

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., January 6, 2011, 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, Fire Chief Hill, Human Resources Manager Miller, Port and Harbors Director Corporon, Deputy Police Chief Dossett, Public Works Director Allen, Assistant Telecommunications Division Manager Lindgren, Water Systems Foreman Johnston, Assistant Public Works Director Brakke and City Clerk Suiter.

Mayor Williams said last meeting Councilmember Shay related the good news about his granddaughter becoming cancer free, and he felt victories such as this needed to be celebrated. As a father and a grandfather, he said he could not comprehend what the entire family, as well as this young lady, had to go through, but it has probably made her a stronger person. He continued that as mayor he has found out how little he can do as he sits in the mayor seat, but one thing he can do is make proclamations and he had a special one today. He read the proclamation and presented a “key to the City of Ketchikan” to Councilmember Shay to pass along to his granddaughter, Shai Rayne Shay.

Mayor Williams read a proclamation for National Mentoring Month and presented it to Joann Flora. Ms. Flora thanked the Council for the proclamation, stating that a lot of the children who come to their program do not have much family support. She said they are having a party at the Plaza on January 25, and she invited the Council to attend.

Mayor Williams also read a proclamation for Patriot Flag Day and presented it to Fire Chief Jim Hill. Chief Hill said he will send it tomorrow along with badges from the City Fire Department, as well as the North Tongass and South Tongass Fire Departments. He said they would be part of the World Memorial in the museum that is being worked on. He stated it was an honor to have the flag in Ketchikan

### **COMMUNICATIONS**

Laid on the table was a lake levels update and revised memorandum for the agenda item dealing with Change Order No. 2 to the Baranof Reservoir Project.

### **PERSONS TO BE HEARD**

Kathleen Light, representing Ketchikan Area Arts and Humanities Council, updated the Council on arts events in Ketchikan, reporting on the Winter Arts Faire, the Wearable Arts Show, the Winter Art Walk, the Sam Pitcher Memorial Fund applications, and the Heart On Your Sleeve show opening tomorrow night.

### **CONSENT AGENDA**

**Approval of Minutes**

Moved by Jason Harris, seconded by West approval of the minutes of the regular meeting of December 16, 2010.

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

**2011 Ketchikan Fire Department Medical Director Services Agreement – Williams Anthes, M.D.**

Moved by Jason Harris, seconded by West the City Council approve the 2011 Medical Director Services Agreement between the City of Ketchikan and William Anthes, M.D in an amount not to exceed \$12,000; authorize funding from the Fire Department Administration Division's 2011 Contractual Services Account No. 53; and direct 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.

**One-Year Extension of Contract No. 08-55 – Public Defender Services, McCarty & Boyette**

Moved by Jason Harris, seconded by West pursuant to Section 7 of the agreement, the City Council extend Contract No. 08-55, Public Defender Services, between the City of Ketchikan and McCarty & Boyette for an additional one-year period; and direct the city manager to execute the extension authorization on behalf of the City Council.

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

**Liquor License Renewals – Cape Fox Lodge and Ketchikan Fish Market Crab Cracker Seafood**

Moved by Jason Harris, seconded by West the City Council approve the renewal of liquor licenses: Restaurant Eating Place – Ketchikan Fish Market Crab Cracker Seafood Bar and Beverage Dispensary – Tourism – Cape Fox Lodge.

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

**UNFINISHED BUSINESS** – None

**NEW BUSINESS**

**Ordinance No. 11-1666 – Increasing Wastewater Rates by Five Percent – First Reading**

Copies of Ordinance No. 11-1666 were available for all persons present.

Moved by West, seconded by Olsen the City Council approve in first reading Ordinance No. 11-1666 increasing wastewater rates by five percent; providing a date for a public hearing; and establishing an effective date.

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

**Amendment Nos. 3 and 3 to Contract Nos. 09-33 and 09-34, Design and Engineering and Project Management Services for Municipal Fire Station Construction, Bettisworth Welsh Whiteley, LLC and RISE Alaska, LLC**

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager to enter into Amendment Nos. 3 and 3 to Contract Nos. 09-33 and 09-34 between the City of Ketchikan and Bettisworth Welsh Whiteley, LLC and RISE Alaska, LLC in the amounts of \$346,741 and \$47,540 respectively for completion of design and project management services associated with the construction of a new fire station on Lot 10 A-1; approve funding from the 2011 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the amendments on behalf of the City Council.

Kent Crandall and Tim Whiteley updated the Council on the progress for the new Fire Station Project, noting the steering committee met this week. He answered questions from the Council.

