

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., April 15, 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, Finance Director Newell, Fire Chief Hill, Gateway Center for Human Services Acting Executive Director Medford, Human Resources Manager Miller, Police Chief Talik, Public Works Director Allen, Electric Division Manager Kline, Telecommunications Division Manager Abbott and City Clerk Suiter.



**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 7:02 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.

Zack Boles, Manager for Alaska Cab and Sourdough Cab, stated they opposed the application as it is not good for business. He said there was no necessity, and recited several reasons such as loss of industry, population decrease, more free services and lack of traffic in the off season. He also addressed convenience, describing wait times and lack of complaints to City staff. He stated he would like to have a description of how convenience works and how taxicabs serve the convenience of the community written into the ordinance. He read a section of the Code he handed out, stating if a cab does what it is supposed to be doing there is no inconvenience to the customer. He spoke to flooding the market with cabs and what it would do to existing taxicab drivers, and he felt the only one gaining from increased taxicabs was the owner. He stated if the Council decided more cabs were needed on the road, the amount should be distributed equally among all three businesses.

Greg Poppen addressed the Council, handing out a survey he took on behalf of Mr. Boles' attorney regarding taxicab service. He described the method he used during the survey, and went over results he handed out.

Steve McDonald discussed the library site selection, expressing support for keeping it in the current location. He also talked about increased taxicabs, and he felt the owner wanted to go into the tour business. He said more cabs would create a hardship on other cab drivers. He described how the cabs "cruise," and didn't see how there was a local need.

Ethel Rhine, local taxicab driver, spoke against allowing more taxicabs. She addressed the economy, and she said last year Yellow Taxi had extra cabs on the street for which they were not permitted. She felt with extra cabs they would not make it.

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Kay Bauernfeind said she has been driving cab for 20 years, and the economy is down. She said making money at driving is marginal, but everyone is in the same boat. She felt convenience wasn't an issue and wait times are not unreasonable. She addressed what she felt market would bear, and felt there is really good service.

Justin Carro spoke on behalf of himself and Nils Utterback, stating the cab companies have benefits other tour operators do not have. He elaborated on his statement, noting tour companies pay a lot of money for spaces on the dock. He said the cab drivers hijack customers, and did not feel it was fair they could compete in his industry while he could not compete in theirs. He stated if the Council gave the cab owner five extra cabs, similar consideration should be given to tour operators to allow them to operate in the taxicab market.

Robert Wickman III spoke in support of Yellow Taxis request, stating he did not feel the owner would ask for more cabs without enough business to make the request. He spoke to the experience of Yellow Taxi, and elaborated on his experience. He spoke to the need for additional vehicles during the tour season, noting they need to keep them available for locals and not just visitors. He emphasized there is a need for more cabs, not just in the summertime.

Dan Kowalski, a driver for Yellow Cab, spoke in support of an increase in the number of cabs. He described his experience, stating most tours are sold on the boats and felt there was always a need even in the off season.

The Council took a short break at 7:55 p.m. and reconvened at 8:02 p.m.

Conan Steele spoke in support of an increase in the number of cabs; pointing out in the summer they get saturated with calls to where they cannot meet the demand. He felt this translates into lost sales tax revenues. He addressed wait times, expressing the cabs are inefficient at times. He felt taxicabs should be involved in the visitor industry at they are the public as well. He also spoke to the plan being considered by Tongass Trading, as well as service needed by locals.

Cathy Flora read several letters of support from taxi drivers regarding Yellow Taxi's request, as well as a single letter signed by several drivers.

John Flora, owner of Yellow Taxi, referred to a folder he handed out to the Council and referred to a section of the Code. He noted taxis are not encroaching on anybody's business as it relates to tours and they are entitled to vigorously pursue the tourist industry. He discussed the criteria for issuing new permits, and suggested he would not ask for more cars just to have them sitting around.

As there was no further testimony, Mayor Williams declared the public hearing closed at 8:16 p.m.



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**PUBLIC HEARING ON ORDINANCE NO. 10-1648 – AMENDING
TELECOMMUNICATIONS SERVICE AND RATES**

Mayor Williams called the public hearing on Ordinance No. 10-1648 to order at 8:16 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 8:16 p.m.



