

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., August 4, 2011, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen (joined via teleconference at 7:10 p.m.), 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, Finance Director Newell, City Attorney Seaver, Fire Chief Share, Port and Harbors Director Corporon, Police Chief Talik, Public Works Director Allen, Electric Division Manager McConnell, and City Clerk Suiter.

### **COMMUNICATIONS**

Mayor Williams noted items laid on the table from the manager, including: notification of a public meeting postponement relative to the City's permitting process; and a request for a new business item concerning inclusion of Ketchikan Medical Center Addition & Alterations Project funding request within the City of Ketchikan 2011/12 Legislative Liaison Priorities.

### **PERSONS TO BE HEARD**

Penny Pedersen, representing PeaceHealth Ketchikan Medical Center, requested the Council add the Ketchikan Medical Center Additions and Alterations Project to the Ketchikan Legislative Liaison Priority List at a high level. She reminded the Council of the issues the remodel addresses, as well as healthcare benefits to the community and region. She pointed out the hospital is one of the three bigger anchors of the community. Mayor Williams asked if there were at least five hands to add this item to the agenda, and at least five were shown.

Kathleen Light, representing Ketchikan Area Arts and Humanities Council, addressed the Council regarding their current activities. She noted the Year of the Artist Invitational Exhibit in July saw 569 visitors, as well as three other events at the Main Street theater. She discussed the Blueberry Arts Festival, noting Alaska Airlines is supporting them this year. She answered questions from the Council.

Wendy Chatham, representing Taquan Air, requested the Council defer action on the dock vendor program amendments in order to allow their company to assess the requests before them.

Justin Carro proposed an alternative to the tour vendor program, explaining he could be a broker for anyone who would want to sell to cruise ship passengers. He elaborated on his proposal, suggesting he could broker all the available booths on the dock for all vendors. He felt this provided access to the dock for smaller companies.

Steve McDonald spoke regarding the dock vendor program, providing a brief history of the program. He felt the playing field was not level anymore, and he supported the mayor's suggestions for changes to the contract. He expressed concern about larger

companies taking everything and shutting out the smaller companies. He urged the Council to help the smaller companies stay in business.

Ken Arriola spoke in favor of the ordinance prohibiting animal-drawn vehicles on City streets. He read a prepared letter supporting his position.

Forrest Townsend said he works for Justin Carro and spoke in support of Mr. Carro's idea. He noted they work well with hundreds of companies across Alaska.

Nils Utterback supported Mr. McDonald's comments. He felt residency needs to be discussed, expressing rent is high and makes it hard to compete.

Scott Baker said he is a small business as a tour operator and it has been hard to get into the business. He spoke in favor of Mr. Carro's plan because he can offer all the tours at every ship. He felt it would bring in more tax revenue.

### **CONSENT AGENDA**

Mayor Williams suggested moving several items to the Consent Agenda, including: the award of the articulated front-end loader; the award of the City Hall siding and roof replacement design; and exempting the procurement of a Wastewater treatment plant B clarifier tank components, the Bethel substation AMR communications module, and substation regulator controls from competitive bidding. He asked if there were any objections and none were heard.

### **Approval of Minutes**

Moved by Jason Harris, seconded by Sivertsen approval of the minutes of the regular meeting of July 21, 2011.

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

### **Budget Transfer – 2011 Southeast Conference Host Expenses**

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the city manager to transfer \$7,000 from Appropriated Reserves of the General Fund to the City Council's 2011 Community Promotion Account No. 51 to pay for the cost of host expenses associated with the 2011 Southeast Conference Annual Meeting to be held in Ketchikan in September.

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

### **Rasmuson Foundation Challenge Grant Agreement – Construction of the New Ketchikan Public Library**

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Moved by Jason Harris, seconded by Sivertsen the City Council approve the grant agreement between the City of Ketchikan and the Rasmuson Foundation for a \$500,000 challenge grant for the construction of a new Ketchikan Public Library and authorize the city manager and finance director 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.

**Budget Transfer – Cooperative Agreement No. COOP-12-033 Between the Alaska Department of Fish and Game and the City of Ketchikan for the Design of the Replacement of the City’s Bar Harbor Launch Ramp**

Moved by Jason Harris, seconded by Sivertsen the City Council approve Cooperative Agreement No. COOP-12-033 between the Alaska Department of Fish and Game and the City of Ketchikan for the design of the replacement of the City’s Bar Harbor launch ramp; authorize a transfer of \$35,000 from Appropriated Reserves of the Small Boat Harbor Fund to the Harbor Department’s 2011 Bar Harbor Launch Ramp Capital Account; 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.

