

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., September 16, 2010, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay (via teleconference), Robert Sivertsen and Marty West.

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

Staff present were Manager Amylon, Finance Director Newell, City Attorney Bradford, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Allen, Water Division Manager Kleinegger, and Deputy City Clerk Stahl.

### **COMMUNICATIONS**

Mayor Williams noted there were a couple items laid on the table, including: preliminary scoring for SFY12 matching grant applications; a budget detail report; a lake levels report; and a request for new business item for a voter education program.

Mayor Williams asked if there were any objections to adding the request for a voter education program to the agenda, and none were heard.

### **PERSONS TO BE HEARD**

Ed Talik invited the Council and Mayor to a drug education presentation sponsored by the Ketchikan Police Department. The event will be held at the Civic Center on September 28<sup>th</sup>. He also thanked the community for their generous support for the families of the two fallen Hoonah officers.

Tom Bellanich spoke regarding the water treatment plant and the negative effects of chloramines. He also requested the City to provide another public meeting for public awareness of chloramines in our water before it becomes operational. Mayor Williams stated everyone is concerned and these steps are being taken because this is a federal mandate for Ketchikan and if it doesn't work the City will be looking at another type of treatment, which is also more expensive.

### **CONSENT AGENDA**

Mayor Williams requested the item regarding the Assignments of Security Interest of Tideland Leases be considered separately as Councilmember Jason Harris had a conflict. No objections were heard.

### **Approval of Minutes**

Moved by Jason Harris, seconded by West approval of the minutes of the special meeting of August 30, 2010 and the regular meeting of September 2, 2010.

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

**Letter of Agreement Between the City of Ketchikan Police Department and the Alaska Department of Public Safety, Alaska State Troopers – Alaska Bureau of Alcohol and Drug Enforcement**

Moved by Jason Harris, seconded by West the City Council approve the Letter of Agreement between the City of Ketchikan Police Department and the Alaska Department of Public Safety, Alaska State Troopers – Alaska Bureau of Alcohol and Drug Enforcement and authorizing the chief of police to execute the Letter of Agreement on behalf of the City Council.

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

**One-Year Extension of Contract No. 08-51 – 2009-2010 Port Food Vendor Program**

Moved by Jason Harris, seconded by West pursuant to paragraph (1) of Section 13.09.025(b) of the Ketchikan Municipal Code, the City Council authorize the city manager to extend the two food vendor leases awarded under Contract No. 08-51, 2009-2010 Dock Vendor Program, for an additional twelve-month period of the 2011 cruise ship season providing the same terms and conditions as awarded under the original contract.

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

**One-Year Extension of Contract No. 09-44 – 2009–2012 Agreement for Lobbying Services – Ray Matiashowshi & Associates**

Moved by Jason Harris, seconded by West the City Council authorize the city manager to extend Contract No. 09-44, 2009-2012 Agreement for Lobbying Services, between the City of Ketchikan and Ray Matiashowski & Associates for a one-year renewal option at a cost of \$42,000 per year; approve funding from the 2010 City Council Professional Services Account (Account No. 60); and direct the city manager to execute the contract on behalf of the City Council.

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

**Resolution No. 10-2357 – Appointing the Election Workers for the Regular Municipal Election to be Held on October 5, 2010; Approving the Appointment of Members of the Canvass Board as Authorized by the City Clerk;**

Moved by Jason Harris, seconded by West the City Council approve Resolution No. 10-2357 appointing the election workers for the regular municipal election to be held on October 5, 2010; approving the appointment of members of the canvass board as authorized by the city clerk and establishing an effective date.

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

**Request for Assignments of Security Interest in Tidelands Leases ADL 17378 and ADL 32189, First Bank – Olson Marine, Inc.**

Moved by West, seconded by Olsen the City Council authorize the city manager to execute consents to the assignment of the lease by Durette Construction Co. Inc. to Olson Marine, Inc. and sign the approvals of two separate Security Assignments of Lease by which security interest 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 Shay, Kj Harris, Olsen, West, Sivertsen, and Coose voting yea; Jason Harris abstained.

**UNFINISHED BUSINESS**

**Ordinance No. 10-1662 – Amending the Sales Tax Exemption for the Elderly; and Establishing an Effective Date**

Copies of Ordinance No. 10-1662 were available for all persons present.

Moved by Shay, seconded by Jason Harris the City Council approve in second reading Ordinance No. 10-1662 amending the sales tax exemption for the elderly; and establishing an effective date.

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

**NEW BUSINESS**

**Financial and Compliance Audit for the Year Ending  
December 31, 2010**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the finance director to negotiate a contract with Mecham, Richardson and Company for the financial and compliance audit for the City of Ketchikan for the year ending December 31, 2010, said contract to be submitted to the City Council for formal consideration and approval.

