

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., June 2, 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, Finance Director Newell, City Attorney Seaver, Fire Chief Share, Human Resources Manager Miller, Library Director McQuerry, Museum Director Naab, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Allen, Electric Division Operations Manager Adams, Telecommunications Division Assistant Manager Lindgren, Senior Electrical Systems Engineer Donato, Water Division Manager Kleinegger and City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 11-2402 – AMENDING
THE 2011 GENERAL GOVERNMENT ANNUAL BUDGET –FIRE
DEPARTMENT - \$79,838 AND PORT DEPARTMENT - \$220,000**

Mayor Williams called the public hearing on Resolution No. 11-2402 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:02 p.m.



COMMUNICATIONS

Mayor Williams noted items laid on the table, including: cancellation of the scheduled power outage of June 7 and 8 for the Bethe Substation Project and a report of reservoir elevations as of early June.

PERSONS TO BE HEARD

Eric Muench spoke regarding the new library, noting he and his wife are supporters of the facility. However, he said he doesn't like the design. He said the aesthetics are great but they come at a cost. He referred to the amount of windows and the cost to heat a facility with so many windows. He provided comments on other design features, and answered questions from the Council.

Councilmember Sivertsen responded that similar concerns had been discussed at length by the Library Building Committee, and measures had been taken to address such concerns.

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Kathleen Light, Director of Ketchikan Area Arts and Humanities Council, updated the Council on recent activities of the organization. She reported on the Celebration of the Sea, Brothers opening at the Main Street Gallery, Year of the Artist online registry, an opening at the Main Street Gallery on June 3 called Four Servings of Fiber, the upcoming Blueberry Arts Festival and the Giggleeft Dance Festival.

CONSENT AGENDA

Mayor Williams suggested moving the item relating to supplemental appropriations for the Fire and Port Departments to the Consent Agenda, and no objections were heard.

Approval of Minutes

Moved by Jason Harris, seconded by Sivertsen approval of the minutes of the regular meetings of May 5 and 19, 2011.

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

Renewal of Leases for Museum Department Storage and Office Space – Richard Gosnell d/b/a G Games-Rentals and SEA Properties LLC

Moved by Jason Harris, seconded by Sivertsen the City Council approve the twelve-month agreement between the City of Ketchikan and Richard Gosnell d/b/a G Games-Rentals for the lease of heated storage space for the Museum Department at a cost of \$391.00 per month plus heating costs and authorize the city manager to execute the lease agreement on behalf of the City Council.

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

Declaring Personal Property as Surplus and Authorizing Sale of Such Property Through a Sealed Bid Process

Moved by Jason Harris, seconded by Sivertsen pursuant to paragraph (b) of Section 3.12.070 of the Ketchikan Municipal Code, the City Council declare as surplus such personal property as detailed in the engineering technician's memorandum dated May 19, 2011 and direct staff to dispose of said personal property by means of a sealed bid process.

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

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Amendment No. 6 to Contract No. 10-22, Professional Services Agreement, between the City of Ketchikan and RISE Alaska, LLC, Stakeholder Management/Project Support Services

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the city manager to enter into Amendment No. 6 to Contract No. 10-22, Professional Services Agreement, between the City and RISE Alaska, LLC at a cost not to exceed \$39,960 for the provision of ongoing stakeholder management and project support services associated with the construction of a new Ketchikan Public Library; approve funding from the 2011 Library Facilities Replacement Capital Account; and direct the city manager to execute Amendment No. 6 on behalf of the City Council.

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

Ordinance No. 11-1674 – Exempting Granting of An Easement to the Board of Regents of the University of Alaska, As Trustee, for the University of Alaska for a Pile Supported Dock Project on City Real Property from Competitive Bidding and From the Provisions of KMC Chapter 3.12 and City Charter Sections 5-16 and 5-17 – First Reading

Copies of Ordinance No. 11-1674 were available for all persons present.

