

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., October 7, 2010, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay, Robert Sivertsen and Marty West.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, City Attorney Bradford, Fire Chief Hill, Marketing Manager Cushing, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Allen, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Acting Water Division Manager Johnston, Assistant Public Works Director Brakke and City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 10-2358 –**  
**AMENDING THE 2010 GENERAL GOVERNMENT ANNUAL**  
**BUDGET – PUBLIC WORKS STREETS DIVISION – \$864,500**

Mayor Williams called the public hearing on Resolution No. 10-2358 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**

In the packet was a letter from the Ketchikan Gateway Borough transmitting Resolution No. 2264 regarding license plate removal upon the sale of vehicles. Mayor Williams said there were several items on the table, including: a request to withdraw Addendum No. 3 to Schedule A-1 of the Master Services Agreement for the procurement of internet bandwidth with GCI Communications; a request for a new business item pertaining to a budget transfer to purchase Lots 1 and 5A of the Lybrand subdivision (Copper Ridge); an update on the Water Street Sidewalk Widening Project; an update regarding the Tongass Avenue Utilities Replacement Phase II Project; a report of reservoir elevations; and an item printed from craigslist.com relating to the old hospital on Bawden Street.

Mayor Williams asked if there were any objections to adding the purchase of property from Lybrand to the Consent Agenda, and none were heard.

Mayor Williams read a proclamation regarding Red Ribbon Week and presented it to Police Chief Talik. Chief Talik said during Red Ribbon Week the Plaza will be hosting something every night of the week, and he encouraged people to attend. He noted an officer will be grading essays about living a drug-free life from the school, and he said it is not always just about drug enforcement but other aspects that promote drug-free lifestyles as well.

Mayor Williams read a proclamation regarding Domestic Violence Awareness Month, and presented it to Jamie Barber, Shelter Manager at WISH. Ms. Barber thanked the Council and reported they had their “Women of Distinction” event last weekend, which was huge success to raise support and awareness of domestic violence. She stated they will be having a candlelight vigil at the Plaza sometime this month.

**PERSONS TO BE HEARD**

Tom Ferry, a building owner in the Newtown area, stated the area is struggling. He felt there needs to be an attraction to bring people there and suggested an Art Park. He presented conceptual drawings, and felt it could be a City/Borough project. He felt totem poles are needed to add to the attraction.

Mayor Williams requested Mr. Ferry take the idea to the Borough Assembly, and he in turn would take it to the Cooperative Relations Committee for consideration.

**CONSENT AGENDA**

Mayor Williams suggested moving Change Order No. 1 to Contract No. 09-27, the budget transfer relating to the 2010 Telecommunications Division Licenses and Fees Account, Resolution No. 10-2358 amending the 2010 General Government Annual Budget for the Public Works Streets Division, and Resolution No. 10-2360 establishing the rates of pay for election workers to the Consent Agenda. He asked if there were any objections, and none were heard.

**Approval of Minutes**

Moved by West, seconded by Olsen approval of the minutes of the regular meeting of September 16 and special meeting of September 23, 2010.

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

**Budget Transfer – Replacement of Solid Waste Baler Liner Without Competitive Bidding or Solicitation of Quotations, Pioneer Supply, Inc.**

Moved by West, seconded by Olsen pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code, the City Council authorize the city manager to purchase a new solid waste baler liner from Pioneer Supply, Inc. of Wasilla, Alaska at a cost not to exceed \$38,094; approve a budget transfer of \$3,094 from the Solid Waste Disposal Division’s 2010 MSW Closure Capital Account to the Baler Relining Capital Account; authorize funding in the amount of \$38,094 from the 2010 Solid Waste Division’s Baler Relining Capital Account, and direct the city manager to execute the contract documents on behalf of the City Council.

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

**Resolution No. 10-2359 – Authorizing the Creation of the “Lobbying Executive Committee” As a Standing Committee**

Moved by West, seconded by Olsen the City Council approve Resolution No. 10-2359 authorizing the creation of the “Lobbying Executive Committee” as a standing committee; and establishing an effective date.

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

**Award of Contract No. 10-25, Conceptual Design Study for Ketchikan International Airport Electrical Line Extension – Electrical Power Systems, Inc.**

Moved by West, seconded by Olsen the City Council authorize the general manager to enter into Contract No. 10-25, Conceptual Design Study for Ketchikan International Airport Electric Line Extension, with Electrical Power Systems, Inc. of Anchorage, Alaska at a cost not to exceed \$22,000; approve funding from the Electric Division’s 2010 Pennock Island and Gravina Island Cable Replacement 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.