**Award of Contract No. 11-32 – Articulated Front-End Loader, Construction Machinery Industrial, LLC - \$148,540**

Moved by Jason Harris, seconded by Sivertsen the City Council accept the bid of Construction Machinery Industrial, LLC in the amount of \$148,540 for Contract No. 11-32, Articulated Front-End Loader; authorize funding from the Solid Waste Division’s 2011 Front-End Loader Capital Account; and direct the city 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.

**Budget Transfer – Contract No. 11-04, City Hall Siding & Roof Replacement Design, Bazan & Associates Architects, Inc.**

Moved by Jason Harris, seconded by Sivertsen the City Council approve Contract No. 11-04, City Hall Siding & Roof Replacement Design, between the City and Bazan & Associates Architects, Inc. of Bellevue, Washington at a cost not to exceed \$99,900; establish a 15% contingency in the amount of \$15,000, bringing the total project cost to \$114,900; authorize a budget transfer of \$49,900 from Appropriated Reserves of the

Public Works Sales Tax Fund to the Building Maintenance Division's 2011 City Hall Siding and Roof Replacement Capital Account; and direct the city 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.

**Exempting the Procurement of a Wastewater Treatment Plant B Clarifier Tank Components from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code – Amwell Company**

Moved by Jason Harris, seconded by Sivertsen pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Amwell Company Wastewater Treatment Plant B clarifier tank components from competitive bidding/quotations at a cost of \$75,000; authorize funding from the Wastewater Division's Wastewater Treatment Plant B Tank Flights Capital Account; and direct the city 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.

**Exempting the Procurement of a Bethe Substation AMR Communications Module from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code – Cannon Technologies**

Moved by Jason Harris, seconded by Sivertsen pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a Bethe Substation Cannon Technologies AMR Communications Module from competitive bidding/quotations at a cost of \$10,831; authorize funding from the Electric Division's Bethe Substation Capital Account; 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.

**Exempting Procurement of Substation Regulator Controls from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code - Siemens**

Moved by Jason Harris, seconded by Sivertsen pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of three Siemens substation regulator controls from competitive bidding/quotations at a cost of \$19,789; authorize funding from the Electric Division's 2011 Regulator Controllers Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

### **UNFINISHED BUSINESS**

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

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

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

Councilmember Olsen lost his telephone connection at this point in the meeting and did not rejoin.

#### **Dock Vendor Program**

Moved by Kj Harris, seconded by Coose the City Council defer this item until the next regular meeting.

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

#### **Ordinance No. 11-1676 – Amending Subsections (b)(7) and (b)(8) of Ketchikan Municipal Code Section 19.04.010 entitled “International Building Code Adopted” Related to Building Permit Fees – Second Reading**

Copies of Ordinance No. 11-1676 were available for all persons present.

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

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

The Council took a short break at 7:55 p.m. and reconvened at 8:00 p.m.

### **NEW BUSINESS**

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**Second and Final Twelve-Month Extension of Contract No. 09-44, 2009-2012 Agreement for Lobbying Services, Ray Matiashowski & Associates**

Moved by Coose, seconded by Jason Harris the City Council authorize the city manager to extend Contract No. 09-44, 2009-2012 Agreement for Lobbying Services, between the City of Ketchikan and Ray Matiashowski & Associates for the second and final renewal option at a cost of \$42,000 per year; approve funding from the 2011 City Council's Professional Services Account No. 60; and direct the city manager to execute the contract on behalf of the City Council.

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

**Amendment No. 6 to Contract No. 09-33, Professional Services Agreement for the Design of the Ketchikan Municipal Fire Station – Design of Wood Pellet Boiler System, Bettisworth Welsh Whiteley, LLC**

Moved by Jason Harris, seconded by Kj Harris the City Council direct the city manager to execute Amendment No. 6 to Contract No. 09-33, Professional Services Agreement for the design of the Ketchikan Municipal Fire Station, between the City and Bettisworth Welsh Whiteley, LLC in an amount not to exceed \$50,000 to provide for the design of such site infrastructure as may be required to accommodate the placement of a containerized wood pellet boiler system at a future date to be determined as detailed in the July 27, 2011 correspondence of Kent Crandall of RISE Alaska, LLC.

[Clerk's Note: The manager pointed out the day after the meeting that the amount contained a typographical error and the correct amount should have been \$10,000.]

Lengthy discussion was held relative to the pros and cons of a wood pellet boiler system.

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

**Amendment No. 1 to Contract No. 11-27, Pre-Construction Phase Work for the Ketchikan Public Library – Dawson Construction, Inc.**

Moved by Jason Harris, seconded by West the City Council direct the city manager to execute Amendment No. 1 to Contract No. 11-27, Pre-Construction Phase Services and Construction Phase Work for the Ketchikan Public Library, between the City and Dawson Construction Inc. at a cost not to exceed \$97,991 for early site construction; and authorize funding from the Library Department's 2011 Facilities Replacement Capital Account.