Moved by Jason Harris, seconded by Sivertsen the City Council approve in first reading Ordinance No. 11-1674 exempting granting of an easement to the Board of Regents of the University of Alaska, as trustee, for the University of Alaska for a pile supported dock project on City real property from competitive bidding and from the provisions of KMC Chapter 3.12 and City Charter Sections 5-16 and 5-17; approving the grant of the easement; providing for the filing of referendum petitions; and establishing an effective date.

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

Negotiation of Professional Services Agreement – Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project Management Services, Dowl HKM

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the city manager to negotiate a professional services agreement with Dowl HKM of Juneau, Alaska for project management services for Contract No. 11-22, Jackson/Monroe Streets

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& 4th/7th Avenues Reconstruction Project, said contract to be submitted to the City Council for formal consideration and approval.

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

Ketchikan Gateway Borough CPV Fund Grant Program Agreement – Construction of a Physical Connection of Harborview Park to Waterfront Promenade

Moved by Jason Harris, seconded by Sivertsen the City Council approve the Ketchikan Gateway Borough CPV Fund Grant Program Agreement in the amount of \$60,000 for the construction of a physical connection between Harborview Park and the Waterfront Promenade and direct the city manager to execute the grant agreement on behalf of the City Council.

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

Contract No. 11-33 – Harborview Park Connection Design and Project Management Services, PND Engineers, Inc.

Moved by Jason Harris, seconded by Sivertsen the City Council approve Contract No. 11-33, Harborview Park Connection, between the City of Ketchikan and PND Engineers, Inc. in an amount not to exceed \$17,270; authorize funding from the Port Department's 2011 Harborview Park Connection Capital Account; 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.

Award of Contract No. 11-25 – KPU Fixed Wing Aircraft Service, Taquan Air

Moved by Jason Harris, seconded by Sivertsen the City Council accept the bid of Taquan Air in the amount of \$417 per flight for Contract No. 11-25, KPU Fixed Wing Aircraft Service; authorize funding from the 2011 Electric Division's Contractual Services Account No. 53; 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.

Resolution No. 11-2402 – Amending the 2011 General Government Annual Budget to Provide Supplemental Appropriations for the Fire Department in the Amount of

\$79,838 and the Port Department in the Amount of \$220,000

Moved by Jason Harris, seconded by Sivertsen the City Council approve Resolution No. 11-2402 amending the 2011 General Government Annual Budget to provide supplemental appropriations for the Fire Department in the amount of \$79,838 and the Port Department in the amount of \$220,000; and establishing an effective date.

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

UNFINISHED BUSINESS

Ordinance No. 11-1671 – Declaring Fire Department Breathing Apparatuses Surplus; Exempting the Disposition of Surplus Fire Department Breathing Apparatuses from Competitive Bidding and Other Requirements; Authorizing the City Manager to Transfer Surplus Fire Department Breathing Apparatuses to MES, Inc. – Second Reading

Copies of Ordinance No. 11-1671 were available for all persons present.

Moved by Sivertsen, seconded by Jason Harris the City Council approve in second reading Ordinance No. 11-1671 declaring Fire Department breathing apparatuses surplus; exempting the disposition of surplus Fire Department breathing apparatuses from competitive bidding and other requirements; authorizing the city manager to transfer surplus Fire Department breathing apparatuses to MES, Inc., and providing for an effective date.

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

Appointments to Boards and Commissions – Mayor Williams

Mayor Williams submitted the name of Andy Donato as the replacement on the SEAPA Board for Mike Kline. He asked if there were any objections and heard none.

NEW BUSINESS

Comprehensive Annual Financial Report for the City of Ketchikan, Alaska and the Supplementary Compliance Report Section for the Year Ended December 31, 2010

Moved by Jason Harris, seconded by KJ Harris the City Council accept the Comprehensive Annual Financial Report of the City of Ketchikan, Alaska and the Supplementary Compliance Report Section for the year ended December 31, 2010.

Dirk Richardson of Mecham, Richardson and Company addressed the Council, outlining aspects of the report. He said a clean opinion has been issued for the audit.

Councilmember Shay congratulated staff on the report.

