

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., July 21, 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, City Attorney Seaver, Police Chief Talik, Public Works Director Allen, Assistant Telecommunications Division Manager Lindgren and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams noted a revised motion relating to the 2011 Hot Mix Asphalt Overlay Project was laid on the table.

PERSONS TO BE HEARD

Doug Ward, speaking on behalf of the Chamber of Commerce, expressed support of Ordinance No. 11-1676 amending building permit fees. He said money that businesses can save is put back into the economy. He complimented the building official and his staff for working with businesses during large projects and the numerous changes that can occur.

CONSENT AGENDA

Approval of Minutes

Moved by Jason Harris, seconded by Sivertsen approval of the minutes of the regular meeting of July 7, 2011.

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

Budget Transfer – Conveyance of Municipally-Owned Property to Ms. Frances Williams, Portions of Lot B and Partial Lot 6, Block 27, US Survey 437

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the city manager to transfer \$7,289.50 from Appropriated Reserves of the General Fund to the Public Works Engineering Division's 2011 Professional Services Account, in order to reimburse one-half of the expenses that were incurred as a result of the conveyance of municipally-owned property beneath her residence from the City to Ms. Frances Williams.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Mayor Williams asked the Council defer the bid relative to the Dock Vendor Program as he wanted to hear suggestions from current vendors.

Ordinance No. 11-1677 – Amending Section 5.40.024 of the Ketchikan Municipal Code Entitled “Animal-Drawn Public Vehicles” – First Reading

Copies of Ordinance No. 11-1677 were available for all persons present.

Moved by Sivertsen, seconded by Kj Harris the City Council approve in first reading Ordinance No. 11-1677 amending Section 5.40.024 of the Ketchikan Municipal Code entitled “Animal-Drawn Public Vehicles;” and establishing an effective date.

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

Competitive Bid of Contract No. 11-34 – 2012-2014 Dock Vendor Program

Moved by Kj Harris, seconded by Shay to defer this item until the next regular meeting.

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

Ordinance No. 11-1676 – Amending Subsections (b)(7) and (b)(8) of KMC Section 19.04.010 Entitled “International Building Code Adopted” Related to Building Permit Fees – First Reading

Moved by Shay, seconded by Jason Harris the City Council approve in first reading Ordinance No. 11-1676 amending Subsections (b)(7) and (b)(8) of KMC Section 19.04.010 entitled “International Building Code Adopted” related to building permit fees; and establishing an effective date.

Councilmember Coose requested information on how much residential inspections cost.

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

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Budget Transfers – Bid for Contract No. 11-05, 2011 Hot Mix Asphalt Overlay Project, Secon

Moved by Coose, seconded by Olsen the City Council accept the bid of Secon in the amount of \$578,205 for Contract No. 11-05, 2011 Hot Mix Asphalt Overlay Project; establish a ten percent contingency in the amount of \$57,680, bringing the total project cost to \$635,885; authorize budget transfers of \$20,000 and \$37,000 respectively from Appropriated Reserves of the Public Works Sales Tax Fund to the Streets Division's 2011 Hot Mix Asphalt Overlay Project Capital Account and from the Wastewater Division's 2011 Laboratory Equipment Capital Account to the Sewer Main & Manhole Repair/Replacement Capital Account; approve funding in the amounts of \$598,885 and \$37,000 respectively from the Streets Division's 2011 Hot Mix Asphalt Overlay Project Capital Account and the Wastewater Division's Sewer Main & Manhole Repair/Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Manager Amylon and Public Works Director Allen answered questions from the Council.

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

Agreement for City Attorney Services – Mayor Williams

Moved by West, seconded by Shay the City Council approve the Agreement for City Attorney Services between the City of Ketchikan and the Ziegler Law Firm, retroactive to July 1, 2011.

Councilmember Coose expressed concerns about the contract being with Ziegler Law Firm rather than Mitch Seaver; the cost of the contract added to the cost of removing the position from PERS; and City-owned equipment not leaving the City building. He emphasized his feelings that the attorney needs to work with both the clerk and the manager.

Councilmember Shay explained reasoning for employing the law firm rather than the individual, citing potential Department of Labor ramifications.

