

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., June 3, 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, Civic Center Manager Jones, Fire Chief Hill, Human Resources Manager Miller, Library Director McQuerry, Police Chief Talik, Public Works Director Allen, Telecommunications Division Manager Abbott, Solid Waste Supervisor Neely, Assistant Public Works Director Brakke and City Clerk Suiter.



PUBLIC HEARING ON RESOLUTION NO. 10-2331 –
AMENDING THE 2010 GENERAL GOVERNMENT ANNUAL
BUDGET – PUBLIC WORKS STREETS DIVISION - \$527,266

Mayor Williams called the public hearing on Resolution No. 10-2331 to order at 7:03 p.m. and requested public testimony.

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



COMMUNICATIONS

The packet contained several communications, including: a letter from Eric and Paula Youngstrom regarding the old hospital building located on Bawden Street; an invitation from Ketchikan Construction Academy/Southern Southeast Alaska Building Industry Association to partner with Ketchikan Construction Academy; a thank you letter from Ketchikan Youth Initiatives for the donation of the surplus port barricades; and a thank you letter from the Tongass School of Arts and Sciences.

Mayor Williams said there were several items laid on the table, including: a request for a new business item dealing with an option agreement for the purchase of Copper Ridge Lots 1 and 5 of Tract 1004; an update regarding Governor Parnell's vetoes of appropriations contained in the State's 2011 capital budget; and an update regarding reservoir elevations. He asked if there any objections to adding the option agreement to the agenda, and none were heard.

PERSONS TO BE HEARD

Dean Bengen spoke regarding parking on Cedar Street, noting that business owners are crowding out residential homeowners from parking near their homes. He suggested

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implementing a residential parking permit program on the south side of Front and Cedar Streets to Cedar and Main Streets. He handed out a drawing outlining his proposal, and expressed the downtown residents need the same consideration in parking matters that is afforded to downtown business owners.

Paul Jarvi spoke against the single unit sales tax increase. He felt it would be difficult for those who rent as well as business owners.

Marsha George spoke regarding metal versus wood staircases. She read a letter from Barbara Truitt expressing her preference for wood staircases. Ms. George said she was upset after the last meeting at some comments she heard and felt she was owed an apology. She displayed some shoes she wears going down the stairs, and described a meeting she attended regarding preserving the historic nature of Ketchikan. She requested the Council direct management to be cooperative and work with Historic Ketchikan and others. She asked the Council to direct management to amend the Warren/Bayview rebuild bid to preserve wood surfacing on all the stairs and streets in Newtown. She felt if this was not possible, the Council should direct management to recall the bid and incorporate into it the preservation of the historic features of Newtown. She answered questions from the Council.

Nora Tombaugh, representing the Local Emergency Planning Committee, updated the Council on the process that resulted in the Greater Ketchikan Area Multi-Hazard Mitigation Plan. She outlined the benefits of adopting the plan, and she thanked multiple organizations for their participation.

Kevin Gadsey, representing the Ketchikan Youth Initiatives Board, said there have been changes in KYI during the past six months. He explained they have been working on increased participation by the youth in leadership roles for creating programs.

Daniel Williams, President of KYI, spoke regarding the youth center at the old water warehouse. He said the originally planned costs of renovating the structure have been reduced to approximately \$27,000 through volunteer hours. He said they hoped to have it occupied by the end of the summer. He also reported their program is being held at the Red Anchor in the meantime. He thanked the Council for their participation.

Geron Whitton reported on the status of the Hot Shots Paintball field. He stated it is a volunteer youth-operated program, and he thanked the City for the donation of the orange barriers. He outlined ways they are working to encourage increased use of the field.

Ricki Hill discussed other activities sponsored by KYI, including Alley Art and the Fourth of July booth.

Shane Greaves, representing Tongass Trading, thanked the Council for considering their request for a loading zone.

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Bobbie McCreary spoke regarding the stairs in the Bayview area. She handed out pictures of the area, and felt it was important from a historical standpoint to maintain the wood stairs. She expressed concern that whatever the Council chooses to do with staircases will then follow onto 150 foot boardwalk streets as well.

