

July 1, 2010

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., July 1, 2010, with the following members present: Dick Coose, Jason Harris, Jack Shay, Robert Sivertsen and Marty West. Councilmembers Matthew Olsen and Kj Harris were absent.

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

Staff present were Acting Manager Martin, Acting Finance Director Johansen, City Attorney Bradford, Information Technology Manager Thomas, Library Director McQuerry, Police Chief Talik, Public Works Director Allen, Acting Telecommunications Division Manager Lindgren, Electric Division Manager Kline, Water Division Manager Kleinegger, Assistant Public Works Director Brakke and City Clerk Suiter.



**PUBLIC HEARING ON ORDINANCE NO. 10-1654 – AMENDING
KETCHIKAN MUNICIPAL CODE SECTION 11.16.050(b) – NEW
CLASS OF SERVICE – BULK WATER SALES**

Mayor Williams called the public hearing on Ordinance No. 10-1654 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:02 p.m.



COMMUNICATIONS

Mayor Williams said there were several items laid on the table, including: a memorandum regarding evening construction activity at the intersection of Tongass Avenue and Third Avenue; a report of reservoir elevations; and an additional appointment to the Port and Harbors Advisory Board. He asked if there were any objections to adding the additional advisory board appointment to the agenda, and none were heard.

PERSONS TO BE HEARD

Dean Bengen handed out copies of the Declaration of Independence, and spoke of it as an example of what happens when the government doesn't listen to its people. He referred to the item on the agenda restricting public speaking to three minutes, and he pointed out the price the signers of the Declaration of Independence paid when they valued freedom and liberty over materialism. He felt members of the Council value materialism over liberty and freedom, and referred to parking fines. He urged the Council to re-read the handout.

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Josh Henrick said he is a KPU lineman, and he stated no one refused the call (to respond to a power outage), but no one could be reached. He stated no conclusions were made between the workers and management, and he felt solutions they presented were not considered. He said it looks like management wants to give the same option to an outside contractor that they, as City workers, themselves offered to provide. He stated they are willing to work with the City to keep the work in-house, but they don't want to be seen as bad guys who don't want to get the lights back on or don't want to help the City out. He pointed out their records show that guys are consistently taking calls, but this time it was difficult to get hold of them.

Doug Ward encouraged the Council to defer the utility items on the list.

Halli Kenoyer expressed appreciation for the time the Council spends on their jobs, and she said they are excited to have the sculptures. She stated she wanted to raise awareness and she handed out some pins she made for this purpose.

CONSENT AGENDA

Approval of Minutes

Moved by West, seconded by Coose approval of the minutes of the regular meeting of June 17, 2010 and special meeting of June 25, 2010.

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

Exempting Purchase of Taqua OpenManager (OM) Server and Software and Billing Mediation Software (BMS) from the Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code

Moved by West, seconded by Coose pursuant to Subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the purchase of a Taqua OpenManager (OM) server and software and Billing Mediation Software from the requirements of competitive bidding or obtaining written quotations; authorize the general manager to purchase the server and software from Taqua at a cost of \$27,811; and establish a five percent contingency in the amount of \$1,389, bringing the total project cost to \$29,200.

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

Reproduction of Likeness of Bronze Casting of Seven Historical Figures – Mary Ida Hendrikson

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Moved by West, seconded by Coose the City Council approve the June 17, 2010 request of Ms. Mary Ida Hendrikson to reproduce the likeness of David Rubin's bronze casting of seven historical figures for the production of a commemorative medallion for use by the Pioneers of Alaska.

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

**Budget Transfer – Request for Community Agency
Funding, Ketchikan Chamber of Commerce**

Moved by West, seconded by Coose the City Council authorize the city manager to transfer \$2,725 from Appropriated Reserves of the General Fund to the City Council's 2010 Community Promotion Account No. 51 and direct the city manager to issue a purchase order to the Ketchikan Chamber of Commerce in an amount not to exceed \$2,725 to defray expenses associated with the July 4th unveiling ceremonies for two of the three public art projects commissioned by the City of Ketchikan.

