

Regular Ketchikan City Council meeting was called to order by Vice Mayor West at 7:00 p.m., March 3, 2011, with the following members present: Dick Coose (via teleconference), Jason Harris, Kj Harris, Matthew Olsen, Jack Shay and Robert Sivertsen. Mayor Williams was absent.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, Acting Fire Chief Share, Human Resources Manager Miller, Police Chief Talik, Public Works Director Allen and City Clerk Suiter.

COMMUNICATIONS

Vice Mayor West said there were a couple of items laid on the table, including a report of reservoir elevations and the appointment of Councilmember Olsen to the Alaska Southeast Ketchikan Campus Advisory Council.

PERSONS TO BE HEARD

Kathleen Light, Executive Director of the Ketchikan Area Arts and Humanities Council, handed out a Year of the Artist brochure, and explained the marketing plan for the brochures. She pointed out a postcard that is an invitation for a gallery opening called ArtAbility, which is focusing on people with disabilities. She reported a wheelchair lift that was installed in their building has not been working properly, and it has recently been fixed. She complimented Building Official Dearden on the assistance he provided during this repair work. She also explained Art Encore, which is a fund-raising effort to pay off a construction loan on their building. She invited the Council to attend this event.

Jane Bolima informed the Council that the Coast Guard Vessel Acushnet is for sale, and as of today the bid was \$66,700. She felt it would be a good purchase for the City to use as a floating museum, pointing out it is the oldest cutter in the fleet. She felt it would attract people and bring in tourist dollars.

CONSENT AGENDA

Councilmember Jason Harris requested several items be moved from New Business to Consent Agenda, including: Change Order No. 1 to Contract No. 10-26; Change Order No. 1 to Contract No. 09-28; award of Microsoft Office 2010; 2011 Public Works Department's programmed maintenance of City streets; a budget transfer for temporary laborers for the Electric Division; award of Contract No. 11-07, a small bucket truck; exempting the purchase of Bethe Substation regulators from competitive bidding; exempting the purchase of electric meters from competitive bidding; and Change Order No. 5 for Whitman Lake Hydroelectric Project final design. Vice Mayor West asked if there were any objections, and none were heard.

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Councilmember Jason Harris also requested the item concerning a temporary civil engineering inspector be considered separately.

Approval of Minutes

Moved by Jason Harris, seconded by Shay approval of the minutes of the regular meeting of February 17, 2011.

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

Resolution No. 11-2389 – Authorizing Submittal of a Tier 2 Proposal to the Rasmuson Foundation in the Amount of \$500,000 for the Construction of a New Ketchikan Public Library

Moved by Jason Harris, seconded by Shay the City Council approve Resolution No. 11-2389 submittal of a Tier 2 Proposal to the Rasmuson Foundation in the amount of \$500,000 for the construction of a new Ketchikan Public Library; and establishing an effective date.

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

Liquor License Renewals – Ocean View Restaurant and Bar Harbor Restaurant

Moved by Jason Harris, seconded by Shay the City Council approve the renewal of liquor licenses: Restaurant Eating Place – Bar Harbor Restaurant; Beverage Dispensary – Ocean View Restaurant.

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

Foraker Group Pre-Development Application – Expansion of Tongass Historical Museum

Moved by Jason Harris, seconded by Shay the City Council authorize the city manager and Museum director to submit an application to the Foraker Group for pre-development program review for expansion of the Tongass Historical Museum into the space vacated by the Ketchikan Public Library in the Centennial Building upon completion of its new facility at Copper Ridge Lane.

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

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Change Order No. 1 (Final) to Contract No. 10-26 – Totem Heritage Center Remediation Project – Dawson Construction, Inc.

Moved by Jason Harris, seconded by Shay the City Council approve Change Order No. 1 (Final) in the amount of \$31,506 to Contract No. 10-26, Totem Heritage Center Remediation Project, between the City and Dawson Construction, Inc.; authorize funding from the Museum Department's Totem Heritage Center and Grounds Rehabilitation Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

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

Change Order No. 1 (Final) to Contract No. 09-28 – Bayview Cemetery Garden Mausoleum/Columbarium Project, Pool Engineering, Inc.