Bill Rotecki, representing A Better Choice, alerted they are circulating a petition to allow voters to decide whether a new library should be located downtown. He said they have enough signatures to file the petition, and they plan to file sometime early next week. He continued that they hoped there would be a vote as soon as possible, and they expect the vote to go in their favor. He explained it will then be up to the City Council to decide where the downtown site should be. He encouraged the Council to expedite the process.

Mr. Rotecki made several points of clarification: 1) they are as committed as anyone to build a new library and they plan to work hard and long to make sure that Ketchikan gets one and to use the 50% match from the state; 2) they believe that building on City-owned property will save at least a million dollars of taxpayers' money – they do not want to see it wasted; 3) they believe that Ketchikan residents need and deserve a vibrant downtown and they want to fill the downtown with reasons for the residents to go there, and the library is a pivotal element of that; 4) they are not doing this for the merchants of downtown but because they believe it is good for the community as a whole, and the business community is only one part of it; and 5) they believe a library downtown can be designed to accommodate the parking it needs and that must be a part of its design, commenting parking has become a distraction regarding the library design. He continued they believe a downtown library will cost less, serve more people and help keep Ketchikan strong.

Sam Bergeron said A Better Choice committee is made up of about 20 concerned citizens from all different aspects of the community. He reported they have over 400 signatures, and he discussed his experience in collecting the signatures. He encouraged the Council to take the ball and run with it, and they intended to file the signatures on Monday or Tuesday. He expressed his concern about laying the item regarding Copper Ridge on the table, and Mayor Williams explained to him that the item will allow the City to delay in purchasing the property until an election is held. Mr. Bergeron said their intent is that the community decide where the library is built, and once the site is selected it should go forward.

Mr. Bergeron also spoke against the proposed increase in single unit sales subject to sales tax, as well as the reclassification of the KPU Sales, Marketing and Customer Service Division Manager position.

Dennis Zeiser said the IBEW and City came to an agreement for a two-year extension for a contract. He reported during the negotiations they were threatened with possible layoffs, and for two solid days the employer side of the table would discuss nothing except mandatory furloughs, ten days leave without pay, for every IBEW employee at KPU. He noted this translates into about a 3.8% reduction in wages. He explained the

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reason given for such harsh action was fiscal challenges facing the utility in 2010, which is one of the reasons stated in the manager's memorandum that delayed bringing forward the reclassification of the Telecommunications Sales, Marketing and Customer Service Division Manager position. He questioned what has changed to where increases can now be given out. He reminded there was no increase for IBEW in 2010, and there will be a wage reopener for 2011 starting in 2010. He commented whatever is good for the goose is good for the gander.

Pam Roth spoke regarding the invitation for the City to become a partner with Ketchikan Construction Academy. She pointed out they are in their fourth year and the money for the Academy comes from the Legislature. She reported every year they have the highest placement rate in the State for their students, and they are trying to train people in Ketchikan to replace the graying workforce. She stated they were advised to look for more partners in the community and make the community more aware of the Academy. She described ways partners help the Academy, and she asked the Council to consider signing on as a partner.

CONSENT AGENDA

Approval of Minutes

Moved by West, seconded by Shay approval of the minutes of the special meeting of May 13, 2010 and the regular meeting of May 20, 2010.

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

Change Order No. 1 (Final) to Contract No. 09-45, Thomas Basin Finger Float Replacement Project – Western Dock & Bridge, LLC

Moved by West, seconded by Shay the City Council approve Change Order No. 1 (Final) to Contract No. 09-45, Thomas Basin Finger Float Replacement Project, between the City and Western Dock & Bridge, LLC providing a net credit of \$11,672 and authorize 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.

Request for Loading Zone – Tongass Trading Company, Inside Passage

Moved by West, seconded by Shay the City Council direct the city manager to proceed with the installation of a loading zone in front of the Ingersol Building as requested by the April 10, 2010 correspondence from Chris Parks of Tongass Trading Company.