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

2011/12 Legislative Liaison – Initial City of Ketchikan and Ketchikan Public Utilities Priority Requests

Moved by Coose, seconded by Sivertsen the City Council approve the City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the 2011/12 Legislative Liaison

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Community Priority List as detailed in staff's report dated July 15, 2011 and/or as modified by the City Council.

Manager Amylon answered questions from the Council.

Moved by Shay, seconded by Olsen to amend by moving the Whitman Lake Project to Priority No. 3 on the list.

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

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

**Award of Contract No. 11-26 – Air Quality Permitting
Compliance Services, SLR International Corporation**

Moved by Shay, seconded by Olsen the City Council approve Contract No. 11-26, Air Quality Permitting Compliance Services, between Ketchikan Public Utilities and SLR International Corporation of Anchorage, Alaska in an amount not to exceed \$90,000; authorize funding from the Electric Division's 2011 Contractual Services Account No. 53; and direct the general manager to execute the contract documents on behalf of the City Council.

Manager Amylon and Senior Project Engineer Soderstrom answered questions from the Council.

Councilmember Jason Harris expressed frustration at the level of federal control that seems to cause the City to invest millions of dollars to make improvements to facilities. Councilmember Coose requested a strong letter be written to our federal delegation to see if the regulators can reach a common sense level of what we can do.

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

**Budget Transfers – Exempting the Upgrade of the
CommSoft Virtual Telecommunications Connection
(VTC) Automation Interface Software from the
Competitive Bidding/Quotation Requirements of the
Ketchikan Municipal Code**

Moved by Sivertsen, seconded by Jason Harris pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the upgrade of CommSoft Virtual Telecommunications Connection automation interface software without competitive bidding/quotation at a cost of \$35,700; authorize the de-obligation

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of \$10,700 from Purchase Order No. 72-439; approve budget transfers of \$25,000 and \$10,700 from the Telecommunications Division 2011 Normal Growth and Repair – Provisioning Capital Account and from Appropriated Reserves of the KPU Enterprise Fund respectively to the Telecommunications Division’s 2011 CommSoft Virtual Telecommunications Connection Automation Interface Software Upgrade Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

VOUCHERS

Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$369.00.

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

CITY MANAGER’S REPORT

General Government and KPU Appropriated Reserves Through the City Council Meeting of July 7, 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 July 7, 2011.

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. 13, 14 and 15

Manager Amylon advised Weekly Construction Progress Meeting Nos. 13, 14 and 15, were held in Ketchikan/Anchorage/Bellingham on June 28, July 5 and 12, 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.

Police Department Shift Schedule

Manager Amylon included a memorandum from Police Chief Talik regarding twelve-hour shifts for the Police Department. He noted unless the Council directs otherwise, it was his intention to implement the schedule effective August 1, 2011.

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Contract No. 10-30 (One Hundred Percent Design of the Ketchikan Public Library Project) Update – Minutes of Weekly Design Progress Meeting Nos. 13 and 14

Manager Amylon copied the Council with the minutes of Weekly Design Progress Meeting Nos. 13 and 14 that were held in Ketchikan/Anchorage on July 5 and 12, 2011 respectively for Contract No. 10-30, One-Hundred Percent Design of the Ketchikan Public Library Project.

Public Works Department Project Status Report – June 2011

Manager Amylon included the project status report of the Public Works Department for the month of June 2011.

Contract No. 09-38 Update – Millar Street Bridge Replacement

Manager Amylon reported the Millar Street Bridge Replacement Project is now substantially complete and was opened to traffic on July 12, 2011. Pictures were provided with the report. He noted the city attorney's office and Engineering Division are working with the contractor's bonding company to close out the project.

Modification of Radiance of the Seas' 2011 Berth Assignment

Manager Amylon transmitted a report from Port and Harbors Director Corporon, in which Mr. Corporon is proposing to reposition the Radiance of the Seas from Berth II to Berth I on the remaining three days of the 2011 season when the vessel is the only cruise ship scheduled to visit Ketchikan. Mr. Corporon said this is due to security and operational issues.