Moved by Jason Harris, seconded by Shay the City Council approve Change Order No. 1 (Final) in the amount of \$6,920 to Contract No. 09-28, Bayview Cemetery Garden Mausoleum/Columbarium Project, between the City and Pool Engineering, Inc.; authorize funding from the Cemetery Division's Crypts and Niches Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

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

Award of Contract No. 11-08 – Purchase of Microsoft Office 2010, Government Computer Sales, Inc. - \$59,320

Moved by Jason Harris, seconded by Shay the City Council accept the bid of Government Computer Sales, Inc. of Fairbanks, Alaska in the amount of \$59,320 for Contract No. 11-08, Purchase of Microsoft Office 2010; authorize funding from the Information Technology's 2011 MS Office Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

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

2011 Public Works Department's Programmed Maintenance of City Streets

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Moved by Jason Harris, seconded by Shay the City Council approve the Public Works Department's programmed maintenance of City streets for 2011 as detailed in the senior project engineer's report dated February 23, 2011.

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

Budget Transfer – Temporary Laborers for 2011 Electric Division Transmission & Distribution Maintenance Projects

Moved by Jason Harris, seconded by Shay the City Council authorize the general manager to transfer \$44,000 from 2011 Electric Division capital accounts as detailed in the Electric Division operations manager's report dated February 23, 2011 to the 2011 Temporary Salaries and Employees Benefits Account Nos. 14 and 16 in the amounts of \$38,400 and \$5,600 respectively.

The operations manager's report detailed the following accounts as sources of the transfers:

Operating Equipment, Account No. 93	\$20,000
Pennock-KIA Upgrades Project, Account No. 94	\$14,500
Bailey Tank Farm Security Fence Project, Account No. 94	\$9,500

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

Award of Contract No. 11-07, Purchase of Small Bucket Truck – Karlson Motors - \$98,092

Moved by Jason Harris, seconded by Shay pursuant to Section 3.12.040(c)(4)(i) of the Ketchikan Municipal Code, the City Council accept the bid of Karlson Motors of Ketchikan, Alaska in the amount of \$98,092 for Contract No. 11-07, Purchase of Small Bucket Truck; authorize funding in the amount of \$98,092 from the Telecommunications Division's 2011 Vehicle Acquisition Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

Procurement of Bethe Substation Regulators from Competitive Bidding – Siemens Energy, Inc.

Moved by Jason Harris, seconded by Shay pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code, the City Council exempt the procurement of Bethe

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Substation regulators from competitive bidding requirements; authorize the general manager to purchase three single-phase voltage regulators from Siemens Energy, Inc. at a cost of \$102,795; establish a ten percent contingency in the amount of \$10,205, bringing the total procurement cost to \$113,000; and approve funding in the amount of \$113,000 from the Electric Division's Bethe Substation Replacement Capital Account.

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

Procurement of Cannon Technologies Automated Meter Reading Electric Meters from Competitive Bidding – Cooper Power Systems

Moved by Jason Harris, seconded by Shay pursuant to Section 3.12.050(a)(6) of the Ketchikan Municipal Code, the City Council exempt the procurement of Cannon Technologies Automated Meter Reading electric meters from competitive bidding requirements; authorize the general manager to purchase 288 Cannon Technologies Automated Meter Reading electric meters from Cooper Power Systems of Minneapolis, Minnesota at a cost of \$38,000; and approve funding from the Electric Division's 2011 Operating Equipment Capital Account.

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

Budget Transfer – Change Order No. 5 to Contract No. 07-04, Whitman Lake Hydroelectric Project Final Design – Hatch Acres Corporation

Moved by Jason Harris, seconded by Shay the City Council approve Change Order No. 5 in the amount of \$106,010 to Contract No. 07-04, Whitman Lake Hydroelectric Project Final Design, between Ketchikan Public Utilities and Hatch Acres Corporation; authorize a budget transfer of \$60,000 from the Electric Division's 2011 Professional Services Account No. 60 to the Whitman Lake Hydroelectric Project Capital Account; approve funding in the amount of \$106,010 from the Electric Division's Whitman Lake Hydroelectric Project Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

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

Temporary Civil Engineering Inspector Position in Lieu of Seasonal Engineering Intern Positions

Moved by Jason Harris, seconded by Shay the City Council direct the city manager and Public Works director to recruit for a temporary position of civil engineering inspector as

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detailed in staff's report dated February 23, 2011 and authorize funding from the Engineering Division's 2011 Temporary Salaries Account No. 14.

Public Works Director Allen answered questions from the Council.

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

UNFINISHED BUSINESS

Appointments to Board and Commissions

Mayor Williams submitted the names of David Kiffer and Kathleen Light for positions on the Library Building Committee, as well as Councilmember Olsen to the Alaska Southeast Ketchikan Campus Advisory Council. Vice Mayor West asked if there were any objections; none were heard.

Ordinance No. 11-1667 – Approving A Memorandum of Agreement with the State of Alaska Concerning the Rehabilitation/Replacement of Off-System Bridges – Second Reading

Copies of Ordinance No. 11-1667 were available for all persons present.