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

Request by Delia Dalhaug for a Vacation of a Portion of Buren Road, City of Ketchikan, Combining USS 1296, Block 6, Lots 1-A and 2 to Create USS 1296, Block 6, Lot 1A-1, Vacating 9,359 Square Feet of Buren Road and Dedicating a New Forty Foot Right-of-Way Extending Hillside Road; 250 Heckman Street, City of Ketchikan (Case No. 09-063)

Moved by West, seconded by Shay the City Council approve the vacation of a portion of Buren Road, City of Ketchikan combining USS 1296, Block 6, Lots 1-A and 2 to create USS 1296, Block 6, Lot 1A-1, vacating 9,359 sq. ft. of Buren Road and dedicating a new forty foot right-of-way extending Hillside Road; 250 Heckman Street, City of Ketchikan (Case No. 09-063).

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

Commercial Passenger Vessel (CPV) Fund Grant Agreement for Transportation Worker Identification Credential (TWIC) Enrollment Center

Moved by West, seconded by Shay the City Council approve the Ketchikan Gateway Borough CPV grant agreement for the Transportation Worker Identification Credential (TWIC) Enrollment Center at the Harbormaster Building in the amount of \$26,670.41 and direct the city manager to execute the grant agreement on behalf of the City Council.

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

Change Order No. 1 (Final) to Contract No. 09-53 – Berths I and II 2009-2010 Interim Timber Dock Repairs, Pool Engineering, Inc.

Moved by West, seconded by Shay the City Council approve Change Order No. 1 (Final) in the amount of \$3,200 to Contract No. 09-53, Berths I and II 2009-2010 Interim Timber Dock Repairs, between the City and Pool Engineering, Inc. and authorize 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.

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Change Order No. 1 to Contract No. 09-52, Berth III Upland Dock Maintenance, Pool Engineering, Inc.

Moved by West, seconded by Shay the City Council approve Change Order No. 1 in the amount of \$19,593.55 to Contract No. 09-52, Berths III Upland Dock Maintenance, between the City and Pool Engineering, Inc. and authorize 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.

Resolution No. 10-2334 – Adopting the Greater Ketchikan Area Multi-Hazard Mitigation Plan, and Annexes to the Ketchikan Area Emergency Operations Plan by the City of Ketchikan

Moved by West, seconded by Shay the City Council approve Resolution No. 10-2334 adopting the Greater Ketchikan Area Multi-Hazard Mitigation Plan, and annexes to the Ketchikan Area Emergency Operations Plan by the City of Ketchikan; and establishing an effective date.

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

Request for Assignments of Security Interest in Tidelands Leases ADL 17378 and ADL 32189, First Bank – DuRette Construction Co., Inc.

Moved by West, seconded by Shay the City Council authorize the city manager to execute approvals of two separate Security Assignments of Lease by which security interests in Tidelands Lease ADL 17378 and Tidelands Lease ADL 32189 are assigned to First Bank under such terms and conditions as the City of Ketchikan generally requires for such assignments.

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

Resolution No. 10-2331 – Amending the 2010 General Government Annual Budget to Provide for a Supplemental Appropriation for Public Works – Streets Division in the Amount of \$527,266

Moved by West, seconded by Shay the City Council approve Resolution No. 10-2331 amending the 2010 General Government Annual Budget to provide a supplemental

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appropriation for Public Works – Streets Division in the amount of \$527,266; and establishing an effective date.

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

Budget Transfer – Transaction Attorney Services for the Potential Sale of the Telecommunications Division, Fleischman and Harding LLP

Moved by West, seconded by Shay the City Council authorize the general manager to enter into a professional services agreement with Fleischman and Harding LLP of Washington, DC for transaction attorney services associated with the potential sale of the Telecommunications Division in an amount not to exceed \$100,000; and approve the transfer of \$100,000 from Appropriated Reserves of the KPU Enterprise Fund to the Telecommunications Division 2010 Professional Services Account No. 60 for the purpose of funding legal services necessary for the potential sale of the Telecommunications Division.

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

Negotiation of a Professional Services Agreement for Contract No. 10-08, Comprehensive Storm Drainage Study – Tetra Tech

Moved by West, seconded by Shay the City Council authorize the city manager to negotiate a professional services agreement between the City of Ketchikan and Tetra Tech of Seattle, Washington for Contract No. 10-08, Comprehensive Storm Drainage Study, said agreement to be submitted to the City Council for formal review and consideration.