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

**City Attorney Hiring Process – Mayor Williams**

Mayor Williams said he would like to have himself and two councilmembers go through the applications and come back to the Council with a recommendation. Councilmembers Shay, Sivertsen and Jason Harris volunteered. Councilmember Shay suggested engaging a local firm on a contract basis, and look into possibly combining the City and Borough attorney offices. He also suggested possibly hiring a local person as an entry-level attorney and using the current expertise for training that person.

Councilmember Coose suggested Borough Attorney Brandt-Erichsen be a part of the committee. Mayor Williams asked if there were any objections, and none were heard. Mr.

Coose also felt it was worth communicating with the Borough to determine their interest in combining both law offices.

**Wage Re-Opener for Collective Bargaining Agreement  
Between the City of Ketchikan and the International  
Brotherhood of Electrical Workers, Local 1547**

Moved by Sivertsen, seconded by West the City Council approve the negotiated agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547; providing for a reduction to the employees' monthly health insurance co-pay of \$97.64, lowering the co-pay from \$113.88 to \$16.24 per month, and authorize the city manager to execute the agreement on behalf of the City Council.

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

**Change Order No. 1 to Contract No. 10-23 – Knudson  
Cove Launch Ramp, Ketchikan Ready Mix**

Moved by Jason Harris, seconded by West the City Council approve Change Order No. 1 to Contract No. 10-23 with Ketchikan Ready Mix in the amount of \$247,050, bringing the total contract amount to \$1,107,965 and authorize the city manager to execute the change order on behalf of the City Council.

Port and Harbors Director Corporon provided a brief overview of the project, answering questions from the Council.

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

**Contract No. 10-40 – Ketchikan General Hospital Surgery  
Suites HVAC Improvements – Little Susitna Construction  
Company, Inc.**

Moved by West, seconded by Jason Harris the City Council approve Contract No. 10-40 Ketchikan General Hospital Surgery Suites HVAC Improvements with Little Susitna Construction Company, Inc. of Anchorage, Alaska in the amount of \$796,000; establish a contingency in the amount of \$39,243, authorize funding in the amount of \$835,243 from the 2011 KGH Surgery HVAC Improvements Capital Account; and authorize the city manager to execute the contract on behalf of the City Council.

Public Works Director Allen answered questions from the Council.

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

**FY2012 Federal Appropriations Request Priorities**

Manager Amylon said the House is now Republican controlled, and every indication from Washington DC is that funding is going to be even more difficult to obtain. He stated Mr. Silver advised him at the time that Begich's funding requests came out that he was recommending no more than \$1 - \$2 million per project. He reminded everything we submitted last year far exceeds that range, citing Whitman Lake, the hospital, Berth I and II, and Water Street Trestle No. 2. He stated he was not optimistic we'd get those projects funded, but he didn't think it would hurt to submit them as priority projects, just to keep them on the radar with the delegation.

Manager Amylon continued as the City gets more water and sewer infrastructure projects designed and we have realistic costs, those will probably be more viable projects to submit in the future, but as we move into the next round we don't have anything other than Alaska Avenue and Jackson ready to go. He said as we move forward with the storm drainage issues, it may be another area.

Councilmember Shay brought up the need for a Washington DC lobbyist, agreeing with Manager Amylon that our large projects need to be put on the list and he hoped we could find smaller ones to put on as well.

Councilmember Coose agreed we needed to submit our large projects, and the Council needs to think about funding a lobbyist. He felt our current lobbyist knows everyone in DC and how to get to them. He thought it would be a good idea to try to negotiate a contract, perhaps for a lesser amount.

Councilmember West felt similarly, expressing that with the atmosphere as difficult as it appears to get funding it might be beneficial to have someone back there who is pushing for our projects.

Mayor Williams asked Manager Amylon to discuss the issue with Mr. Silver, and Manager Amylon confirmed he had enough direction on the projects.

**Ordinance No. 11-1665 – Increasing Water Rates by 15%**  
**- First Reading**

Copies of Ordinance No. 11-1665 were available for all persons present.

Moved by Jason Harris, seconded by West the City Council approve in first reading Ordinance No. 11-1665 increasing water rates by 15%; providing a date for a public hearing; and establishing an effective date.

Councilmember Jason Harris expressed concern about how the City comes up with the numbers on what to charge for water, and Councilmember Sivertsen encouraged the Council should conduct a study similar to what Juneau did several years ago.