**Liquor License Transfer of Ownership – Creekside Liquor**

Moved by West, seconded by Olsen the City Council approve the transfer of ownership of: Package Store – Seasonal to: Creekside Liquor, John Peterson, 307 Bawden Street, Ketchikan, Alaska 99901 from: Creekside Liquor, Focsle Inc., 177 Cranberry Road, Ketchikan, Alaska 99901.

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

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

Moved by West, seconded by Olsen the City Council approve a single-year contract with Mecham, Richardson and Company in the amount of \$60,000 for the financial and compliance audit for the year ending December 31, 2010; establish a contingency in the amount of \$3,500; and authorize 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.

**Memorandum of Agreement Between the City of Ketchikan and the Alaska Department of Health and Social Services – 2010 ASPR Grant Award**

Moved by West, seconded by Olsen the City Council approve the Memorandum of Agreement between the Alaska Department of Health and Social Services and the City of Ketchikan for funding in support of the Medical Reserve Corps 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.

**Change Order No. 1 to Contract No. 09-27 – FERC Part 12D Inspection and Potential Failure Mode Analysis (PFMA) Review, Hatch Acres Corporation**

Moved by West, seconded by Olsen the City Council approve Change Order No. 1 to Contract No. 09-27, Part 12D Inspection and PFMA Review, between Ketchikan Public Utilities and Hatch Acres Corporation in an amount not to exceed \$15,000, thereby increasing the total contract amount to \$101,320; authorize funding from the Electric Division's 2010 Professional Services Account No. 60; and direct the general 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.

**Budget Transfer – 2010 Telecommunications Division Licenses and Fees Account**

Moved by West, seconded by Olsen the City Council authorize the general manager to transfer \$55,000 from Appropriated Reserves of the KPU Enterprise Fund to the Telecommunications Division's 2010 Licenses and Fees Account No. 58 in order to offset additional programming content costs as a result of higher than anticipated IPTV subscribers.

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

**Resolution No. 10-2358 Amending the 2010 General Government Annual Budget to Provide a Supplementary Appropriation for Public Works – Streets Division in the Amount of \$864,500**

Moved by West, seconded by Olsen the City Council approve Resolution No. 10-2358 amending the 2010 General Government Annual Budget to provide for a supplemental

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appropriation for Public Works – Streets Division in the amount of \$864,500; and establishing an effective date.

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

**Resolution No. 10-2360 – Establishing the Rates of Pay for Election Officials**

Moved by West, seconded by Olsen the City Council approve Resolution No. 10-2360 establishing the rates of pay for City of Ketchikan election officials; and establishing an effective date.

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

**Budget Transfer for the Purchase of Lots 1 and 5A, Lybrand Subdivision, Plat 2010-23**

Moved by West, seconded by Olsen the City Council authorize the city manager to transfer \$630,100 from Appropriated Reserves of the Community Facility Development Fund to the Library Facilities Replacement Capital Account, in order to fund the purchase of Lots 1 and 5A, Lybrand Subdivision, Plat 2010-23 for the site of the new Ketchikan Public Library.

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

**UNFINISHED BUSINESS**

**Third Request to Defer Consideration of Ordinance Nos. 10-1653 and 10-1655 – Alaska Ship and Drydock, Inc.**

Copies of Ordinance Nos. 10-1653 and 10-1655 were available for all persons present.

Moved by Coose, seconded by Shay to postpone consideration of this item until the regular meeting of January 15, 2010.

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

Moved by Jason Harris, seconded by Olsen the City Council approve in first reading Ordinance No. 10-1655 amending Subsection 11.16.060(f) of the Ketchikan Municipal Code to prorate certain seasonal users; establishing a date for a public hearing; and establishing an effective date.

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

Moved by West, seconded by Olsen the City Council approve in first reading Ordinance No. 10-1653 amending Subsection 11.16.060(b) of the Ketchikan Municipal Code revising the monthly charge for water usage applicable to industrial services except food processing and seasonal industries; establishing a date for a public hearing; and establishing an effective date.

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

## **NEW BUSINESS**

### **Request for Grade Change – Deputy City Clerk**

Moved by West, seconded by Kj Harris the City Council postpone consideration of the request for grade change for the deputy city clerk until budget deliberations.