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

Acceptance of Solid Waste from Power Systems & Supplies of Alaska, LLC at the Deer Mountain Landfill

Moved by West, seconded by Shay the City Council authorize the city manager to enter into an agreement with Power Systems & Supplies of Alaska, LLC providing for the acceptance of solid waste at the Deer Mountain Landfill as detailed in the solid waste supervisor's report dated May 5, 2010.

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

The Council took a short break at 8:05 p.m. and reconvened at 8:10 p.m.

UNFINISHED BUSINESS

**Procurement of Billing and Provisioning Platform
Software Upgrades Without Competitive Bidding -
CommSoft**

Moved by Coose, seconded by Shay pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code, the City Council authorize the general manager to issue a purchase order in an amount not to exceed \$125,000 to CommSoft for the purchase of software upgrades to the Utility's billing and provisioning platforms.

Manager Amylon answered questions from the Council.

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

**Future Replacement of Municipally-Owned Staircases –
Deferred from May 20, 2010**

The motion before the Council was:

Moved by Sivertsen, seconded by West the City Council direct staff to incorporate treads and landings within future replacement of municipally-owned staircases as determined appropriate by the City Council.

Manager Amylon said what he has taken away from the discussion this evening is that the Public Works director and his staff will bring back options for the risers on the Young Street staircase, and work with Ms. George and any other interested residents in that area to see if we can come to a consensus. He said if we do, it will be brought back to the Council and if not, the alternatives will be brought back for Council decision.

He continued in the absence of definitive direction going forward, he envisioned as City staff programs replacement of any particular stairways, staff will bring recommendations back to the Council for approval or further direction. He stated we intend to replace as they are programmed and leave it to Council determination on a case-by-case basis. Mayor Williams felt this was the way it needed to go, and no objections were heard.

Councilmember Olsen argued that only historically designated areas be dealt with in this manner, but Mayor Williams pointed that there are many old stairways that people would say are historic.

Upon request for clarification from the clerk, Mayor Williams said the motion would not be considered due to the direction given to staff.

NEW BUSINESS

Comprehensive Annual Financial Report of the City of Ketchikan, Alaska and the Supplementary Compliance Report Section for the Year Ended December 31, 2009

Moved by West, seconded by Coose the City Council accept the Comprehensive Annual Financial Report of the City of Ketchikan, Alaska and the supplementary Compliance Report Section for the year ended December 31, 2009.

Dirk Richardson provided a brief overview of the CAFR, stating the audit received a clean opinion.

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

Resolution No. 10-2333, Levying a General Tax for Municipal Property Purposes Upon All Real and Personal Property in the City for the Year 2010; Providing for the Collection of Taxes Due in 2010; Prescribing Penalties and Interest for Delinquent Taxes

Moved by Olsen, seconded by Jason Harris the City Council approve Resolution No. 10-2333 levying a general tax for municipal purposes upon all real and personal property in the City for the year 2010; providing for the collection of taxes due in 2010; prescribing penalties and interest for delinquent taxes; and establishing an effective date.

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

Ordinance No. 10-1651 – Increasing the Value of Single-Unit Sales and Rentals Subject to Sales Tax – First Reading

Copies of Ordinance No. 10-1651 were available for all persons present.

Moved by Olsen, seconded by West the City Council approve in first reading Ordinance No. 10-1651 increasing the value of single-unit sales and rentals subject to sales tax; and establishing an effective date.

Moved by West, seconded by Olsen to amend by excluding rentals.

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

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

**Discounted Use of the Ted Ferry Civic Center –
Ketchikan King Salmon Derby Awards Ceremony**

Moved by Jason Harris, seconded by West the City Council direct the city manager to respond to the request of the Ketchikan King Salmon Derby Committee for discounted use of the Ted Ferry Civic Center on Friday, June 18, 2010 as determined appropriate by the City Council.

Civic Center Manager Jones answered questions from the Council.

Moved by Sivertsen, seconded by Kj Harris the Council amend by charging \$527.80 for use of the Ted Ferry Civic Center by the Ketchikan King Salmon Derby Committee.