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

Resolution No. 11-2403, Levying a General Tax for Municipal Property Purposes Upon All Real and Business/Personal Property in the City for the Year 2011; Providing for the Collection of Taxes Due in 2011; Prescribing Penalties and Interest for Delinquent Taxes

Moved by West, seconded by Sivertsen the City Council approve Resolution No. 11-2403 levying a general tax for municipal purposes upon all real and business/personal property in the City for the year 2011; providing for the collection of taxes due in 2011; prescribing penalties and interest for delinquent taxes; and establishing an effective date.

Finance Director Newell answered questions from the Council.

Moved by Shay, seconded by Sivertsen to amend the mill rate from 6.1 to 6.2.

Mayor Williams said if the motion to amend passes, it would substitute for the main motion. No objections were heard.

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

Negotiation of Contract No. 11-12 – Management/Peer Review Relative to the Operations of the Human Resources Division of the City Manager’s Office, Matrix Consulting Group

Moved by Coose, seconded by Sivertsen the City Council authorize the city manager to negotiate the terms and conditions of Contract No. 11-12, Management/Peer Review Relative to the Operations of the Human Resources Division of the City Manager’s office, with Matrix Consulting Group of Palo Alto, California, said agreement to be submitted to the City Council for formal consideration and approval.

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

Negotiation of Contract No. 11-27 – Construction Manager/General Contractor Services for the Construction for a New Municipal Public Library, Dawson Construction, Inc.

Moved by Kj Harris, seconded by Olsen the City Council authorize the city manager to enter into negotiations with Dawson Construction, Inc. of Ketchikan, Alaska/Bellingham, Washington for Contract No. 11-27, Construction Manager/General Contractor Services for the Construction of a New Municipal Public Library, said agreement to be submitted to the City Council for formal consideration and approval.

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

Ordinance No. 11-1673 – Amending Ketchikan Municipal Code Section 10.88.040 entitled “Penalty for Violation” – First Reading

Copies of Ordinance No. 11-1673 were available for all persons present.

Moved by Shay, seconded by Jason Harris the City Council approve in first reading Ordinance No. 11-1673 amending Ketchikan Municipal Code Section 10.88.040 entitled “Penalty for Violation;” and establishing an effective date.

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

Ketchikan Public Library Foundation Alternatives

Moved by Jason Harris, seconded by Sivertsen the City Council direct staff to proceed with the design of the new library foundation as determined appropriate by the City Council.

The Council discussed foundation issues at length, and directed staff to proceed with a pile-supported foundation.

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

Amendment No. 3 to Contract No. 10-22, Professional Services Agreement for the Design of the Ketchikan

**Public Library – Design of Wood Pellet Boiler System,
Bettisworth Welsh Whiteley, LLC**

Moved by Sivertsen, seconded by Olsen the City Council direct the city manager to enter into Amendment No. 3 to Contract No. 10-22, Professional Services Agreement for the Design of the Ketchikan Public Library, between the City and Bettisworth Welsh Whiteley at a cost not to exceed \$73,998 and authorize funding from the 2011 Library Facilities Replacement Capital Account.

Kent Crandall of RISE Alaska, LLC and Tim Whiteley of Bettisworth Welsh Whiteley spoke to the Council. Mr. Crandall suggested a modified proposal of \$15,000 rather than the full \$73,998 for a feasibility study for this type of system.

Manager Amylon said he would like to use the information provided by Councilmember Coose, and take the issue up at the next meeting after the contractors have had a chance to review it in conjunction with discussions with SEAlaska.

Moved by Jason Harris, seconded by Kj Harris to defer this item until the special meeting of June 9, 2011.

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

**Amendment No. 4 to Contract No. 10-22, Professional
Services Agreement for the Design of the Ketchikan
Public Library – LEED Certified Project, Bettisworth
Welsh Whiteley, LLC**

Moved by Olsen, seconded by West the City Council direct the city manager to enter into Amendment No. 4 to Contract No. 10-22, Professional Services Agreement for the Design of the Ketchikan Public Library, between the City and Bettisworth Welsh Whiteley, LLC at a cost not to exceed \$136,354 and authorize funding from the 2011 Library Facilities Replacement Capital Account.

Councilmember Olsen commented his intent was to make sure the City is doing best principles and being leaders in the community in conserving our electric power, rather than spending money to make sure the building is LEED certified.