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

### **Budget Transfers – 2010 Electric Division Purchased Power and Diesel Generation Fuel Accounts**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the general manager to transfer from within the 2010 Electric Division Budget, \$138,000 from the Ketchikan Generator Step-Up Transformer Capital Account, \$260,000 from the Breaker Changes Driven by Short Circuit Study Capital Account and \$332,000 from Appropriated Reserves of the KPU Enterprise Fund, said transfers to be allocated in the amounts of \$680,000 and \$50,000 respectively to the 2010 Purchased Power Account No. 69 and to the Diesel Generation Fuel Account No. 29.

Electric Division Manager Kline answered questions from the Council.

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

### **Budget Transfer – Completion of Fiber to the Home Projects**

Moved by Sivertsen, seconded by West the City Council authorize the general manager to transfer \$70,000 from the Telecommunications Division's 2010 Salaries & Wages Account No. 11 to the Temporary Salaries Account No. 14, in order to hire temporary employees to complete Fiber to the Home projects prior to the end of the year.

Telecommunications Division Manager Abbott answered questions from the Council.

Moved by Sivertsen, seconded by Jason Harris to defer consideration of this item until the next regular meeting.

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

**Declaration of Public Emergency for the Removal of Blown Down Trees Below the Third Avenue Bypass, Pool Engineering, Inc.**

Moved by West, seconded by Shay pursuant to paragraph (7) of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council declare the removal of blown down trees below the Third Avenue Bypass adjacent to the Millar Street and Wiley Street stairways a public emergency; direct the city manager to execute a purchase order in the amount of \$125,000 to Pool Engineering, Inc. for the removal of the trees; authorize a budget transfer of \$75,299 from Appropriated Reserves of the Public Works Sales Tax Fund to the Streets Division's 2010 Third Avenue Rock and Tree Maintenance Capital Account; and approve funding in the amount of \$125,000 from the Streets Division's 2010 Third Avenue Rock and Tree Maintenance Capital Account.

Assistant Public Works Director Brakke answered questions from the Council.

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

**Acquisition of a Drug Dog – Councilmember Sivertsen**

Moved by Sivertsen, seconded by Jason Harris the City Council direct the city manager to work with the Police chief to pursue acquisition of a drug dog and approve funding for the acquisition and handler training from the US Marshall Property Seizure Fund.

Finance Director Newell and Police Chief Talik answered questions from the Council.

Councilmember Olsen expressed a police dog should be used in conjunction with a public education campaign. Manager Amylon said there may be issues related to the collective bargaining agreement.

Mayor Williams said he would like to see the costs related to a dog and trainer.

Moved by Olsen, seconded by Shay to defer until the next regular Council meeting.

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

The Council took a short break at 8:15 p.m. and reconvened at 8:24 p.m.

**Budget Transfer – Declaration of Public Emergency for Stabilizing and Securing 419/421 Dock Street (Former Knickerbocker Hotel), Southeast Environmental Construction, LLC**

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Moved by Shay, seconded by West pursuant to paragraph (7) of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council declare the securing and stabilization of 419/421 Dock Street (the former Knickerbocker Hotel) as a public emergency; direct the city manager to issue a purchase order in the amount of \$10,000 to Southeast Environmental Construction, LLC to secure and stabilize the building; and authorize a budget transfer of \$10,000 from Appropriated Reserves of the Public Works Sales Tax Fund to the Knickerbocker Hotel Stabilization Capital Account.

City Attorney Bradford answered questions from the Council.

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

**Budget Transfer – Amendment No. 1 to Contract No. 10-08, Comprehensive Storm Drainage Study, Tetra Tech Alaska, LLC**

Moved by Sivertsen, seconded by West the City Council authorize Amendment No. 1 to Contract No. 10-08, Comprehensive Storm Drainage Study, between the City and Tetra Tech Alaska, LLC at a cost not to exceed \$26,550; approve a budget transfer in the amount of \$26,550 from the Streets Division's 2010 Asphalt Overlay Capital Account to the Storm Drainage System Study Capital Account; and direct the city manager to execute the amendment on behalf of the City Council.

Assistant Public Works Director Brakke answered questions from the Council.

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

**Addendum No. 3 to Schedule A-1 of the Master Services Agreement for the Procurement of Internet Bandwidth – GCI Communications Corporation**

This item was removed at the beginning of the meeting at the request of the general manager.