Mayor Williams said if the amendment passed, it would substitute for the main motion. No objections were heard.

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

**Resolution No. 10-2332 Amending the Compensation Plan
for the Reclassification of the Position of the KPU Sales,
Marketing & Customer Service Division Manager**

Moved by Coose, seconded by Shay the City Council approve Resolution No. 10-2332 amending the Compensation Plan to provide for the reclassification of the Sales, Marketing & Customer Service Division manager and establishing an effective date.

Manager Amylon provided information regarding the comments made by Mr. Zeiser this evening. He stated the representation regarding mandatory furloughs was not factual, and this is not a cost of living raise. He described the changes in the position that have occurred, and the steps that took place in re-grading the position. He emphasized the business is competitive and there are no guarantees the division will be sold, therefore the employees need to be retained if possible.

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

**Bawden Street Apartments (Former Ketchikan Hospital
Building)**

In response to Councilmember Jason Harris, Attorney Bradford said he felt there was another option other than that detailed by Manager Amylon in his memorandum, which was to discuss options with the current owner. He stated in eminent domain, value would have to be given in the proceeding, which would increase the cost of dealing with the problem. He also noted his predecessor had prepared a notice of legal demolition and a lien for costs against the property, which Mr. Dearden said was signed and has been recorded with the state. He stated if a lien for costs has been filed, it is similar in structure to a mortgage and could be foreclosed upon. He said it would wipe out the owner's interest and any junior liens. He stated one problem with a foreclosure of that nature, the City would be subject to any superior liens, which are not known at this time without a title search.

In response to Councilmember Shay, Building Official Dearden said the cleared property would be worth approximately \$475,000. Mr. Dearden said the City has been working to make the building as safe as possible, and he added that if the City liens the property, did the actual work and foreclosed, the City would not necessarily have to pay Davis Bacon wages to a contractor. He pointed out this could reduce the costs of demotion.

Moved by Jason Harris, seconded by West the City Council direct staff to take action to make the Bawden Street Apartments safer than what it is right now.

Mayor Williams clarified we are talking about starting to board it up, talk to the owner again, and possibly move on foreclosure. In response to Councilmember Olsen, Mayor Williams confirmed the title search should take place.

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

Rescinding Award of Contract No. 10-12 – Fiber Optic Equipment and Materials, to WESCO International, Inc. and Authorizing Award of the Contract to Graybar

Moved by Sivertsen, seconded by Jason Harris the City Council rescind award of Contract No. 10-12, Fiber Optic Equipment and Materials, to WESCO International, Inc. in the amount of \$255,420.19; award Contract No. 10-12 to Graybar of Anchorage, Alaska in the amount of \$246,059.87; establish a two percent contingency of \$4,922.13, bringing the total project cost to \$250,982; authorize funding in the amount of \$250,982 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 Shay, Kj Harris, Olsen, West, Jason Harris, Sivertsen and Coose voting yea.

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Change Order No. 2 to Contract No. 09-38, Millar Street Bridge Replacement – Southeast Engineering, Inc.

Moved by Jason Harris, seconded by Olsen the City Council approve Change Order No. 2 in the amount of \$29,682.50 to Contract No. 09-38, Millar Street Bridge Replacement, and direct the city manager to execute the change order on behalf of the City Council.

Assistant Public Works Director Brakke answered questions from the Council. Manager Amylon informed the best guesstimate on completion of the project is now November, rather than July as originally scheduled.

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

FY 2010 and FY 2011 Non-Areawide Agreement between the City of Ketchikan and the Ketchikan Gateway Borough – Payment of Funds to the City of Ketchikan for Library Services

Moved by Coose, seconded by West the City Council approve the agreements between the City of Ketchikan and the Ketchikan Gateway Borough for the payments of funds to the City of Ketchikan for library services during Borough fiscal years 2009-10 and 2010-11 in the amounts of \$369,130 and \$370,285 respectively and authorize the city manager to execute the agreements on behalf of the City Council.

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

Moved by Shay, seconded by West the City Council direct staff to initiate such actions and/or discussions regarding payment by the City of Saxman for library services as determined appropriate by the City Council.