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

**Employment of an Additional Parking Enforcement  
Officer**

Councilmember Kj Harris expressed concern that this may not be the best time of the year to consider a new parking enforcement officer. Mayor Williams suggested having this discussion during budget time, and directed Manager Amylon to bring it then. Councilmember Kj Harris stated that would be fine as long it is consider at some point. Councilmember Olsen requested a breakdown of revenues before and after the fine increase.

Moved by Sivertsen, seconded by Kj Harris to defer until budget time.

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

**Award of Contract No. 10-23 – Knudson Cove Launch  
Ramp, Ketchikan Ready Mix & Quarry, Inc. - \$860,915**

Moved by Sivertsen, seconded by Jason Harris the City Council accept the bid of Ketchikan Ready Mix & Quarry, Inc. in the amount of \$860,915 for Contract No. 10-23, Knudson Cove Launch Ramp; establish a ten percent (10%) contingency in the amount of \$86,092, bringing the total project cost to \$947,007; authorize funding from the Small Boat Harbors Division's 2010 Knudson Cove Launch Ramp Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Port and Harbors Director Corporon answered questions from the Council.

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

**Declaration of Public Emergency for the Restoration of  
Asphalt Pavement at the Site of the Baranof Reservoir**

Moved by Sivertsen, seconded by Jason Harris pursuant to paragraph (7) of Section 3.12.050 of the Ketchikan Municipal Code, the City Council declare that the asphalt pavement restoration at the Baranof Reservoir site is a public emergency due to the failure of Southeast Earthmovers, Inc. to complete the work in a timely manner; direct the general manager to execute a purchase order in the amount of \$13,375 to Secon, Inc. for installation of the asphalt pavement; authorize funding from the Water Division's Baranof Reservoir Replacement Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

Manager Amylon and Water Division Manager Kleinegger answered questions from the Council.

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

**Phased Construction Schedule – Replacements of Berths I and II**

Moved by Coose, seconded by Sivertsen the City Council direct staff to proceed with the phased construction of Berths I and II as detailed in the Port & Harbors director's report dated September 9, 2010 and authorize the city manager to negotiate Amendment No. 8 with PND Engineers, Inc. for Contract No. 07-25, City of Ketchikan Berths I and II Rehabilitation and Master Planning Study, providing for a revised design of the Phase I construction, said amendment to be submitted to the City Council for formal consideration and approval.

Port and Harbors Director Corporon answered questions from the Council.

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

**Budget Transfer – Professional Services Agreement for Inspection of Berths I and II, PND Engineers, Inc.**

Moved by Coose, seconded by Shay the City Council authorize the city manager to enter into a professional services agreement with PND Engineers, Inc. for a structural inspection of Berths I and II and the Tongass Parking lot at a cost not to exceed \$111,807; approve a budget transfer of \$111,807 from Appropriated Reserves of the Port Enterprise Fund to the Port Division's 2010 Berth I and II/Tongass Parking Lot Structural Inspection Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Port and Harbors Director Corporon answered questions from the Council.

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

**Voter Education Program for 2010 – General Government and KPU Bond Propositions**

Moved by West, seconded by Sivertsen the City Council direct the city manager to undertake a Voter Education Program for the 2010 General Government and KPU Bond Propositions as detailed in staff's report dated September 15, 2010 and authorize funding from the City Council's 2010 Community Promotion Account (Account No. 51) and the KPU Administration's Division's 2010 Advertising and Publishing Account (No. 50).

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

**VOUCHERS** - None

**CITY MANAGER'S REPORT**

**General Government and KPU Appropriated Reserves Through the City Council Meeting of September 2, 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 September 2, 2010.

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

Manager Amylon copied the Council with the project status report of the Public Works Department for the month of August 2010.

**Tongass Avenue Utilities Replacement Phase II, S&S General Contractors & Equipment Rentals, Inc.**

Manager Amylon provided a report from the Engineering Division summarizing the project activities through September 7, 2010 for Contract 09-30, Tongass Avenue Utilities Replacement Phase II.

**2010 Sales Tax Update**

In his report, Manager Amylon provided for Council review a memorandum from the Finance Director, Newell regarding sales tax collections for the first and second quarters of 2010.

**2010 Cruise Ship Passenger Traffic Update**

Manager Amylon conveyed a memorandum from Finance Director Newell updating cruise ship passenger counts through the week ending August 29, 2010.

**General Government Financial Statements for the Quarter Ending June 30, 2010**

Manager Amylon included the General Government financial statements for the second quarter ending June 30, 2010.

**General Government Financial Statements for the Period Ending July 31, 2010**

Manager Amylon included General Government financial statements for the seven months of the year ending July 31, 2010.

**Special City Council Meeting of September 23, 2010**

Manager Amylon reminded the Council that a Special City Council meeting is scheduled for Thursday September 23, 2010 at 7:00 p.m. He said the Foraker Group will have their final presentation regarding its pre-development activities for the new library project.