Manager Amylon said the 2011 KPU budget was predicated on the 15% rate increase. He noted if we don't do this now, the Council already drew down reserves further than proposed by shifting the community agencies to KPU. He recommended following through with the 15%, looking at what Juneau did and putting out an RFP. After further discussion, it was determined that a simple rate study may actually be much more involved. Mr. Amylon encouraged the Council to become involved at the ground level with such a project. Management was directed to get some information relative to a study.

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

**Agreement for Engineering Services for the Design Phase  
of the UV Facility Warehouse – May Engineering, LLC**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the general manager to enter into a contract for engineering services with May Engineering Services, LLC in an amount not-to-exceed \$21,000 for the design of the UV Facility Warehouse as detailed in the December 15, 2010 proposal from Joseph G. May; and authorize funding in the amount of \$21,000 from the 2011 KPU Water Division UV Facility Warehouse Capital Account.

Public Works Director Allen answered questions from the Council, expressing the project in his experience is too small for a design/build project.

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

**Change Order No. 2 to Contract No. 08-39 – UV  
Disinfection Facility Project, Construction Phase Services  
– CH2M Hill**

Moved by Sivertsen, seconded by Jason Harris the City Council approve Change Order No. 2 to Contract No. 08-39, UV Disinfection Facility Project – Construction Phase Services, between Ketchikan Public Utilities and CH2M Hill; provide for a net increase of \$225,000, bringing the total contract amount to \$1,175,000; authorize funding in the amount of \$225,000 from the Water Division's 2011 UV Chloramination and Disinfection Facility Capital Account; and authorize the general manager to execute the change order on behalf of the City Council.

Water Systems Foreman Johnston answered questions from the Council.

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

**Change Order No. 2 (Final) to Contract No. 09-48,  
Baranof Reservoir Replacement Site Preparation –  
Southeast Earthmovers, Inc.**

Moved by Sivertsen, seconded by Shay the City Council approve Change Order No. 2 (Final) to Contract No. 09-48, Baranof Reservoir Replacement Site Preparation Project, between Southeast Earthmovers, Inc. and KPU providing for a net cost reduction of \$4,203; direct the general manager to execute the change order on behalf of the City Council; and authorize payment of Contractor's Request for Payment No. 7 in the amount of \$58,970.

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

**Exempting Procurement of Programming Content for  
KPU CommVision IPTV Services from Competitive  
Bidding – National Cable Television Cooperative (NCTC)**

Moved by West, seconded by Jason Harris pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of CommVision IPTV programming content from competitive bidding requirements; authorize the general manager to purchase National Cable Television Cooperative (NCTC) programming content in an amount not to exceed \$432,570 for 2011; and approve funding in the amount of \$432,570 from the 2011 Telecommunications Division's Licenses & Fees Account No. 68.

Assistant Telecommunications Division Manager Lindgren answered questions from the Council. He informed the contingency is to cover any underestimates in customer base.

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

**Exempting Procurement of Video on Demand Content for  
KPU CommVision IPTV Services from Competitive  
Bidding – Avail-TVN**

Moved by Sivertsen, seconded by Jason Harris pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of CommVision Video on Demand content from competitive bidding requirements; authorize the general manager to purchase Avail-TVN Video on Demand content in an amount not to exceed

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\$60,238 for 2011; and approve funding in the amount of \$60,238 from the 2011 Telecommunications Division's Licenses & Fees Account No. 68.

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 \$4,123.28.

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 December 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 December 16, 2010.

#### **2011 Ketchikan Legislative Liaison Community Lobbying Trip**

Manager Amylon provided information regarding the 2011 Ketchikan Legislative Liaison Community Lobbying Trip scheduled for February 21-23, 2011.

#### **Cost of Living Adjustment – International Association of Fire Fighters, Local 2761**

Assistant Manager Martin informed the Council that the membership of IAFF Local 2761 has elected not to invoke the re-opener clause of the Collective Bargaining Agreement, and to accept the 2% COLA that has been adopted as part of the 2011 General Government Annual Budget.

#### **Contract No. 10-32 – Design of Small Boat Harbor Improvements Phase IV**

The manager's office made available information relative to the fee differences between the proposing firms for Contract No. 10-32, Design of Phase IV Harbor Improvements.

#### **Additional Full Time Harbor Maintenance Position Information**

Assistant Manager Martin included information regarding the budget impacts of converting one temporary Port and Harbors maintenance worker position to a full time position. He noted the increase to the Harbors budget will be \$30,139 and the increase to the Port budget will be \$20,093.

Human Resources Manager Miller said staff has not actually received a written audit from PERS, and were verbally told they had concerns with one individual who worked at Harbors. She said they are trying to prevent similar situations.

### **Report of Federal Lobbyist**

The December 29, 2010 report of the City's federal lobbyist was included in the packet material.

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

### **Report of SEAPA Board Meeting of December 9, 2010**

Manager Amylon transmitted a report from Electric Division Manager Kline regarding the December 9, 2010 SEAPA Board meeting. The key issues covered in Mr. Kline's report included: Integrated Resource Plan (IRP); 2011 Operating Plan; Swan Lake Staffing Discussion and Financials.

### **Baranof Reservoir Replacement Project – Contract No. 10-19**

Assistant Manager Martin provided information relative to the construction of the Baranof Reservoir, specifically the merits of a concrete reservoir versus a steel reservoir. He included a memorandum from Water Division Manager Kleinegger addressing the issue that detailed earthquake survivability and the importance of the reservoir in the event of a major earthquake. Mr. Kleinegger's memorandum also discussed backfilling and grade issues.

### **Sale of Telecommunications Division**

Manager Amylon read a report alerting the Council that Ketchikan Public Utilities and Matanuska Telephone Association have agreed to move forward with negotiations for an agreement for the acquisition of the Telecommunications Division. He related events that led to this point, and said both parties have agreed not to disclose any details pertaining to the proposed purchase transaction at this time. He said if and when a final agreement is reached, it will be brought forward to the public. He emphasized the public will have full opportunity to participate, expressing this is a good first step.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS**

Councilmember Jason Harris said he would like discussion on the next agenda relative to having the mayor and two Councilmembers as a committee for the Council employees, so if there are issues or if they have concerns they will have someone to go to.

**MAYOR AND COUNCIL COMMENTS**

Councilmember Jason Harris quizzed whether the planning session could be held off site, and after discussion it was determined to hold it in the Council Chambers.

Councilmember Shay said there is an auction on Saturday night to benefit the Cancer Society. He reported on the Begich teleconference, during which Senator Begich confirmed receipt of the City's priority list. He said Begich's office manager will be visiting Ketchikan next week, and he will have an opportunity to host dinner for him. He related he would be attending the Alaska Municipal League meeting the first week of February. He reported he and Councilmember Olsen will be working on a resolution reprioritizing the state's priorities. He expressed gratitude to Mayor Williams for the proclamation and key.

Councilmember Coose expressed concern that the officer selected to manager to drug dog lives out of town, and there will be a police vehicle used to transport the dog. He handed out a copy of the Personnel Rules, pointing out the general policy is not to allow vehicles to go out of town. He felt the dog needs to stay in town.

Manager Amylon pointed out the previous canine was assigned to a person who lived out of town, for which a vehicle was authorized. He felt this represented a precedent. He expressed concerns since the appointment has been made if the Council were to demand the officer move into town.

Councilmember Jason Harris said he has hated the take-home vehicle policy since the day he was elected. When considering acquisition of a drug dog, he noted councilmembers expressed the dog was to be used for the community. He felt strongly the entire community should have access to the dog, and it wasn't right or fair to ask the officer to transport the dog in a personal vehicle.

Mayor Williams asked if there were four councilmembers who had issues with the dog living outside City limits, and there were two indications of such. Mayor Williams suggested having an agenda item since it seems there may be a problem. He asked for a report of what vehicle is used where, and Manager Amylon said it may not be available for the next meeting.

Mayor Williams said he, Councilmember Jason Harris and management met with the hospital folks, and the issue will be coming back to the Council soon.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS**

**Request for Executive Session – Collective Bargaining Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and IBEW Local 1547**

Moved by West, seconded by Shay the City Council declare that consistent with the assistant general manager's memorandum dated December 20, 2010 it is in the best interest of the City to discuss negotiations regarding the collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers Local 1547 in executive session; in accordance with that finding, the City Council go into executive session in accordance with KMC 2.04.025(a)(1) and (b)(2) and AS 44.62.310(c)(1) and (3) to discuss said negotiations and the auxiliary items described in the assistant general manager's memorandum dated December 20, 2010, which matters include the need to discuss subjects the knowledge of which would have an adverse impact upon the finances of KPU and upon the Utilities ability to negotiate favorable labor settlements.

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

The Council recessed into executive session at 8:50 p.m. and reconvened at 8:56 p.m.

Mayor Williams said the Council has completed an executive session regarding the collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers Local 1547 and direction was given to management.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 8:56 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk

**FYI ITEMS INCLUDED** – None