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

Budget Transfer – Option Agreement for the Purchase of Copper Ridge Lots 1 and 5 of Tract 1004

Moved by Olsen, seconded by Jason Harris the City Council authorize the city manager and city attorney to enter into a formal option agreement at a cost not to exceed \$10,000 with George Lybrand for the purchase of Copper Ridge Lots 1 and 5 of Tract 1004 in a form substantially consistent with the terms and provisions detailed in staff's report dated June 3, 2010; and authorize the city manager to transfer \$10,000 from Appropriated Reserves of the Major Capital Improvements Fund to the Library Facilities Replacement Capital Account.

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

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$7,813.34.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the May 20, 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 May 20, 2010.

Contract No. 09-31 Update, Fire Department Engine No. 2 Refurbishment – United Fire Service, Inc.

Manager Amylon included a memorandum from Fire Chief Hill regarding the refurbishment of Engine No. 2. Fire Chief Hill indicated the refurbishment is nearly complete, the vehicle will be returned to Ketchikan in June and the project will be closed out under budget.

Assistant Fire Chief Position Vacancy

Manager Amylon advised that interviews with in-house candidates for the position of assistant fire chief have not resulted in an internal promotion. He noted the City will undertake a national recruitment for the position and Acting Assistant Fire Chief David Breikreutz will continue to serve in the position until a permanent appointment has been made.

Comparison of Actual Reserves with Estimated Reserves for the Year Ended December 31, 2009

Manager Amylon transmitted a memorandum from Finance Director Newell detailing a comparison of actual reserves with estimated reserves for the year ending December 31, 2009.

2010 Sales Tax Update

Manager Amylon conveyed a memorandum from Finance Director Newell regarding sales tax collections for the first quarter of 2010. Mr. Newell pointed out that while sales

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tax receipts are currently up 11.57% compared to 2009, it is too early to draw any meaningful conclusions based on collections to date.

General Government Financial Statements for the Quarter Ending March 31, 2010

Manager Amylon copied the first quarter General Government financial statements for the year ending March 31, 2010.

Financial and Account System Replacement Project

As previously requested, Manager Amylon provided a memorandum from Finance Director Newell regarding the financial and accounting system replacement project. Mr. Newell reported that upon the release of the modified request for proposals, nine responses were received. He provided a schedule for review of the proposals and subsequent choosing of a preferred vendor, noting the goal is to have a vendor selected and a contract awarded before the end of the year.

HCS CSSB 230 (FIN) Capital Budget Decisions CH. 43, SLA 2010

Manager Amylon provided an update regarding the governor's appropriations to the State's 2011 capital budget. He noted there was a total of over \$25 million appropriated for City and KPU projects, and pointed out that while the Jackson Street corridor and Alaska Avenue water and sewer projects were vetoed, they may well qualify for funding under the next round of ADEC municipal matching grants. He noted Senator Stedman has committed to working with the City to get the Whitman project on the radar for next year's budget.

Manager Amylon continued that he and Finance Director Newell will be working over the next week relative to coming up with a financing plan for the City's various capital initiatives that are out there. He said they will try to bring something back to the Council in the relatively near future to make some determinations as to whether or not to move forward with General Obligation and Revenue bonds at the October election. He noted the funding for libraries under the Municipal Matching Grant program was not touched by the governor, so the first projects that were scheduled for funding this year are moving forward. He reminded the City is in second position going into next year's round if we can get to 35% design and acquire a site prior to session next year.

K.P.U. MANAGER'S REPORT

Fund for Rural Education and Development Scholarship Award – Courtney Enright

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Manager Amylon reported that Courtney Enright has received a \$1,000 academic scholarship from the Fund for Rural Education and Development as a result of KPU Telecommunication's membership in Organization for the Promotion and Advancement of Small Telecommunications Companies.

Ketchikan Public Utilities Financial Statements for the Quarter Ending March 31, 2010

Manager Amylon transmitted the Ketchikan Public Utilities financial statements for the first quarter ending March 31, 2010.

Report of Reservoir Elevations

Manager Amylon included a memorandum from Electric Division Manager Kline regarding reservoir elevations as of June 1, 2010.