**Negotiations for the Potential Acquisition of the Ketchikan Visitors Bureau Office Building**

Moved by Jason Harris, seconded by Shay the City Council authorize the city manager to begin formal negotiations with the Ketchikan Visitors Bureau for the potential acquisition of the agency's office building located on the Port of Ketchikan as detailed in the Port & Harbors director's memorandum dated September 28, 2010.

The Council directed the manager to begin negotiations, and Manager Amylon said, based on the proposal, if the KVB ends up rebuilding the new building at their expense, we would enter into a long-term lease agreement for some value for both the building and the Berth III space. Mayor Williams asked for an appraisal of the current building.

Councilmember Coose requested seeing the footprint of the building on the dock, and expressed he felt they should build and maintain their own building. He also felt the building should be one story.

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

### **VOUCHERS**

Moved by West, seconded by Shay for approval of vouchers to Ketchikan Daily News in the amount of \$8,021.95.

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

### **CITY MANAGER'S REPORT**

#### **General Government and KPU Appropriated Reserves Through the City Council Meeting of September 16, 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 16, 2010.

#### **Contract No. 10-01 Update – Bayview and Warren Street Bridge Replacement, Pool Engineering, Inc.**

Manager Amylon reported on a potential cost savings for the Bayview and Warren Street Bridge Replacement Project, detailing a modification to change the Warren Street Bridge portion from a concrete retaining wall and fill to a wood deck and steel substructure. He noted there is a potential cost savings of \$240,000 to \$270,000, and there will be additional surveying expense that will be brought to the Council in a formal change order.

#### **2010 State Homeland Security Program Grant Award – SCBA Replacement**

Manager Amylon transmitted a memorandum from Fire Chief Hill advising the City has been awarded a \$257,200 grant from the Department of Homeland Security to replace the Fire Department's self-contained breathing apparatus (SCBA).

#### **Appointment of Assistant Fire Chief**

Manager Amylon notified the Council that Franklin Share of Harsens Island, Michigan has accepted the position of Assistant Fire Chief, and will resume his duties on October 11, 2010.

**General Government Financial Statements for the First Eight Months Ending August 31, 2010**

Manager Amylon provided for Council review the General Government financial statements for the first eight months ending August 31, 2010.

Councilmember Olsen questioned the collection of sales tax, and Finance Director Newell said he is reading the results of sales tax as of August 31. He pointed out he provides a separate report with more updated figures.

**2010 Cruise Ship Passenger Traffic Update**

Manager Amylon included a memorandum from Finance Director Newell updating cruise ship passenger counts through the week ending September 26, 2010. Mr. Newell's memorandum reflects a passenger loss of 11.6%, equating a loss of \$753,305 in passenger wharfage fees and a potential of \$600,000 in sales tax collections.

**Third Avenue Bypass Driveway/Access Request**

Manager Amylon updated the Council detailing staff's effort to work with Greg and Karen Updike to provide private driveway access letting onto the Third Avenue Bypass. Councilmember Coose stressed the road needs to be really stable since it would be on our property.

**Water Street Sidewalk Widening Project Update – Loss of One Two-Hour Parking Space Adjacent to Eagle Park**

Manager Amylon reported the Alaska Department of Transportation and Public Facilities has expressed concern that the area on Water Street where southbound traffic makes the corner onto Front Street will become tightly congested with the sidewalk modifications. He informed, in order to mitigate increased congestion, DOT&PF is proposing the two-hour parking space be eliminated due to its proximity to the corner. He noted the two taxi loading/waiting spaces will remain.

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

Manager Amylon copied the Council with an update on the Tongass Avenue Sewer and Water Main Replacement Phase II Project, and he noted the final lift of asphalt will be placed next spring and the project will be closed out at that time. He commended staff for the efforts in working with the contractor to accomplish all that has been completed during this year's construction season.

Public Works Director Allen said the goal was lofty, to finish the project in a single season, and we've fallen slightly short of that. He said the intent will be the final portion

of the pavement, and he answered questions from the Council. He gave a lot of credit to several departments and the contractor for the job performed.

### **Copper Ridge Purchase**

Manager Amylon said with the budget transfer the Council approved tonight, staff will be closing on the Copper Ridge property tomorrow.