Moved by Sivertsen, seconded by Jason Harris the City Council approve in second reading Ordinance No. 11-1667 approving a Memorandum of Agreement with the State of Alaska concerning the rehabilitation/replacement of off-system bridges; providing for the filing of referendum petitions; and establishing an effective date.

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

NEW BUSINESS

Placement of Crossing Guards at the Water Street Entrance to the Waterfront Promenade and at the Intersection of Tongass Avenue and Schoenbar Road

Moved by West, seconded by Coose the City Council direct staff to locate two additional crossing guards for the 2011 cruise ship season at the Water Street entrance to the Waterfront Promenade and at the intersection of Tongass Avenue and Schoenbar Road, said crossing guards to be relocated from the intersection of Mill and Front Streets.

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

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Phased Construction of the Jackson/Monroe Streets & 4th/7th Avenues Water and Sewer Infrastructure Replacement Project

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the city manager to bid the Jackson/Monroe Streets & 4th/7th Avenues Water and Sewer Infrastructure Replacement Project as detailed in the senior project engineer's report dated February 23, 2011.

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

Amendment No. 1 to Contract No. 10-31 – Construction Manager/General Contractor Construction Services for the Construction of a New Municipal Fire Station, Dawson Construction, Inc.

Moved by Jason Harris, seconded by Kj Harris to postpone consideration of this item until after the executive session.

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

Amendment Nos. 4 and 4 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 Sivertsen to postpone consideration of this item until after the executive session.

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

Draft Request for Proposals and Statement of Qualifications – Contract No. 11-12, Management/Peer Review Relative to the Operations of the Human Resources Division of the City Manager's Office

Moved by Jason Harris, seconded by Sivertsen the City Council approve the draft Request for Proposals and Statement of Qualifications for Contract No. 11-12, Management/Peer Review Relative to the Operations of the Human Resources Division

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of the City Manager's Office, as submitted under the city manager's report dated February 25, 2011 and/or as modified as determined appropriate by the City Council.

Councilmember Harris said the reason for this is to see how the division is doing, and is not anything personal toward management staff or employees. Councilmember Olsen pointed out the division takes its orders from the manager's office, and all aspects should be included, together with how they are being managed.

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

Recruitment for the Position of Ketchikan Public Library Director

Moved by Jason Harris, seconded by Shay the City Council authorize staff to initiate recruitment of a new library director as detailed in the city manager's report dated February 25, 2011.

Moved by Coose, seconded by Olsen to amend by limiting the beginning date for the new library director to overlap one month with the outgoing director.

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

The Council took a short break at 7:55 p.m. and reconvened at 8:06 p.m.

Moved by Sivertsen, seconded by Shay for immediate reconsideration of the motion to amend.

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

The motion back on the table before the Council was:

Moved by Coose, seconded by Olsen to amend by limiting the beginning date for the new library director to overlap one month with the outgoing director.

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

Main motion, as amended, passed with Kj Harris, Coose, Sivertsen, West, Shay, Olsen and Jason Harris voting yea.

Draft Request for Proposals and Statement of Qualifications – Contract No. 11-13, Water/Wastewater

Cost Allocation & Rate Design Study for the City of Ketchikan

Moved by Sivertsen, seconded by Jason Harris the City Council approve the draft Request for Proposals and Statement of Qualifications for Contract No. 11-13, Water/Wastewater Cost Allocation & Rate Design Study for the City of Ketchikan, as submitted under the general manager's report dated February 26, 2011 and/or modified as determined appropriate by the City Council.

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

VOUCHERS

Moved by Sivertsen, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$5,706.68.

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

CITY MANAGER'S REPORT

General Government and KPU Appropriated Reserves Through the City Council Meeting of February 17, 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 February 17, 2011.

2010 Sales Tax Update - Final

Manager Amylon transmitted a memorandum from Finance Director Newell regarding the total sales tax collections for 2010.

Activation of 225-INFO Line and FlashAlert for City of Ketchikan and Ketchikan Public Utilities

Manager Amylon advised that General Government and KPU are now registered and activated with FlashAlert and the 225-INFO line has now been activated. He noted these functions will assist the City in its continuing effort to improve emergency notifications to the community and reduce the burden on staff during emergencies and outages.

Assistant Manager Martin explained how the systems work, noting people can sign up on the City's website.

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Notice of Violation – City of Ketchikan Wastewater Treatment Facility, NPDES Permit Number AK-002144-0

Manager Amylon transmitted a Notice of Violation received from Region 10 Director Edward Kowalski of the Environmental Protection Agency relating to the City's Wastewater Treatment Facility. He also provided staff's responses, noting the City has not yet received any further communication from the agency.

K.P.U. MANAGER'S REPORT – None

CITY CLERK'S FILE

Gaming Permit Application – Southern Southeast Alaska Building Industry Association

Clerk Suiter provided the gaming permit application for the Southern Southeast Alaska Building Industry Association. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose questioned the use of chip seal versus overlay for streets, and Public Works Director Allen explained chip seal is more of a maintenance item and overlay is a much longer-term fix.

Councilmember Kj Harris reminded Ketchikan has been dependent on state and federal funding, noting it will behoove the Council to distinguish between needs and wants.

Councilmember Shay said there will be an economic development summit, in cooperation between the Borough and a number of other agencies on March 15 at the Ted Ferry Civic Center. He outlined the industries that will be highlighted, noting they will be sorting out ideas that come forward. He said he wanted to have a community agency funding ad hoc committee meeting, and it will take place a week from Tuesday. He reported the AML Special Federal Task Force had a meeting regarding federal PILT funding. He said the Borough currently gets all the PILT funds but is not sharing with the City, and perhaps they should. He also reported on the secure rural schools issue.

Councilmember Olsen thanked the Streets crews for the fantastic job they were doing keeping the roads clear.

Councilmember Jason Harris also complimented the Streets Division, asking that staff pass along his thanks. He spoke to the importance of lobbying in Juneau and Washington DC, feeling the trips are well worth the effort. Vice Mayor West requested a lobbying trip to Washington DC be an agenda item on the next agenda. Councilmember Harris continued he was very pleased about the alert system that is being put out, hoping it will help relieve a lot of staff time during significant events. He felt it was the responsibility of the Council to get the word out.

Councilmember Sivertsen said he is concerned about the City's infrastructure and the City's ability to bond and fund repairs. He reminded the Council did three projects tonight that cost around \$7 million, and there are another hundred ahead of us. He felt for a community of 13,000 there are some very large projects out there. He said there were subjects discussed tonight that are important, but there is a larger looming problem that isn't going to go away. He said there should be some serious Council discussion about prioritizing and what can be worked with. He stated even on matching grants, even though they are out there, we may not even be able to afford the match.

Vice Mayor West asked who might be willing to attend First City Forum tomorrow, and Councilmember Shay said he would attend. She also thanked staff for the snow removal. She said Mayor Williams informed he is part of the Southeast Conference Committee, along with Mayor Kiffer and members of the Ketchikan Visitors Bureau. She noted he was planning to do the same thing as was done with the AML Conference here, with the Borough and the Council both chipping in \$7,000. She informed the City would provide the Civic Center for free and the Borough is coming up with free buses for the Conference. She said he asked if there were no objections, he would proceed. None were heard.

Vice Mayor West asked Jay Rhodes to discuss the KPU Advisory Board, which has been working very hard on functions and missions. Mr. Rhodes said he hoped the Council could meet with the Advisory Board and provide direction as to what the Council would like from the Board. He encouraged the public to contact the Advisory Board, stating they are here for the community as a liaison. Ms. West continued that Tim Whiteley was the chair of the Advisory Board, and encouraged people to contact him or herself.

OTHER NEW BUSINESS – None

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 Jason Harris the City Council declare that consistent with the city manager's memorandum dated February 18, 2011 it is in the best interests of

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

The Council recessed into executive session at 8:44 p.m. and reconvened at 9:04 p.m.

Amendment No. 1 to Contract No. 10-31 – Construction Manager/General Contractor Construction Services for the Construction of a New Municipal Fire Station, Dawson Construction, Inc.

Moved by Shay, seconded by Jason Harris the City Council approve Amendment No. 1 to 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. increasing the Guaranteed Maximum Price by \$9,252,500 from \$232,990 to \$9,485,490; authorize funding in the amount of \$9,252,500 from the 2011 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute Amendment No. 1 on behalf of the City Council.

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

Amendment Nos. 4 and 4 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 Sivertsen the City Council authorize the city manager to enter into Amendment Nos. 4 and 4 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 \$301,500 and \$245,290 respectively for Construction Administration and Warranty Close Out services associated with the construction of a new fire station on Lot 10-A1; 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.

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

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ADJOURNMENT

As there was no further business, the Council adjourned at 9:07 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the February 11, 2011 Ketchikan Gateway Borough/City -
Ketchikan Cooperative Relations Committee Meeting
February 11, 2011 Edition of the Legislative E-Bulletin
February 18, 2011 Edition of the Legislative E-Bulletin
February 25, 2011 Edition of the Legislative E-Bulletin
Unapproved Minutes of the January 27, 2011 KPU Advisory Board Meeting