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

UNFINISHED BUSINESS

**Ordinance No. 10-1654 – Amending Subsection
11.16.050(b) of the Ketchikan Municipal Code to
Establish a Rate for a New Class of Service Described as
Bulk Water Sales to Persons or Entities Other than Water
Haulers – Second Reading**

Copies of Ordinance No. 10-1654 were available for all persons present.

Moved by Jason Harris, seconded by Sivertsen the City Council approve in second reading Ordinance No. 10-1654 amending Subsection 11.16.050(b) of the Ketchikan Municipal Code to establish a rate for a new class of service described as bulk water sales to persons or entities other than water haulers; establishing a date for a public hearing; and establishing an effective date.

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

**Appointments to Boards and Commissions – Mayor
Williams**

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Mayor Williams submitted the names of Terri-Lee Gould and Rod Bray for re-appointment to the Port and Harbors Advisory Board, and asked if there were any objections; none were heard.

**Ordinance No. 10-1652 – Amending Section 2.04.026(a)
Agenda and Adding New Section 2.04.027 Public
Participation**

Copies of Ordinance No. 10-1652 were available for all persons present.

Moved by Sivertsen, seconded by Jason Harris the City Council approve in second reading Ordinance No. 10-1652 amending Ketchikan Municipal Code Section 2.04.026(a) Agenda and adding a new Section 2.04.027 Public Participation.

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

Request to Defer Consideration of Ordinance Nos. 10-1653 and 10-1655 and Power Sales Agreement Annual Rate Adjustment – Alaska Ship and Drydock, Inc.

Moved by Shay, seconded by Sivertsen pursuant to the June 24, 2010 request of Alaska Ship and Drydock, Inc., the City Council defer consideration of Ordinance Nos. 10-1653 and 10-1655 to the City Council meeting of October 7, 2010; and direct the general manager to adhere to the terms and conditions of Section 5 of the 2005 Power Sales Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Alaska Ship and Drydock, Inc.

Moved by Coose, seconded by West to amend by removing the portion of the motion that reads: “and direct the general manager to adhere to the terms and conditions of Section 5 of the 2005 Power Sales Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Alaska Ship and Drydock, Inc.”

Doug Ward answered questions from the Council.

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

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

NEW BUSINESS

**Ordinance No. 10-1656 – Authorizing the Issuance of
General Obligation Bonds in an Amount up to and Not**

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More than \$7,200,000 to Finance a Portion of the Cost of Constructing and Equipping a New Fire Station; Providing for Submission to the City's Voters at a Regular Election to be Held on October 5, 2010, of a Proposition Approving this Capital Project, Approving this Ordinance and Ratifying the Authorization of the General Obligation Bonds – First Reading

Copies of Ordinance No. 10-1656 were available to all persons present.

Moved by Jason Harris, seconded by Coose the City Council approve in first reading Ordinance No. 10-1656 authorizing the issuance of general obligation bonds in an amount up to and not more than \$7,200,000 to finance a portion of the cost of constructing and equipping a new fire station; providing for submission to the City's voters at a regular election to be held on October 5, 2010, of a proposition approving this capital project, approving this ordinance and ratifying the authorization of the general obligation bonds; and establishing an effective date.

Fire Chief Hill answered questions from the Council.

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

Ordinance No. 10-1657 – Authorizing the Issuance of General Obligation Bonds in an Amount up to and Not More than \$5,200,000 to Finance a Portion of the Cost of Constructing and Equipping a New Public Library; Providing for Submission to the City's Voters at a Regular Election to be Held on October 5, 2010, or a Proposition Approving this Capital Project; Approving this Ordinance and Ratifying the Authorization of the General Obligation Bonds – First Reading

Copies of Ordinance No. 10-1657 were available for all persons present.