### **Sale of Bonds for New Fire Station**

With the bond issues behind us, Manager Amylon said the first issue to be before staff is dealing with the fire station bonds. He informed Mr. Newell participated in a teleconference with the Alaska Municipal Bond Bank, and we're trying to float those bonds through one or two ARRA programs that are available to us. He noted it was staff's intent to issue the whole \$7.2 million and if we're successful in getting into the ARRA programs we'll be looking at significantly reduced interest rates. He advised the sale is likely going to take place either prior to Thanksgiving or the end of the month. He said the intent is to minimize the size of the bond issue if we can get those low interest rates.

### **Budget Sessions**

Manager Amylon said he and Mayor Williams met today regarding scheduling of budget sessions, and it will be very challenging relative to scheduled leave for Councilmembers and his office. He said staff is going to make every effort to have the General Government budget to the Council by the next meeting and if not, the week after. He strongly recommended, given schedules, that budget deliberations get under way those first two weeks in November. He expressed concern that because the second meeting in December falls on December 16, if we don't get going now we will run out of time.

### **Declaration of Public Emergencies**

Manager Amylon expressed concern relative to public emergencies. He reminded one was not ratified a few weeks ago and one was barely ratified tonight. He stated he did not want to put staff in the position to address emergency situations where we feel the public interest is in jeopardy and authorize significant expenditures of money, and not get the support of the Council. He said that means delaying action until a regularly scheduled Council meeting, and some thought should be given to this.

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

### **Alaska Ship and Drydock Annual Power Rate Adjustment**

Manager Amylon reminded the Council of the discussions being held between staff and Alaska Ship and Drydock regarding the electric utility rates for the Ketchikan Shipyard.

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He provided a memorandum from Electric Division Manager Kline detailing the discussions and noting the application of the methodology used to determine the annual power rate adjustment is difficult for both KPU and ASD. Mr. Kline noted the two parties have failed to reach a consensus as of yet.

Councilmember Olsen observed the Council received a letter from ASD that says they will pay 10% above the calculated rate at \$0.07 per kilowatt hour. He questioned why the City would be accepting a lower amount, and Manager Amylon said it would take an amendment to the power sales agreement if the Council gave that direction. He stated before staff is prepared to recommend such action, he would like to know what ASD's formal position is on requesting a rebate based on the error that was discovered by the Electric Division. Councilmember Olsen said he was not seeing the correlation between the two, as one generates more revenue than the other. Manager Amylon pointed out the net revenue generation may end up being negative depending what ASD's request is for rebate, and what they've offered is just for the next twelve months and we don't have a position yet going forward for the next 25 years. He emphasized staff needs more information and more discussion with ASD.

Electric Division Manager Kline reminded the calculation is based on the methodology approved by the Council in 2008. He further stated although it may be gracious of the shipyard to increase that, it is somewhat random as to whether the Council is willing to accept that. He said there is an approved methodology, and questioned whether the Council wanted to vary from that. In response to Councilmember Coose, Mr. Kline said ASD's yearly electric bill is roughly about \$600,000.

Councilmember Coose expressed it concerns him that the Council is willing to give electricity to them for less than what the City is paying SEAPA, and he felt a simple formula needed to be established. Manager Amylon emphasized it hasn't been for lack of effort, both on the part of staff as well as ASD. He said ASD has been very constructive in trying to get to the point he is asking for, but they just haven't gotten there yet.

Electric Division Manager Kline said hopefully at the first of next year, staff will be discussing cost-of-service rates, and the shipyard agrees this may provide a basis for a judgment of an appropriate rate.

### **Report of September 27, 2010 Power Outage**

Manager Amylon provided an update from Electric Division Manager Kline regarding the September 27, 2010 power outage. He noted the Swan Lake-Lake Tyee Intertie will most likely be out of commission until the end of October as a result of the lightning strike.

**Contract No. 07-04 Update – Whitman Lake  
Hydroelectric Project Final Design, Hatch Acres  
Corporation**

Manager Amylon included a memorandum from Electric Division Manager Kline detailing recent invoicing issues that have surfaced and the likelihood of an additional change order due to ongoing regulatory agency oversight of the Whitman Lake Hydroelectric Project final design.

**Report of Reservoir Elevations**

Manager Amylon transmitted an update of reservoir elevations as of October 5, 2010.