Covered Walkways for Placement at Berths I and II

Manager Amylon informed that Cruise Line Agencies of Alaska successfully applied to the Ketchikan Gateway Borough for CPV funding for the acquisition of covered walkways for placement at Berths I and IV. He noted the intent is to provide shelter for passengers returning to the cruise ships, and it is a significant benefit for visitors to the community.

Public Meeting – Ordinance No. 11-1676, Building Permit Fees

Manager Amylon reported staff will be holding a public meeting relating to the ordinance covering building permit fees on August 9, 2011 at the Ted Ferry Civic Center.

K.P.U. MANAGER'S REPORT

**Project Status Reports of the KPU Operating Divisions –
June 2011**

Manager Amylon included the project status reports of the KPU operating divisions for the month of June 2011.

Report of July 7, 2011 Power Outage

Manager Amylon provided a report from Senior Electrical Systems Engineer Donato regarding the July 7, 2011 power outage.

Non-Disclosure Agreement – Verizon Wireless

Manager Amylon attached a memorandum from Assistant Telecommunications Division Manager Lindgren relating to a non-disclosure agreement with Verizon Wireless for wireless service. He stated he intended to execute the agreement unless directed otherwise.

Electric Division Manager

Manager Amylon introduced Electric Division Manager Tim McConnell, who started on Monday.

CITY CLERK'S FILE

**Gaming Permit Application – Alaska State Elks
Association**

Clerk Suiter provided the gaming permit application for Alaska State Elks 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 requested the attorney figure out how to shorten motions.

Councilmember Shay expressed condolences to the family of Diana Thomas, noting she was a beloved member of the community. He said they celebrated her extraordinary life

today. He thanked Councilmember Sivertsen for bringing the group together to discuss the process for community agency funding, which was also attended by two Borough assemblymembers. He said they are working on tying the amount of funding to a percentage of tax revenues; looking at phasing outside the current budget cycle; requesting mission statements and other criteria. He said they will be meeting next week and hopes they can work out some of these issues. He encouraged councilmembers to sign up for Southeast Conference, which will be held in Ketchikan this year. He reported he will be attending the Alaska Municipal League summer meeting in Sitka, and he will carry the City's desires forward at the meeting.

Councilmember Jason Harris said it is frustrating to try to improve things in the community when federal regulations make it difficult. He felt at some point in time we've got to say enough is enough.

Councilmember Sivertsen said he felt the city manager should be given direction at this time to refrain from sending out letters asking for community agency grant requests, until after the committee can get further along in the process. No objections were heard. He continued that another member of the Ketchikan community passed away, Earl Mossburg, noting Mr. Mossburg's activity in search and rescue operations.

Mayor Williams said he understood Mr. Harris' frustration at regulatory issues, and was reminded of an issue related to when the wastewater facility was built. He said he will be welcoming everyone to Southeast Conference, and he thanked everyone for deferring the item related to tour operators.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

**Request for Executive Session – discussion of Potential
Litigation Association with Contract No. 10-40, Ketchikan
General Hospital Surgery Suites HVAC Improvements,
Little Susitna Construction Company, Inc.**

Moved by West, seconded by Sivertsen the City Council declare that it is in the best interest of the City to go into executive session in accordance with KMC 2.04.025(a)(1) and AS 44.62.310(c)(1) and (3) to discuss Little Susitna Construction Company, Inc.'s claims relating to its performance of the Agreement for Ketchikan General Hospital HVAC Improvement, Contract No. 10-40, as set forth in that company's Notice of Contract Dispute dated July 12, 2011, which includes the need to discuss subjects the knowledge of which could have an adverse impact upon the finances of the City and to discuss potential litigation strategies with legal counsel within the attorney-client privilege.

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

The Council recessed into executive session at 7:48 p.m. and reconvened at 8:02 p.m.

Mayor Williams said the Council has completed an executive session to discuss Little Susitna Construction Company, Inc.'s claims relating to its performance of the Agreement for Ketchikan General Hospital HVAC Improvement, Contract No. 10-40, as set forth in that company's Notice of Contract Dispute and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 8:02 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Lake Levels and System Generation Report for the Month of June 2011
Water Utilization Study Report – June 2011