COMMUNICATIONS

Mayor Williams said there was an item laid on the table updating the lease agreement between the City of Ketchikan and Akeela, Inc.; a report of current reservoir elevations; a request to reject all bids for Contract No. 10-12; a request for substitute and new motions regarding the new municipal fire station; an updated lease agreement between the City and Akeela, Inc. for Gateway Center for Human Services; and a request to withdraw the item regarding City Hall first floor HVAC intake contract.

Mayor Williams said he would pull the item regarding handicapped parking from the agenda and put it on for the next meeting.

PERSONS TO BE HEARD

Linda Millard, Leslie Jackson and Stephen Reeve gave a PowerPoint presentation regarding a downtown revitalization project. Ms. Millard said this is an economic development plan that involves the City, and they were here to request the City's participation. She discussed parking, pedestrian safety, and waterfront access. She elaborated on three central areas: Newtown, Downtown and Old Town.

Stephen Reeve outlined emphases they were focusing on to enhance cultural and business activities, noting they are all City interests. He pointed out the City is responsible for elements contained in each aspect of the planning effort, and felt the project can help the City in its own improvement efforts. He described the steps they hope to take in each area.

Ms. Jackson said it will require a lot of collaboration, and they really need the City to be a partner in the effort. She stated they have already been working with the Public Works Department as well as the Manager's Office, and she encouraged the Council to attend their workshops. She explained their tentative schedule, and all three answered questions from the Council.

Samuel Bergeron expressed there should have been much more public input regarding the proposed new library project. He urged the Council not to take any concrete action, but involve those who are interested in this subject.

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Kent Miller also discussed the site for the new library project, and he felt it should remain at the current location. He discussed recommended sites and felt the City may be able to move the museum to the main street fire station building after the new fire station is built, and leave the library where it currently exists. He felt this made sense because the City already has resources in these two buildings.

Susan Peters also felt there should be more of a public process relative to the library site location. She said there needs to be more planning and it should be located in the downtown core.

Lela Raymond discussed the item regarding the sale of products containing dextromethorphan. She related the experiences her family has had concerning abuse of the drug, and gave several statistics. She urged the Council to back her in her efforts to take this to a national level, noting there is a definite need in Ketchikan. She outlined her efforts locally, stating the drugs have been removed from shelves in Ketchikan. She also asked the Council to support House Bill 327.

Dave Ruben provided a progress report on the bronze figures he is making for the Port. He advised the spring welding class at the college is making the bases, and the shipyard has donated the steel for that purpose.

Councilmember Sivertsen questioned lighting the structures, and Councilmember Jason Harris felt it was important to take a look at lighting because it is important to have during the darker months of the year.

CONSENT AGENDA

Councilmember Jason Harris request several items be moved from New Business to the Consent Agenda, including: renewal of Contract No. 08-03 for electric line construction work; the Memoranda of Understanding between the City of Ketchikan d/b/a Ketchikan Public Utilities and the IBEW; Resolution No. 10-2325 removing Gateway Center for Human Services employees from PERS; Contract No. 10-07 regarding fiber optic cable placement; Contract No. 10-12 regarding fiber optic equipment and materials; Contract No. 10-05 relative to video-on-demand; the 2009-2011 Collective Bargaining Agreement between the City of Ketchikan and IBEW; Resolution No. 10-2328 amending the City's Personnel Rules; and General Government and KPU non-represented employees monthly health insurance premium contributions.

Mayor Williams confirmed that Contract No. 10-12 referred to rejecting the bids. Councilmember KJ Harris stated he would be refraining from voting on the liquor license transfer as he had a conflict of interest.

Approval of Minutes

Moved by West, seconded by Jason Harris approval of the minutes of the special meeting of March 25, regular meeting of April 1, and special meeting of April 8, 2010.