CITY CLERK'S FILE

Clerk Suiter said, as noted earlier by Manager Amylon, the tentative date for a special election is targeted as August 24, 2010, which is also the date of the primary election for the state. She said it is very difficult to get election workers between August and the regular election in October.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Mayor Williams said he would like the Ketchikan Construction Academy subject on the next agenda.

MAYOR AND COUNCIL COMMENTS

Councilmember Kj Harris said the Council over the past several months has worked hard and made a decision on the site for the library, although it was not a 100% decision. He said they spent weeks doing it, having public comment, meetings, Friends of the Library meetings, and other meetings, so there was a lot of opportunity for people to have a chance to make their opinion known. He stated he is not saying the Council always makes correct decisions, but when one is made and citizens for whatever reason decide they want to change the decision, why is there a City Council anyway. He said we do not need to be building stairs for a certain group of people, and sometimes it is really hard as a councilmember.

Councilmember Shay said he recently took a tour of the electrical system, stating he is really impressed with the condition of the facility, the need for some improvements, some of the things that have been done in order to protect us, and some of the upcoming safety

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needs in certain areas. He felt it was regrettable that the Whitman Lake hydro project had been vetoed by the governor, because we need the power from that facility. He continued the next meeting of the Downtown Revitalization Committee will be on June 22. He reported the Alaska Municipal League will be holding its winter meetings in Juneau, Anchorage and Fairbanks due to the accessibility of those areas. He pointed out, though, that the summer meeting may be held in other communities. He said he will put Ketchikan's name in for hosting a future summer meeting.

Councilmember Olsen outlined the costs for a library at the Main School site, noting there is an elevator attached to it, additional parking structure, and a skybridge going to the playground. He emphasized any improvements outside of the library do not qualify for the 50-50 matching grant fund, so when we look at this we have the potential to double the costs to the community if we choose a site that is as inaccessible as the Main School site.

Councilmember Jason Harris said he was disappointed to read about the petition on Saturday when he opened up the paper. He reminded he previously said it would be nice if the community had the opportunity to vote on this, but he wasn't expecting it to be in this manner. He pointed out the Council has heard strongly from folks who are adamant they want the library downtown, and have not heard much from folks who are adamant they do not want it downtown. He said if people are adamant they do not want it downtown, they need to step out and let others know that is how they feel. He felt all the residents who care about this project need to think about coming out and voting when it comes up. He expressed the Council needs to encourage people in the neighborhoods, grocery stores, and every place they go to get out and vote.

Councilmember Sivertsen expressed the public process is great, and he cautioned the public to get all their facts. He felt concerned about the Main School site, which has been reviewed a number of times and doesn't allow emergency vehicle access as well as displaces parking. He said if you take the twenty-four hour parking away from the top of the hill, it will get worse. He requested the public get the facts, listen and get involved.

In response to Councilmember Olsen, Mayor Williams said he would talk to the manager to come up with something about Mr. Bengen's request, then let him know when it will be on the agenda.

Mayor Williams said he was glad the City didn't get vetoed on everything, and we did get a lot. He hoped we ended up getting the 70% match on Jackson Street and Alaska Avenue, because they are important issues.

Councilmember Jason Harris commented the refurbishment of the fire engine was really nice and it was cost effective.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Evaluation of the City Attorney – Request for Executive Session

Moved by West, seconded by Sivertsen the City Council go into executive session in accordance with KMC 2.04.025(a)(2) and Alaska Statute 44.62.310(c)(2) for the purpose of conducting an evaluation of the city attorney, which may involve discussion of “subjects that tend to prejudice the reputation and character of any person provided the person may request a public discussion.”

Mayor Williams asked Attorney Bradford if he would like the discussion to be held in public or private, to which Attorney Bradford replied he would like it in private.

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

The Council recessed into executive session at 9:35 p.m. and reconvened at 9:50 p.m.

Mayor Williams said the Council has completed an executive session for the purpose of conducting an evaluation of the city attorney and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 9:51 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Boys & Girls Clubs of Southcentral Alaska’s Quarterly Activity Report – October Through December 2009