Moved by West, seconded by Shay the City Council approve in first reading Ordinance No. 10-1657 authorizing the issuance of general obligation bonds in an amount up to and not more than \$5,200,000 to finance a portion of the cost of constructing and equipping a new public library; providing for submission to the City's voters at a regular election to be held on October 5, 2010 of a proposition approving this capital project, approving this ordinance and ratifying the authorization of the general obligation bonds; and establishing an effective date.

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

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Resolution No. 10-2337 – Providing for Submission to the Qualified Voters of the City at the Regular Election to be Held in the City on October 5, 2010 of a Proposition as to Whether the City Should Issue its Wastewater Revenue Bonds in the Principal Amount of up to and not more than \$1,700,000 to Provide Funds to Pay a Portion of the Cost of Acquiring and Installing New Sewer Mains Along Alaska Avenue and Buren Road

Moved by Sivertsen, seconded by Shay the City Council approve Resolution No. 10-2337 providing for submission to the qualified voters of the City at the regular election to be held in the City on October 5, 2010 of a proposition as to whether the City should issue its wastewater revenue bonds in the principal amount of up to and not more than \$1,700,000 to provide funds to pay a portion of the cost of acquiring and installing new sewer mains along Alaska Avenue and Buren Road; and establishing an effective date.

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

Ordinance No. 10-1658 – Amending Subsections 10.88.080(a)(1) and 10.88.080(a)(2) of the Ketchikan Municipal Code to Increase the Penalties for Violations of Illegal and Overtime Parking and Parking in a Handicap Stall – First Reading

Copies of Ordinance No. 10-1658 were available for all persons present.

Moved by Jason Harris, seconded by Sivertsen the City Council approve in first reading Ordinance No. 10-1658 amending Subsections 10.88.080(a)(1) and 10.88.080(a)(2) of the Ketchikan Municipal Code to increase the penalties for violations of illegal and overtime parking and parking in a handicap stall; and establishing an effective date.

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

Resolution No. 10-2338 – Authorizing the Submission of a Grant Application to USDA Rural Development for Funding of Phase I Construction of the Ketchikan General Hospital Addition and Alterations Project

Moved by West, seconded by Jason Harris the City Council approve Resolution No. 10-2338 authorizing the submission of a grant application to USDA Rural Development for funding of Phase I construction of the Ketchikan General Hospital Addition and Alterations Project; and establishing an effective date.

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

**Professional Services Agreement, Contract No. 10-08,
Comprehensive Storm Drainage Study – Tetra Tech
Alaska, LLC**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the city manager to enter into a professional services agreement with Tetra Tech Alaska, LLC at a cost not to exceed \$349,901 for Contract No. 10-08, Comprehensive Storm Drainage Study; and authorize funding from the Streets Division's 2010 Storm Drainage System Study Capital Account.

Assistant Public Works Director Brakke answered questions from the Council.

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

**Professional Services Agreement, Contract No. 10-03,
Phase II Design for Replacement of Bethe Substation –
Commonwealth Associates, Inc.**

Moved by Shay, seconded by Sivertsen the City Council authorize the general manager to enter into a professional services agreement with Commonwealth Associates, Inc. at a cost not to exceed \$280,000 for Contract No. 10-03, Phase II Design for Replacement of Bethe Substation; and authorize funding from the Electric Division's 2010 Bethe Substation Capital Account.

Electric Division Manager Kline answered questions from the Council.

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

Internet Streaming of City Council Meetings

Moved by Jason Harris, seconded by Shay the City Council direct the city manager to undertake such actions as may be required to initiate Internet streaming of City Council meetings as determined appropriate by the City Council.

Information Technology Manager Thomas and Clerk Suiter answered questions from the Council. After discussion, it was determined that the basic package from Granicus would be the best option, as it can be built upon.