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

Declaration of Surplus Equipment – Nortel DMS 100 Switch

Moved by West, seconded by Jason Harris pursuant to Section 3.12.070 of the Ketchikan Municipal Code, the City Council declare as surplus the Telecommunications Division's Nortel DMS 100 switch and authorize the general manager to donate, sell or dispose of said switch in such a manner as he determines reasonable and appropriate consistent with the Telecommunications Division manager's report dated April 7, 2010.

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

Liquor License Transfer – The Asylum

Moved by West, seconded by Jason Harris the City Council approve the transfer of ownership and name change of: Beverage Dispensary – The Asylum; owner The Asylum, LLC, 522 Water Street, Ketchikan, Alaska 99901 from KJ's Ravens Roost; owner Curly, Inc., 522 Water Street, Ketchikan, Alaska 99901.

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

Revocable and Limited Permit to Work on or Encroach Upon Platted Right-of-Way – Kristena Berntson

Moved by West, seconded by Jason Harris the City council approve the Revocable and Limited Permit to Work on or Encroach Upon Platted Right-of-Way to Kristena Berntson for the purpose of extending the unimproved 1½ Alley right-of-way to provide driveway access to her residence at 2329 Second Avenue.

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

Resolution No. 10-2326 – Opposing HB No. 19, An Act Exempting the State from Daylight Savings Time

Moved by West, seconded by Jason Harris the City Council approve Resolution No. 10-2326 opposing HB No. 19, An Act Exempting the State from Daylight Savings Time; and establishing an effective date.

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

Quotes for Police Department Digital Evidence Management System

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Moved by West, seconded by Jason Harris the City Council accept the quote of the Justice Data Group of Juneau, Alaska in the amount of \$30,477 for the purchase of a Police Department digital evidence management system; authorize funding from the 2010 Police Department's Digital Evidence Management System Capital Account; 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.

Renewal of Contract No. 08-03 – Electric Line Construction Work, Chatham Electric, Inc.

Moved by West, seconded by Jason Harris the City Council authorize renewal of Contract No. 08-03, Electric Line Construction Work, between Ketchikan Public Utilities and Chatham Electric, Inc. for a one-year term in an amount not to exceed \$130,000; authorize funding in amounts of \$100,000 and \$30,000 respectively from the 2010 Electric Division's Pole Replacement Capital Account No. 94 and the 2010 Telecommunications Division's Contractual Services Account No. 53; and direct the general 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.

Memoranda of Understanding – Extension of the 2007-2009 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 Jason Harris the City Council approve the Memoranda of Agreement extending the 2007-2009 Collective Bargaining Agreement between the City of Ketchikan, Alaska d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers, Local 1547 through December 31, 2011.

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

Resolution No. 10-2325 – Amending the City's PERS Participation Agreement by Removing the Employees of the Gateway Center for Human Services Department From the PERS

Moved by West, seconded by Jason Harris the City Council approve Resolution No. 10-2325 amending the City's PERS Participation Agreement by removing the employees of the Gateway Center for Human Services from the PERS; and establishing an effective date.

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

Award of Contract No. 10-07 – Fiber Optic Cable Placement, Utility Technologies, Inc. - \$206,996

Moved by West, seconded by Jason Harris the City Council accept the bid of Utility Technologies, Inc. in the amount of \$206,996 for Contract No. 10-07, Fiber Optic Cable Placement; establish a five percent contingency in the amount of \$10,350, bringing the total project cost to \$217,346; authorize funding in the amount of \$217,346 from the 2010 Telecommunications Division's Fiber to the Home Capital Account; and direct the general 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 Contract No. 10-12 – Fiber Optic Equipment and Materials, Graybar - \$188,647

Appeal of Award of Contract No. 10-12 – KGP Logistics

Moved by West, seconded by Jason Harris the City Council reject all bids for Contract No. 10-12 Fiber Optic Equipment and Materials, and direct the general manager to re-bid the procurement contract on behalf of the City Council.