Manager Amylon commented the Library Building Committee recommended taking a portion of the work, approximately \$25,000 to \$30,000, and ask that Bettisworth Welsh Whiteley come back with a revised amendment to be presented to the Council.

Councilmember Olsen said his intent is to use the ways that energy is being saved in the new library building and applying those principles to other City buildings.

Motion was withdrawn with the consent of the second.

Directing Preparation of an Ordinance Authorizing the Issuance of General Obligation Bonds in an Amount Not to Exceed \$10,000,000 to Finance All or a Portion of the Cost of Certain Improvements to Harbor Facilities of the City; Providing for Submission to the City's Voters, At a Regular Election to be Held on October 4, 2011, of a Proposition Approving These Capital Projects, Approving This Ordinance; and Ratifying the Authorization of the General Obligation Bonds

Moved by West, seconded by Jason Harris the City Council defer consideration of a ballot proposition authorizing up to \$10,000,000 in general obligation bonds to fund the cost of improvements to the municipally-owned harbors until after such time as the Governor has finalized the 2012 State Capital Budget.

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

Authorizing Negotiation of Contract No. 11-13 – Water/Wastewater Cost Allocation & Rate Design Study for the City of Ketchikan, FCS Group

Moved by Shay, seconded by Sivertsen the City Council authorize the city manager to negotiate the terms and conditions of Contract No. 11-13, Water/Wastewater Cost Allocation & Rate Design Study for the City of Ketchikan, with FCS Group of Redmond, Washington, said agreement to be submitted to the City Council for formal consideration and approval.

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

Award of Contract No. 11-29 – Schoenbar Road Water Transmission Main – Corrosion Testing, CH2M Hill, Inc.

Moved by Jason Harris, seconded by Sivertsen the City Council approve Contract No. 11-29, Schoenbar Road Water Transmission Main – Corrosion Testing, between Ketchikan Public Utilities and CH2M Hill, Inc. in an amount not to exceed \$30,000; authorize funding from the Water Division's 2011 Contractual Services Account No. 53; and direct the general manager to execute the contract documents on behalf of the City Council.

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

**Award of Contract No. 11-23, Bethe Substation
Switchgear – Myers Power Products - \$449,031**

Moved by Coose, seconded by Jason Harris the City Council accept the bid of Myers Power Products of Ontario, California in the amount of \$449,031 for Contract No. 11-23, Bethe Substation Switchgear; authorize funding from the Electric Division's 2011 Bethe Substation Replacement Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

**Pre-Approval of Compensation, Annual Vacation and
Relocation Expenses – Electric Division Manager**

Moved by Sivertsen, seconded by Shay the City Council authorize Management Recruiters of Sacramento, California to recruit candidates to fill the position of Electric Division Manager based on compensation at Step R of Grade 7-84, or \$126,709, four weeks annual vacation and relocation assistance in the amount of \$25,000.

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

VOUCHERS

Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$10,065.47.

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 May 19, 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 May 19, 2011.

Finance Director Newell answered questions from the Council.

**Contract No. 10-31 (Construction Manager/General
Contractor Construction Services for the Construction of**

a New Municipal Fire Station) Update – Minutes of Weekly Construction Progress Meeting Nos. 6 and 7

Manager Amylon advised Weekly Construction Progress Meeting Nos. 6 and 7, which were held in Ketchikan/Anchorage/Bellingham on May 10 and May 17, 2011 for Contract No. 10-31, Construction Manager/General Contractor Construction Services for the construction of a New Municipal Fire Station. He provided a copy of the minutes.

Contract No. 10-22 (One Hundred Percent Design of the Ketchikan Public Library Project) Update – Minutes of Weekly Design Progress Meeting Nos. 6, 7 and 8

Manager Amylon copied the Council with the minutes of Weekly Design Progress Meeting Nos. 6, 7 and 8 that were held in Ketchikan/Anchorage on May 10, 17 and 24, 2011 respectively for Contract No. 10-22, One-Hundred Percent Design of the Ketchikan Public Library Project.