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

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Budget Transfer – Declaration of Public Emergency for Electric Division Emergency Standby Linemen Response Services – Chatham Electric

Moved by West, seconded by Shay pursuant to paragraph (7) of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council direct the general manager to execute a purchase order in the amount of \$15,000 to Chatham Electric for emergency standby linemen response services for the Electric Division; and authorize budget transfers of \$10,000 and \$5,000 respectively from the Electric Division's 2010 Salaries & Wages and Employee Benefits Account Nos. 11 and 16 to the Contractual Services Account No. 53.

Electric Division Manager Kline and IBEW Assistant Business Manager Zeiser answered questions from the Council

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

2010-11 Legislative Liaison – Initial City of Ketchikan and Ketchikan Public Utilities Priority Requests

Moved by West, seconded by Coose the City Council approve the City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the 2010/11 Legislative Liaison Community Priority List as detailed in staff's report dated June 25, 2010 and/or as modified by the City Council.

In response to Councilmember Sivertsen, Attorney Bradford said the title search on the Bawden Street building has been completed and there are no other superior liens, and the City should be able to obtain clean title. He continued he has had email communication back and forth with the individual that purports to represent the not-for-profit corporation that is the ownership entity, and he still has dreams of things he wants to do. He stated it is his sense the owner is not willing to part with the building for a nominal amount as Attorney Bradford has suggested. He noted it would leave the City in a position of having to foreclose the existing lien that has been filed for accumulated costs for previous repairs and maintenance that were deemed necessary. He felt it would take probably six to eight months for the process to be completed.

Moved by Coose, seconded by Sivertsen to amend by adding the replacement of Berths I and II to the list.

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

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

VOUCHERS

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Moved by West, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$3,493.35.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of June 17, 2010

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 June 7, 2010.

Council Meeting of July 15, 2010

Acting Manager Martin noted there would probably be two presentations at the Council meeting of July 15th, with CH2M Hill presenting information on the UV Chloramination facility and Tetra Tech presenting information on the storm drainage study.

K.P.U. MANAGER'S REPORT

Interim Alternative to Beaver Falls Hydroelectric Project Breaker Replacement

Manager Amylon provided a report alerting the Council that, according to Electrical Systems Engineer Donato, the replacement of the breakers at the Beaver Falls Hydroelectric Project will likely be under-funded. The report stated staff's intent to undertake an interim solution that involves the addition of current-limiting fuse links between the existing breakers and the common bus out in the yard. He noted, however, that replacement of the breakers will still be required in the future for reliability purposes.

Report of June 19 and 21, 2010 Telecommunications Outages

Manager Amylon provided a report from Telecommunications Division Manager Abbott regarding the June 19 and 21, 2010 telecommunications outages.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Jason Harris wished everyone a happy Fourth of July.

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Councilmember Sivertsen said he didn't want anything to reflect directly on the entire KPU staff because we have a lot of dedicated employees who do a great job. He said there will be occasionally be differences that need to be dealt with.

Councilmember Coose wished everyone a good Fourth of July. He posed a question on the Water Street sidewalk widening project, and Acting Manager Martin said there would be an additional 18 inches to two feet on the water side.

Councilmember Shay said the dedication of the bronze sculptures will occur at 8:00 p.m. on the Fourth, and a proclamation commemorating such will be presented. He urged everyone to vote no on Proposition 1 during the State primary election.

Councilmember West questioned about the Rainbird Trail, and Public Works Director Allen said there was no plan for construction on the City part of the trail. He said it is a primitive undeveloped foot trail.

Mayor Williams also urged the public to vote against Proposition 1, and he hoped they understand just what it means. He noted he has had a lot of complaints from the Third Avenue area about the construction noise at night, with it keeping everyone awake. He noted he talked to S&S General Contractors today and they sent him a letter stating they are going to try to do some things to reduce the noise. He said he will transmit the letter to those who have contacted him, and an adjustment of schedule will cost tens of thousands of dollars. He questioned what day in July would be best for a special meeting regarding the budget as requested by management, and July 22 was chosen.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 8:18 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk