

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., January 20, 2011, with the following members present: Dick Coose, Jason Harris, Matthew Olsen, Jack Shay, Robert Sivertsen, and Marty West. Councilmember Kj Harris was absent.

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

Staff present were Manager Amylon, Finance Director Newell, Port and Harbors Director Corporon, Police Chief Talik, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Acting City Attorney Seaver, Assistant Fire Chief Share, Assistant Public Works Director Brakke, and Deputy City Clerk Stanker.



PUBLIC HEARING ON ORDINANCE NO. 11-1665 – INCREASING WATER RATES BY 15%

Mayor Williams called the public hearing on Ordinance No. 11-1665 to order at 7:03 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:04 p.m.



PUBLIC HEARING ON ORDINANCE NO. 11-1666 – INCREASING SEWER RATES BY 5%

Mayor Williams called the public hearing on Ordinance No. 11-1666 to order at 7:04 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:05 p.m.



COMMUNICATIONS

Mayor Williams said there were two items laid on the table, including: a lake levels update and additional information regarding an appeal for Contract No. 10-41. He also noted a recommendation to pull items regarding the award of Contract No. 10-41; no objections were heard.

PERSONS TO BE HEARD

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Kathleen Light, representing Ketchikan Area Arts and Humanities Council, reported on current and upcoming events. She announced the five winners of Sam Pitcher Memorial Fund Scholarships to attend summer music camp.

CONSENT AGENDA

Councilmember Sivertsen requested removal of the item regarding the Deer Mountain Fish Hatchery and Easements until further information could be provided; no objections were heard.

Approval of Minutes

Moved by Jason Harris, seconded by West approval of the minutes of the regular meeting of January 6, 2011.

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

Agreement for Solid Waste Facility Access and Destruction of Confidential Documents – AAA Moving and Storage

Moved by Jason Harris, seconded by West the City Council approve the agreement for Solid Waste Facility Access and Destruction of Confidential Documents between AAA Moving and Storage of Juneau, Alaska and the City of Ketchikan and authorize the city manager to execute the agreement on behalf of the City Council.

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

Release of Deed Conditions – Deer Mountain Fish Hatchery and Easements, Ketchikan Indian Community d/b/a Ketchikan Tribal Hatchery Corporation

This item was removed from the agenda.

Resolution No. 11-2384 – Supporting the Decision by the State of Alaska Department of Transportation and Public Facilities to Submit the Dock Street Resurfacing & ADA Improvements Project to the Project Evaluation Board for Inclusion in the Statewide Transportation Improvement Program

Moved by Jason Harris, seconded by West the City Council approve Resolution No. 11-2384 supporting the decision by the State of Alaska Department of Transportation and

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Public Facilities to submit the Dock Street Resurfacing & ADA Improvements Project to the Project Evaluation Board for inclusion in the Statewide Transportation Improvement Program; and establishing an effective date.

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

Resolution No. 11-2385 – Supporting the Decision by the State of Alaska Department of Transportation and Public Facilities to Submit the Wood Road Parking Area Project to the Project Evaluation Board for Inclusion in the Statewide Transportation Improvement Program

Moved by Jason Harris, seconded by West the City Council approve Resolution No. 11-2385 supporting the decision by the State of Alaska Department of Transportation and Public Facilities to submit the Wood Road Parking Area Project to the Project Evaluation Board for inclusion in the Statewide Transportation Improvement Program; and establishing an effective date.

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

Resolution No. 11-2386 – Supporting the Decision by the State of Alaska Department of Transportation and Public Facilities to Submit the North Tongass – Jefferson to Washington Improvements Project to the Project Evaluation Board for Inclusion in the Statewide Transportation Improvement Program

Moved by Jason Harris, seconded by West the City Council approve Resolution No. 11-2386 supporting the decision by the State of Alaska Department of Transportation and Public Facilities to submit the North Tongass – Jefferson to Washington Improvements Project to the Project Evaluation Board for inclusion in the Statewide Transportation Improvement Program; and establishing an effective date.

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

UNFINISHED BUSINESS

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

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

Moved by West, seconded by Olsen the City Council approve in second 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 Shay, Olsen, West, Jason Harris, Sivertsen and Coose voting yea; Kj Harris absent.

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

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

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

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

NEW BUSINESS

**Presentation by the Empowering Youth Taskforce of the
Ketchikan Wellness Coalition – High School Drop Out
Rate**

Karen Eakes, Doug Gregg and Bobbie McCreary, representing the Empowering Youth Taskforce of the Ketchikan Wellness Coalition, gave a presentation regarding high school drop out rates. The Taskforce selected the goal of improving the Ketchikan High School graduation rate, because they believe that education is critical and basic to empowering young people. The presentation contained statistics that were gathered locally through research.

Ms. Eakes and Mr. Gregg answered questions form the Council.

**Contract No. 10-32, Design of Phase IV Small Boat
Harbor Improvements, PND Engineers, Inc.**

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager to enter into Contract No. 10-32, Design of Phase IV Small Boat Harbor Improvements, between the City of Ketchikan and PND Engineers, Inc. at a cost not to exceed \$48,986 and authorize funding from the 2011 Harbors Department's Phase IV Harbor Improvements Capital Account.

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Ports and Harbor Director Corporon answered questions from the Council. He mentioned there would be a public meeting February 22, 2011 to get public input on priorities of upcoming projects regarding Phase IV Harbor Improvements.

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

Contract No. 10-31, Construction Manager/General Contractor Construction Services for the construction for a New Municipal Fire Station, Dawson Construction, Inc.

This item was postponed until after the executive session.

Award of Contract No. 10-41, Bethe Substation 34.5kV – 12.47kV Transformer, Virginia Transformer

This item was withdrawn at the request of the manager.

Budget Transfer – Bethe Substation Transformer Assembly and Final Testing

This item was deferred until the February 3, 2011 meeting.

Contract No. 10-43 – Fiber to the Home Materials and Equipment, KGP Logistics

Moved by Jason Harris, seconded by Coose the City Council accept the bid of KGP Logistics of New Century, Kansas in the amount of \$304,367.99 for Contract No. 10-43, Fiber to the Home Materials and Equipment, establish a 2% contingency in the amount of \$6,088.00, bringing the total project cost to \$310,455.99; authorize funding in the amount of \$310,456.00 from the 2011 Telecommunications Division's Fiber to the Home Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

Councilmember Olsen expressed concerns regarding spending this type of money, with the possible pending sale.

Manager Amylon conveyed they have had this discussion and capital expenditures for 2011 would be added to the purchase price.

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

VOUCHERS

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Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$228.90.

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

CITY MANAGER'S REPORT

General Government and KPU Appropriated Reserves Through the City Council Meeting of January 6, 2011

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 January 6, 2011.

Public Works Department Project Status Report – December 2010

Manager Amylon included a copy of the project status report for the Public Works Department for December 2010.

Manager Amylon answered questions from the Council.

2010 Ketchikan Crime Statistics

Manager Amylon copied the Council with a memorandum from Police Chief Talik, which provides a comparison of major Ketchikan crime statistics for 2009 and 2010.

Chief Talik answered questions from the Council. He mentioned they chose the black Shepard, Booker. He is up and running and will start tomorrow.

Financial and Accounting System Replacement Project Update No. 5

Manager Amylon transmitted a memorandum from Finance Director Newell updating the Council on the status of the Financial and Accounting System Replacement Project. Mr. Newell pointed out a firm was chosen with which to begin contract negotiations, New World. He hoped to present the contract and statement of work to the Council at its meeting of February 17, 2011.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions – December 2010

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Manager Amylon included the project status reports of the KPU operating divisions for the month of December 2010.

Southeast Alaska Integrated Resource Plan

Manager Amylon provided a memorandum from Electric Division Manager Kline updating the Council on the Alaska Energy Authority's efforts to move forward with an Integrated Resource Plan for Southeast Alaska.

Electric Division Manager Kline answered questions from the Council.