2012 State Capital Budget

Manager Amylon provided detail of the Alaska Legislature's version of the 2012 Capital Budget comparatively with the governor's proposed 2012 Capital Budget. He noted that while the Legislature's version is extremely positive for the City and the community, he cautioned that any appropriation is subject to gubernatorial veto.

Ketchikan Construction Academy Update

Manager Amylon attached a memorandum from Safety Coordinator Gossman regarding the City's first year of involvement with the Ketchikan Construction Academy, and Mr. Gossman's recommendation that the partnership be continued into the future.

Closeout of Contract No. 10-26 – Totem Heritage Center Remediation Project, Dawson Construction, Inc.

Manager Amylon included a memorandum from Engineering Technician Barry reporting the Totem Heritage Center Remediation Project was successfully closed out on May 18. Mr. Amylon acknowledged the efforts of City staff in overseeing this difficult and complicated project, which was completed within budget and without negative impacts to the priceless totem pole collection housed at this facility.

Modification of Designated Parking Spaces – Madison Parking Lot

Manager Amylon transmitted a memorandum from Port and Harbors Director Corporon recommending changes to parking spaces at the Madison Parking Lot to seven-day time

slots. He noted unless there were objections from the Council, he intended to authorize staff to proceed. No objections were heard

Final 2010 Sales Tax Report

Manager Amylon included a memorandum from Finance Director Newell updating the Council with the final 2010 sales tax report. Mr. Newell reported City sales tax collections decreased 9.67% and provided detail as to areas of sales tax collection that were affected.

Contract No. 11-22 Update – Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project, Miller Construction Co., Ltd.

Manager Amylon provided a report from the Engineering Division summarizing the May project activities for the Jackson/Monroe Streets and 4th/7th Avenues Reconstruction Project.

Downtown On-Street Parking and Loading zone Inventory

Manager Amylon copied the Council with a map depicting on-street parking and loading zones within the downtown, noting that as time permits the inventory will be expanded to include off-street parking and to address areas in the Newtown and Stedman-Thomas Districts as well. He acknowledged the efforts of Engineering Technician/CADD-GIS Operator Chet Hugo and Survey Technician Mark Saari in moving the project forward.

Councilmember Jason Harris expressed his frustration at those who park between the lines, and he encouraged people to park properly. Mayor Williams asked if there were four hands to direct the Police Department to issue tickets for people who parking outside the designated lines; at least four were shown.

Councilmember Kj Harris reminded that last year the idea of an additional parking enforcement officer was brought up, and he requested information. Police Chief Talik related some preliminary information was gathered, and he felt it was worth further consideration. He felt a seasonal parking enforcement officer was the direction to pursue, and Manager Amylon said staff would bring it back at the June 16 meeting.

General Government Financial Statements for the Quarter Ending March 31, 2011

Manager Amylon included the General Government financial statements for the first quarter of the year ending March 31, 2011.

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**Comparison of Actual Reserves with Estimated Reserves
for the Year Ended December 31, 2010**

Manager Amylon transmitted a memorandum from Finance Director Newell detailing a comparison of actual reserves with estimated reserves for the year ending December 31, 2010.

K.P.U. MANAGER'S REPORT

**Phase I Review of Electric Division Rate Structure
Presentation – D. Hittle & Associates, Inc.**

Manager Amylon reminded the Council of the special meeting scheduled for Thursday, June 9 in order that D. Hittle & Associates, Inc. can present the results of the Phase I Review of Electric Division Rate Structure.

**Proposed Withdrawal from the Public & Private
Payphone Business Market**

Manager Amylon detailed information and history related to the viability of KPU providing payphone service. He outlined the losses suffered in recent years, and noted absent direction to the contrary from the Council, staff intended to develop a viable plan for the elimination of non-performing payphones, with implementation expected to be complete by the end of the year.

Report of May 16 and 18, 2011 Telephone Outages

Manager Amylon provided a report from Telecommunications Division Manager Abbott regarding the May 16 and 18, 2011 telephone outages.

**Ketchikan High School Student, Lucy Ortiz, Selected to
Participate in OPASTCO's Foundation for Rural
Education and Development (FRED) Program**

Manager Amylon noted his office issued a press release on May 19, 2011 notifying that Lucy Ortiz has been recognized by OPASTCO's Foundation for Rural Education and Development Program in 2011.

Report of May 18, 2011 Power Outage

Manager Amylon provided a report from Senior Electrical Systems Engineer Donato relating to the May 18, 2011 power outage.

**Organized Village of Kake, et al., Plaintiffs, vs. United
States Department of Agriculture, et. al., Defendants, and**

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**State of Alaska and Alaska Forest Association,
Intervenor-Defendants Judgment in a Civil Case**

Manager Amylon transmitted a copy of Judge John W. Sedwick's judgment upholding the application of the Roadless Rule in the Tongass National Forest. He noted there are exceptions provided within the judgment to allow for activities associated with the construction of the Whitman Lake Hydroelectric Project and maintenance of the Swan Lake-Lake Tyee Intertie. He related the City has been invoiced for the processing of the Special Use Permit application, which the Forest Service has indicated will likely be issued sometime in June.

**Ketchikan Public Utilities Financial Statements for the
Quarter Ending March 31, 2011**

Manager Amylon provided the Ketchikan Public Utilities financial statements for the first quarter ending March 31, 2011.

CITY CLERK'S FILE

**Amended Gaming Permit Application – Alaska Judicial
Observers, Inc.**

Clerk Suiter provided the amended gaming permit application for Alaska Judicial Observers, Inc. 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 Jason Harris reminded people to sign up for FlashAlerts, and said he has discussed more intense advertising with the manager. He encouraged the Council to talk it up with constituents to get the information out. He noted the state recently requested we put out some alerts for them, and he hoped people would get in the habit of using the system.

Councilmember Sivertsen said he felt the need to discuss future bonding at a special meeting, and he related some of the projects that will need to be bonded. He felt the Council needed to come up with a plan to set some priorities as far as bonding in the long term. He suggested the Council have a related workshop.

Councilmember Coose asked if the library meetings and other meetings are being advertised, and Clerk Suiter clarified they are. He said there should be a planning meeting

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for the 2012 budget, and Mayor Williams asked councilmembers what would work. After discussion it was determined that a meeting would need to be held after July 13th, before the month is out.

Councilmember Kj Harris expressed concern about a lot of issues facing the community, and the fact that these things need to be paid for. He said we need to be careful how we are going to spend our money.

Councilmember Shay said he went to the IRP meeting and brought up Whitman Lake. He said he was reminded they already passed a resolution supporting the project. He went on to say he and Councilmember Jason Harris attended the Police Department's 27th Annual Awards Banquet, and he thanked staff for all they did. He reported the roast celebrating his 80th birthday went very well, and he read a congratulatory note from Senator Mark Begich.

Councilmember Olsen echoed the need for a budget planning meeting. He felt the decision regarding the mill rate was made in a vacuum this evening, without knowing how it is going to impact the City in the future.

Councilmember West felt the Council does not know what the governor is going to veto and it is unfortunate timing that the mill rate needed to be passed by the end of the month. She reported the KPU Advisory Board met this week, and they are hoping to be more help on projects by perhaps doing research on issues that are before the Utility and providing a report. She noted they are a very well informed group with a lot of expertise.

Mayor Williams said he and Mayor Kiffer talked to the governor, which went very well but right after the meeting he went out and announced he was going to cut \$400 million from the capital budget. He said there are some lights out on Creek Street, and since there has been some vandalism it would really help if the lights were fixed. He also noted he heard a complaint about some roofing missing on the boardwalk over there.

Manager Amylon said he didn't feel the Council understands the amount of work from staff that is put into the clean opinion for the Comprehensive Annual Financial Report. He commended the Finance Department and the Council concurred.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 9:15 p.m.

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Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the May 13, 2011 Ketchikan Gateway Borough/City of Ketchikan
Cooperative Relations Committee Meeting
Small Business Development Center Second Quarter Report FY2011 - January Through March
2011
Southeast Senior Services' Quarterly Activity and Financial Reports - January Through March
2011