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

Award of Contract No. 10-05 – Acquisition of Video-On-Demand System Infrastructure, Espial Group Inc. - \$126,809

Moved by West, seconded by Jason Harris the City Council award Contract No. 10-05, Video-On-Demand System Replacement, to Espial Group, Inc. of Sunnyvale, California and Ottawa, Ontario at a cost of \$126,809; establish a project contingency of five percent in the amount of \$6,340, bringing the total project cost to \$133,149; authorize the general manager to proceed with the acquisition of a MDS server and N-PVR Client Licenses from Nokia Siemens in the amount of \$8,653 to support the new Video-On-Demand System; approve funding in the amount of \$141,802 from the 2010 Telecommunications Division's Headend Expansion Capital Account; and direct the general 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.

2009-2011 Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Brotherhood of Electrical Workers, Local 1547

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Moved by West, seconded by Jason Harris the City Council approve the 2009-2011 Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Brotherhood of Electrical Workers, Local 1547 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.

Resolution No. 10-2328 – Amending Section 6.5 of the City of Ketchikan Personnel Rules

Moved by West, seconded by Jason Harris the City Council approve Resolution No. 10-2328 amending Section 6.5 of the City of Ketchikan Personnel Rules; and establishing an effective date.

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

Modification of General Government and Ketchikan Public Utilities Non-Represented Employee Monthly Health Insurance Premium Contributions Effective August 1, 2009

Moved by West, seconded by Jason Harris the City Council authorize the modification of health insurance premium contributions by General Government and Ketchikan Public Utilities non-represented employees, including City Council contract employees, who are enrolled in the City's Blue Cross/Blue Shield health insurance program effective August 1, 2009 as detailed in the Human Resources manager's memorandum dated April 7, 2010.

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

UNFINISHED BUSINESS

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

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

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

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

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

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

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

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

**Offer of Employment – Assistant Public Works Director –
Deferred from April 1, 2010**

Moved by West, seconded by Olsen the City Council authorize the city manager to offer the position of Assistant Public Works Director to Seth Brakke of Ketchikan, Alaska based on a compensation level of 750 providing an annual salary of \$95,125.

Moved by Coose, seconded by Sivertsen to defer this item until staff has an opportunity to have the manager determine an outline of how proposed work will be done and what kind of position is really needed.

Manager Amylon noted the budgeted amount for this position was predicated on an April 1 start date, and work issues are rapidly changing with more projects potentially coming on in 2011 and 2012. He reminded Mr. Brakke has been doing the job ever since the former assistant director was put in the position of director, and other Alaskan municipalities are offering more for like positions. He felt it offered a seasoned and experienced employee the chance to advance.

He related it was his intent to request, in terms of not filling the vacant engineer position, a contract/grant administrator position, which will relieve Mr. Allen, Mr. Brakke and Ms. Jurczak of a whole lot of work. He said his intent was for this position to be at less pay.

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

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

NEW BUSINESS

Resubmittal of Request by Ketchikan Yellow Taxi, Inc. to Increase the Number of Taxicabs Authorized Under Its Certificate of Public Convenience and Necessity

Moved by Shay, seconded by Sivertsen, 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, the City Council find 1) that further taxicab service is required by the public convenience and necessity; and 2) that Ketchikan Yellow Taxi, Inc. is fit, willing and able to perform such public transportation and to conform to the provisions of KMC Chapter 5.40 and the rules promulgated by the city manager and the Council.

In response to Councilmember Jason Harris, City Attorney Bradford said there is a very specific provision contained in the Ketchikan Municipal Code that describes the circumstances under which the number of taxicabs can be increased. He explained it is a four-point test, and essentially the things the Council is to consider is the number of taxicabs already in operation, and whether existing transportation is adequate to meet the public need. He stated the question is whether the public need is being met by the current number of taxicabs that are in operation now. He said it is relevant to consider the length of wait time, as it pertains directly to whether the public need is being met. He said the Council is to consider whether the public's, which includes visitors, need for transportation services within the City of Ketchikan are being met. He cautioned the Council to limit its focus on these things.

City Attorney Bradford continued by explaining the difference between a taxicab service and a sightseeing service, noting the fare structures are supposed to be different. He reminded if a taxicab is selling as a sightseeing vehicle, they should stay off the bypass.

Councilmember Kj Harris suggested perhaps the ordinance should be rewritten to create a seasonal provision. He also wondered how many times this subject would be coming before the Council should the Council deny the application at this time.