Report of December 28, 2010 Power Outage

Manager Amylon transmitted a report from Senior Electrical Systems Engineer Donato regarding the December 28, 2010 power outage.

Manager Amylon announced to his regret he received an official resignation of Fire Chief Jim Hill. Whose last official day will be January 28, 2011. He said effective today Assistant Fire Chief Share was promoted to acting fire chief. He also encouraged the Council look at Mr. Kline's comments about load growth from the current reservoir elevation report.

Electric Division Manager Kline answered questions from the Council.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Councilmember Olsen said he would like discussion on the next agenda relative to the Borough's proposal to eliminate business and personal property tax, and whether the City should continue with it.

MAYOR AND COUNCIL COMMENTS

Councilmember Shay noted the passage of Beulah Roppel, who has been a fixture in our community for many years. He said his granddaughter was back in school and thanked everyone for their support during her recovery.

Councilmember Olsen said he had attended the recent debate tournament, and noted it was good to see students excited about education and learning. He said the library building committee met today and the program is moving forward as planned.

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Councilmember West agreed with Councilmember Olsen as she had a chance to meet with the medical science class from Ketchikan High School when they came for a tour of the hospital. She noted they are very bright, interested students. She also mentioned there would be a meeting next Thursday for the KPU Advisory Board.

Councilmember Sivertsen thanked Chief Hill for his service with the City. He went on to say Mr. Hill represented us very well, noting he did a lot of good things with the Fire Department and will be missed.

Mayor Williams indicated the attorney selection committee met today and has recommended the position be re-advertised as an RFP for contractual services. The committee expressed concern regarding cost and wants to look at both avenues in order to make a sound decision.

He went on to say Councilmember Jason Harris recommended the Council put together an administrative committee of the Council for the three Council employees, so if there are issues or concerns they will have someone to go to. He said if there is any interest in the Council to go that direction, it will be discussed at the next meeting.

Councilmember Coose commented on the contract lawyer issue.

OTHER NEW BUSINESS – None

Council recessed for a short break at 8:04 pm and reconvened at 8:11 pm

EXECUTIVE SESSIONS

Request for Executive Session – Discussion of Strategies Concerning Potential Litigation with Legal Counsel Within the Attorney-Client Privilege – Acquisition of Lot 10-A1

Moved by Sivertsen, seconded by Olsen the City Council declare that consistent with the city manager's memorandum dated January 13, 2011 it is in the best interests of the City to go into executive session in accordance with KMC 2.04.025(a)(1) and AS 44.62.310(c)(1) to discuss issues relating to the City's acquisition of Lot 10-A1, Plat 2003-13, Ketchikan Recording District, the immediate knowledge of which would clearly have an adverse effect upon the finances of the City and to discuss strategies concerning potential litigation with legal counsel within the attorney-client privilege.

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

The Council recessed into executive session at 8:15 p.m. and reconvened at 8:33 p.m.

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Mayor Williams said the Council has completed an executive session to discuss issues relating to the City's acquisition of Lot 10-A1. Plat 2003-13, Ketchikan Recording District, and has provided direction to staff.

Moved by West, seconded by Jason Harris the City Council approve Contract No. 10-31, Construction Manager/General Contractor Construction Services for the Construction of a New Municipal Fire Station, between the City and Dawson Construction, Inc.; authorize funding in the amount of \$232,990 from 2011 Main Street Fire Station Replacement Capital Account for the advanced procurement of steel piling, fencing and structural steel; and direct the city manager to execute the contract documents on behalf of the City Council.

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

ADJOURNMENT

As there was no further business, the Council adjourned at 8:33 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the January 12, 2011 Ketchikan Gateway Borough/City of
Ketchikan Tax Coordinating Committee Meeting
Heavy Duty Harbor Carts
Lake Levels and System Generation Report for the Month of December 2010
Water Utilization Study Report – December 2010
Ketchikan Area Arts & Humanities Council, Inc.'s Quarterly Activity and Financial
Reports – October Through December 2010