**Potential Sale of Telecommunications Division**

Manager Amylon reported if buyers come forward with bids, he anticipates it happening sometime early to mid next month. He noted he met with Telecommunications Division employees today, and one of the potential buyers is sending a delegation down next week to take a look at that.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS** – None

**MAYOR AND COUNCIL COMMENTS**

Councilmember Coose said there are going to be several people gone for the November 18 meeting, and Mayor Williams said he thought by next meeting hopefully we'll have a schedule to hand out to the Council that includes budget meetings. He felt it was important for the Council to fully understand what is included in projects before they are approved, citing the Grant Street stabilization wall and the Baranof Reservoir. He expressed concern that the new fire station is oversized.

Councilmember Kj Harris facetiously thanked the public for showing up for brunch. He noted there were seven people between Council and staff in attendance, and only five people showed up. He said it makes him personally sad that people didn't care or were too busy. He reminded everyone that the City passed bonds, and now we have to figure out a way to pay for them, noting it will be a real tough time.

Councilmember Shay said he was delighted to note that management is going to be involved in a session entitled, "Building Partnerships for New Libraries," to help us along the route to getting the most cost effective and serviceable public library that we've ever had. He related he is headed to Anchorage tomorrow for the Alaska Municipal League Board of Directors meeting over the weekend, and he offered to address any issues anyone might have. He noted it would be at the cost of AML. He said he had an interesting session with Sister Beth Taylor, who is one of the proponents and leaders to

PeaceHealth, the organization that runs the hospital. He stated she gave a very inspiring talk about the history of PeaceHealth, going back to the 1800's in Ireland and some of the trials and tribulations of the various sisters as they moved to the New World, the West and finally Alaska. He felt we were very fortunate to have that organization involved with the City. He congratulated AML for 60 years of service, and informed they represent about 98% of the municipalities and about 96% of the citizens of the state. He provided an update on his granddaughter's health, and thanked everyone for their thoughts and prayers.

Councilmember Olsen said he would like to know how many positions during this year were vacant at any portion, and whether those positions were reviewed by a committee before they were acted upon. He said one of the issues that was raised last budget was that the City has vacant positions during the year and the review process for filling them or not.

Manager Amylon said as he advised the Council several weeks ago, he put on a semi-hiring freeze. He reported that in putting the budget together he discussed with department heads the possibility that certain positions were going to be eliminated. He said in some cases it was one on one, and in others department heads may have chosen before coming back with a recommendation to deal with their division managers. He stated in the final analysis the budget the Council gets is his recommendation, which he felt was his purview.

Councilmember Olsen continued he liked the long-term project we are working on with sewers, but he felt we needed to start looking at roads, streets and water as well. He asked if we have a list of the ones that are upcoming and greatly needed but that were pushed outward, and Manager Amylon said he would see that in the five-year capital plan.

Councilmember West said at some point there will be a public meeting to talk about Chloramination again, and at that point the KPU Advisory Board is going to piggy back onto the process to have an open house to have people come talk to them about issues relative to the utility.

Councilmember Jason Harris said he would be gone from November 5 – 12, and he didn't know until tonight we were planning on doing budget meetings early. He asked if, in the future, vacations can be put on hold and the rest of us be responsible during this time not to schedule them either. He suggested looking at the budget in August rather than three or four weeks before it is ready to start. Mayor Williams said we'd do our best relative to scheduling.

Councilmember Sivertsen requested a schedule of shift staffing for the Police and Fire Departments, so he can know how staff is being used. With regard to construction projects, he felt it was up to the Council to look at the economy of scale and value engineering based on the economic climate at the time. He stated sometimes it would be nice to afford the more expensive stuff but the reality is we could probably get by with something that has a

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long service life and is fairly standard. He felt staff has done well, and he wanted to make sure we stay that way.

Mayor Williams said he would get scheduling out to the Council before the next meeting. He noted he would take Mr. Ferry's idea to the Cooperative Relations Committee. He thanked voters for giving the City support on the bond issues, and he has directed management to make sure both projects are done October 2012. He thanked staff for getting the Third Avenue project moving along, noting the KPU crew really came through when we lost the Intertie. He spoke to a letter that was received from KTKN about advertising the election, emphasizing the amount spent at the Daily News was nowhere near the amount stated in the letter, as staff decided where to advertise. He requested Councilmembers to talk to him any time they had any concerns so he can address them right away.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS** – None

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:35 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk

**FYI ITEMS INCLUDED**

Alaska Small Business Development Center – Ketchikan – Second and Third Quarter Reports