Councilmember Sivertsen said the average national figure for regulatory purposes is one cab per 1,000 people. He pointed out that presently we have 23, which means we can serve 23,000 people. He noted he talked to cab drivers and six out of the seven said there is not a need and one said there might be a need in the summer.

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

Professional Services Agreement for Phase I Review of Electric Division Rate Structure – D. Hittle & Associates, Inc.

Moved by West, seconded by Jason Harris the City Council authorize the general manager to enter into a professional services agreement with D. Hittle & Associates, Inc. at a cost not to exceed \$24,845 for a Phase I Review of the Electric Division rate structure as detailed in the March 25, 2010 correspondence from John L. Heberling, P.E. and approve funding in the amount of \$24,845 from the 2010 Electric Division's Professional Services Account No. 60.

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

Ordinance No. 10-1649 – Declaring Gateway Center for Human Services Department Vehicles Surplus; Exempting the Disposition of Surplus Gateway Center for Human Services Department Vehicles from Competitive Bidding and Other Requirements; Authorizing the City Manager to Transfer Surplus Gateway Center for Human Services Department Vehicles to Akeela, Inc. – First Reading

Copies of Ordinance No. 10-1649 were available for all persons present.

Moved by Coose, seconded by Jason Harris the City Council approve in first reading Ordinance No. 10-1649 declaring Gateway Center for Human Services Department vehicles surplus; exempting the disposition of surplus Gateway Center for Human Services Department vehicles from competitive bidding and other requirements; authorizing the city manager to transfer surplus Gateway Center for Human Services Department vehicles to Akeela, Inc.; and providing for an effective date.

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

Purchase Contract for the Acquisition of Lot 10A1 – John R. Dawson

Moved by Jason Harris, seconded by Sivertsen the City Council approve the purchase contract for the acquisition of Lot 10A1 between the City of Ketchikan and John R. Dawson in the amount of \$1,185,000 and authorize funding in the amount of \$1,100,000 from the Fire Department's 2010 Main Street Fire Station Replacement Capital Account.

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

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Handicapped Parking Enforcement –Mayor Williams

Mayor Williams withdrew this item from the agenda to be considered next meeting.

Amendment No. 2 to Contract No. 09-33, Design and Engineering of Municipal Fire Station, Bettisworth Welsh Whiteley, LLC

And

Amendment No. 2 to Contract No. 09-34, Project Management Services for Municipal Fire Station Design and Construction, RISE Alaska, LLC

Moved by West, seconded by Olsen the City Council authorize Amendment No. 2 to Contract No. 09-33, Design and Engineering of Municipal Fire Station, between the City of Ketchikan and Bettisworth Welsh Whiteley, LLC in the amount of \$364,678; approve funding from the Fire Department's 2010 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the amendment on behalf of the City Council.

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

Moved by Kj Harris, seconded by Sivertsen the City Council authorize Amendment No. 2 to Contract No. 09-34, Project Management Services for Municipal Fire Station Design and Construction, between the City of Ketchikan and RISE Alaska, LLC at a cost not to exceed \$39,540; approve funding from the Fire Department's 2010 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the amendment on behalf of the City Council.

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

Moved by Coose, seconded by Kj Harris the City Council authorize the city manager to enter into a professional services agreement with R&M Engineering-Ketchikan, Inc. at a cost of \$87,790 for a geotechnical investigation of the new main fire station site (Lot 10A1) as detailed in the April 15, 2010 correspondence of Tim Whiteley and approve funding in the amount of \$87,790 from the Fire Department's 2010 Main Street Fire Station Replacement Capital Account.

Tim Whiteley answered questions from the Council.

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

HB No. 327 – An Act Relating to the Scheduling and Rescheduling of Certain Substances as Controlled Substances and to the Sale of Products Containing Dextromethorphan

Moved by Coose, seconded by Olsen the City Council write a letter of support regarding House Bill No. 327 and send it to legislators.

