketchikan Visitors Bureau - Fourth Quarter Report and 2010 Marketing Plan
First City Players – Quarterly Activity and Financial Reports