**Extension of Contract No. 08-02 - 2008-09 Dock Vendor Program**

Manager Amylon indicated the City Council extended Contract No. 08-02, 2008-09 Dock Vendor Program for an additional twelve-month period for the 2011 cruise ship season. As directed he will be working with the City Attorney and Port & Harbors Director to address issues arising from Section 5 of the lease agreements.

Manager Amylon stated he had a number of additions, which included the State of Alaska Scoring of the Municipal Matching Grant Applications that were submitted earlier this year. He indicated he has an update on the Croy litigation, and deferred to Attorney Bradford's report. He also mentioned staff had a lengthy meeting with Southeast Engineering relative to the North Yorktown/Jackson Heights and the Millar Street Bridge projects. New signs will be going up around town "Snow Emergency Routes." Manager Amylon reported on the progress of the new financial and accounting systems noting the City will be sending staff to two municipalities that currently use either of the vendor finalists to see how they perform in a working environment.

Manager Amylon reconfirmed with Councilmembers that direction staff was given at the special meeting in July regarding the General Government Budget had not changed.

**K.P.U. MANAGER'S REPORT**

**Project Status Report of the KPU Operating Divisions – August 2010**

Manager Amylon transmitted the project status reports of the KPU operating divisions for the month of August 2010.

Councilmember Sivertsen had concerns regarding the regulatory bodies not being able to certify the water treatment facility when it becomes operational, he also had questions regarding the funding of the Baranof reservoir tank, per the Water Division manager's report. Councilmember Coose had concerns regarding the open position of the apprenticeship lineman position, and he wanted to see the design of the Baranof reservoir tank before it goes out for bid. Manager Amylon answered questions from the Council.

**Report of September 4, 2010 Power Outage**

Manager Amylon provided a memorandum from Chief Senior Electrical Systems Engineer Donato regarding the September 4, 2010 power outage.

**Report of September 6, 2010 Power Outage**

Manager Amylon provided a memorandum from Chief Senior Electrical Systems Engineer Donato regarding the September 6, 2010 power outage.

**Report of August 2010 Telecommunications Outages**

Manager Amylon included a report from Telecommunications Division Manager Abbot regarding the August 2010 telecommunications outages.

**Ketchikan Public Utilities Financial Statements for the Quarter Ending June 30, 2010**

Manager Amylon provided the Ketchikan Public Utilities financial statements for the second quarter ending June 30, 2010 for Council review.

**CITY CLERK'S FILE**

Deputy Clerk Stahl stated absentee voting would start Monday September 20th in the Clerk's office.

**CITY ATTORNEY'S FILE**

Attorney Bradford provided Council a letter regarding pending litigation and other pending matters. Regarding Croy Construction, the judge ruled in the City's favor and denied the request for a restraining order prohibiting the City from awarding and entering

into a contract with Dawson. Attorney Bradford answered questions from the Council. Attorney Bradford gave an update on his licensing status.

**FUTURE AGENDA ITEMS** - None

**MAYOR AND COUNCIL COMMENTS**

Councilmember Coose spoke regarding the value of the commercial fishery, and the need to support the commercial fishing industry to keep it in Ketchikan.

Councilmember Kj Harris invited the Council and members of the staff to attend brunch with Kj, at Annabelle's on Tuesday September 28th. He wanted the public to meet and talk with the Council.

Councilmember Olsen has concerns regarding the raw fish tax as to whether it would benefit the commercial fisherman in some way. He would like to see the funding go for a special commercial dock. He also wondered if there has been any consideration of expanding the Ward Cove area. Port and Harbors Director Corporon answered questions from the Council.

Councilmember West reminded that the KPU Advisory Board will be having a meeting on September 30th.

Councilmember Sivertsen commented on the letter of agreement between the Ketchikan Police Department and the State Troopers. He felt having combined agency cooperation on the drug task force is very important to our community. He stated he would like information on what is currently being done with bridge repairs rather than replacement. Not all of our bridges need to be replaced. He expressed especially with the way the economy is, it could save the City a lot of money. He also asked Manager Amylon to check into the possibility of another public meeting regarding the effects of Chloramination.

Councilmember Jason Harris stated the need to keep on top of the City's contract issues.

Councilmember Shay said his granddaughter had some emergency medical issues, which has delayed his trip, but she is doing well now. He will be returning on Sunday and thanked everyone for their thoughts and prayers.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS** - None

**ADJOURNMENT**

As there was no further business, the Council adjourned at 8:05 p.m.

September 16, 2010

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Lew Williams III, Mayor

ATTEST:

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Kim Stahl  
Deputy City Clerk

**FYI ITEMS INCLUDED**

Minutes of the Ketchikan Cooperative Relations Committee – September 3, 2010  
Lake Levels and System Generation Report – August 2010