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

Budget Transfers – Replacement of City Hall Telecommunications System

Moved by West, seconded by Shay the City Council authorize budget transfers in the amounts of \$50,000 and \$34,000 respectively from Appropriated Reserves of the Public Works Sales Tax Fund to the 2010 Information Technology Department's Ethernet Cable Rewiring Capital Account and to the Building Maintenance Division's 2010 City Hall Phone System Upgrade Capital Account for the purpose of purchasing and installing a new phone system at City Hall.

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

Lease Agreement Between the City of Ketchikan and Akeela, Inc. for the Lease of the Gateway Center for Human Services Buildings, Structures, Improvements, Furniture, Fixtures and Equipment

Moved by Shay, seconded by West the City Council approve the lease agreement between the City of Ketchikan and Akeela, Inc. for the lease of the Gateway Center for Human Services buildings, structures, improvements, furniture, fixtures and equipment and authorize the city manager to execute the lease agreement on behalf of the City Council.

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

VOUCHERS

Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$2,117.20.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the April 1, 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 April 1, 2010.

Award of 2009 Assistance to Firefighters Grant Program – Fire Prevention and Safety Grant

Manager Amylon notified the Council that the City has been awarded a \$53,657 Fire Prevention and Safety Grant. He noted the City's local match in the amount of \$2,829 was funded in the 2010 General Government Budget. He related the funding will be used for Fire Inspector I and II certifications, Fire Plan Review certification and for providing a Fire and Life Safety Plans Review course.

Public Works Department Project Status Report – March 2010

Manager Amylon provided the Public Works Department project status report for the month of March 2010 for Council review.

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

Manager Amylon included a report from the Public Works Engineering Division summarizing project activities through March 2010 for the Tongass Avenue Utilities Replacement Phase II Project.

Committee Substitute for Senate Bill 230 (FIN) – “An Act Making and Amending Appropriations, Including Capital Appropriations, Supplemental Appropriations, and Other Appropriations; Making Appropriations to Capitalize Funds; and Providing for an Effective Date”

Manager Amylon outlined relevant excerpts from the Senate Finance Committee's substitute for Governor Parnell's proposed 2011 Capital Budget. He noted although the committee substitute is extremely positive for the City of Ketchikan and community, he cautioned there are approximately two weeks left in the session and the bill has yet to be

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enacted. He also noted any appropriation is subject to gubernatorial veto. He advised he and Finance Director Newell are reviewing the necessity of moving forward with the special election of June 22, 2010 regarding voter approval of KPU revenue bonds, which depends on the outcome of the capital budget.

Manager Amylon reported the last three days of the legislative session is occurring, and the capital budget is now on the house side. He related there will probably be a committee substitute released sometime tomorrow. He informed yesterday the Senate Finance Committee handed out a committee substitute to the full Senate on the head tax relief, which the full Senate then adopted, and is now over at the House. Manager Amylon continued the House Committee substitute will probably be released tomorrow.

He explained the significance of the new legislation that Senator Stedman sponsored, that beginning November 1, 2010 the City of Ketchikan would become eligible to receive \$2.50 per passenger. He said this would equal just a little under \$2 million each year for the City, and the Borough's \$2.00 is maintained as well.

Contract No. 09-09 Update, North Yorktown Drive and Jackson Heights Street Paving Project – Concrete Curb and Gutter Degradation

Manager Amylon provided a memorandum from Public Works Director Allen alerting that degradation, similar to that being experienced on Jackson Heights Street, is being experienced on other City and non-City projects. He stated the contractor is in discussions with the supplier of concrete and are attempting to resolve the issue.

Award of 2010 National Association of County and City Health Officials (NACCHO) Medical Reserve Corps (MRC) Program Grant

Manager Amylon informed the City has been awarded a \$5,000 Medical Reserve Corps Grant, which will be used for emergency preparedness training and supplies.

Construction Season

Manager Amylon said this year's construction season will be intense. He noted a meeting is scheduled with tour operators and in order to get through the season, the City needs to allow them access to the Third Avenue Bypass. He said unless there objections, that is what his office intends to do. No objections were heard.

Special Meeting for Library Site Selection

Manager Amylon reported he would not be available for next week's special meeting regarding Library site selection. He said the City has been at this process for three to four years, and has had multiple site selection processes. He stressed the need for a site in

order to be able to go after funding dollars as per Senator Stedman. He said the sooner a site is identified and the process started, the Council will be in a far better position to seek out state and federal funding.

Councilmember Olsen said the process has been very open to the public, noting the first meeting was widely publicized. He said the facilitator for the project from Foraker has been in project management for 30 years, and she commented this was the most publicly documented project she had ever worked on. He continued to relate the biggest change brought about by Foraker was going from a two-story to a one-story structure.

K.P.U. MANAGER'S REPORT

Rate Comparison Update

Manager Amylon copied the Council with a memorandum from Electric Division Manager Kline regarding a comparison of various Alaska communities' electric rates. He advised the comparison is based on revenue dollars per kilowatt-hour.

Project Status Reports of the KPU Operating Divisions – March 2010

Manager Amylon provided the project status reports of the KPU operating divisions for the month of March 2010.

Planned Maintenance on Swan Lake Hydroelectric Plant and Swan Lake – Bailey Power Plant Transmission Line – Southeast Alaska Power Agency (SEAPA)

Manager Amylon informed SEAPA will undertake maintenance on the Swan Lake Hydroelectric Plant and the Swan Lake-Bailey Power Plant transmission line during the week of May 24, 2010. He noted it will necessitate the operation of the diesel generators and subsequent assessment of diesel surcharges.

CITY CLERK'S FILE

Clerk Suiter handed out the agenda for the special meeting on April 21, 2010.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

April 15, 2010

Councilmember Kj Harris said he was disappointed with the last voter turnout. He noted it was very important that people get out there and vote on things, noting the potential sale of KPU's Telecommunications Division was decided by 13 votes.

Councilmember Shay said his granddaughter is doing fine and is back in school part-time. He said she will have to undergo more chemo and radiation therapy as a precautionary measure. He stated he saw the launching of the new craft the Susitna. He advised he had talked to officials at Alaska Ship and Drydock, and there will be a big launch party on June 11. He cited several of the people who are invited, and said the Council will receive invitations as well.

Mr. Shay continued a paper has been finished entitled Ice Technology 2010, which will be presented at a special conference probably in September. He encouraged all to read the article about the vessel that may lead to other jobs. He also mentioned Alaska Ship and Drydock needs the Council's support, particularly as it relates to electrical rates.

Councilmember Olsen pointed out he questioned Senator Stedman about funding regarding the library construction, and Senator Stedman said he created the legislation that made the program and he will support the projects as submitted by Alaska Library Association. He reminded we are in next year's funding, so now is the time. He pointed out the community will be putting up about a third of the cost. He continued by thanking the police and fire departments for welcoming his first-grade class, where they had a great time.

Councilmember Jason Harris questioned about the plan for the old hospital, and Manager Amylon said he would provide a report. He reported he would not be present for the meeting next week.

Councilmember Sivertsen advised there was some communication from the city of Thorne Bay addressed to the Borough about the Southeast Alaska Solid Waste Authority. He said this has been formed and they are trying to recruit members, the purpose of which is to find a better way to deal with solid waste in smaller communities. He felt Ketchikan was doing very well with its solid waste services.

Councilmember Coose, in referring to the Borough's planning efforts regarding Newtown, Downtown and Old Town, requested the City participate because planning can get out of hand.

Mayor Williams said the City has made a decision about the fire station, and we need to do the same thing for the library. He said there is no perfect spot, and no matter where it is someone will not like it. He thanked Senator Stedman for his efforts. He reported there will be a Cooperative Relations Committee meeting tomorrow at noon and Mr. Sivertsen and Mr. Coose will be there.

April 15, 2010

Mayor Williams continued that the City Council's travel budget is already in the red, and the Council needs to figure out where they need to go and contemplate who should go.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 10:14 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Legislative E-Bulletin – March 26 and April 2, 2010
Lake Levels and System Generation Report – March 2010
Water Utilization Study Report – March 2010
Legislative E-Bulletin – April 9, 2010