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

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**Inclusion of Ketchikan Medical Center Addition and Alternations Project Funding Request Within the City of Ketchikan 2011/12 Legislative Liaison Priorities**

Moved by West, seconded by Shay the City Council direct the city manager to include the Ketchikan Medical Center Addition and Alterations Project in the City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the 2011/12 Legislative Liaison Community Priority List and advocate for its inclusion in the initial FY 2013 Capital Budget List.

Manager Amylon answered questions from the Council.

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

**VOUCHERS**

Moved by West, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$6,785.91.

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

**CITY MANAGER'S REPORT**

**General Government and KPU Appropriated Reserves Through the City Council Meeting of July 21, 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 21, 2011.

**Expansion and Improvement of the Ketchikan Shipyard Progress Report**

Manager Amylon transmitted a memorandum from Karl Reiche of the Alaska Industrial Development and Export Authority outlining the progress of Ketchikan Shipyard's Development Plan.

**Fire Station No. 1 Monthly Progress Report – July 2011**

Manager Amylon included the July 2011 monthly progress report for the new Ketchikan Fire Station No. 1.

**“Sustainable Southeast: The Case for Biomass Industry in Southeast Alaska” – General Services Administration Panel Discussion and Tour**

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Manager Amylon alerted the Council that the General Services Administration will be hosting a panel discussion and tour on biomass heating system projects at federal government facilities on August 5, 2011 in the Federal Building Court Room. He noted various staff will be in attendance.

**Croy Construction vs. City of Ketchikan – Order Granting Dismissal With Prejudice**

Manager Amylon informed that his office has agreed to a dismissal of the case of Croy Construction vs. City of Ketchikan with prejudice, and he included a copy of the order.

**Financial and Accounting System Replacement Project Update No. 6**

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 New World will begin a series of meetings to review and modify the draft implementation plan for the City's new financial and accounting system on August 30, 2011.

**Saxman Bear Pole Raising**

Manager Amylon copied the Council with an invitation to the Saxman Bear Pole Raising on Saturday, August 6, 2011 at 1:00 p.m.

**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. 16 and 17**

Manager Amylon advised Weekly Construction Progress Meeting Nos. 16 and 17, were held in Ketchikan/Anchorage/Bellingham on July 19 and 26, 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. 10-30 (One Hundred Percent Design of the Ketchikan Public Library Project) Update – Minutes of Weekly Design Progress Meeting Nos. 15 and 16**

Manager Amylon copied the Council with the minutes of Weekly Design Progress Meeting Nos. 15 and 16 that were held in Ketchikan/Anchorage on July 19 and 26, 2011 respectively for Contract No. 10-30, One-Hundred Percent Design of the Ketchikan Public Library Project.

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

**Housing Units at Swan Lake Hydroelectric Project**

Manager Amylon informed the Southeast Alaska Power Agency recently approved a fourth position at the Swan Lake Hydroelectric Project. He provided correspondence from SEAPA's Chief Executive Officer regarding housing at the Swan Lake Hydroelectric Project, as well as his draft reply should the Council decline to direct otherwise.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS** – None

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Shay said he was pleased with the tour of the Police Department, and he congratulated staff. He also congratulated the Ketchikan Daily News regarding their opinion of economic opportunities in the community. He commented on the point of view article from John Winther regarding the shipyard. He informed he will be attending the Alaska Municipal League summer meeting, and that he had talked with Senator Begich recently.

Councilmember Sivertsen reported the community agency funding committee has been meeting and the Borough has participated. He felt a fairly decent document has been crafted, and he thanked the clerk and finance director for their assistance. He said they have a draft to forward to the managers and attorneys for both the City and Borough.

Councilmember Jason Harris said putting the hospital project on the priority list is a good project for us. He said he is looking forward to it.

Mayor Williams reminded there is a meeting tomorrow at noon for the Cooperative Relations Committee.

**OTHER NEW BUSINESS** – None

### **EXECUTIVE SESSIONS**

**Request for Executive Session – Discussion of Potential Litigation Strategies with Legal Counsel Within the Attorney-Client Privilege Relating to the Impact of the Application of U.S. forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and Future City Projects**

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Moved by West, seconded by Sivertsen the City Council declare that consistent with the General Manager's memorandum dated July 28<sup>th</sup>, 2011, it is in the best interest of the City to go into executive session in accordance with KMC 2.04.025(a)(3) and AS 44.62.310(c)(3) to discuss potential litigation strategies with legal counsel within the attorney-client privilege relating to the impact of the application of U.S. Forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and future City projects

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

The Council recessed into executive session at 8:42 p.m. and reconvened at 8:50 p.m.

Mayor Williams said the Council has completed an executive session to discuss potential litigation strategies with legal counsel within the attorney-client privilege relating to the impact of the application of U.S. Forest Service's Roadless Rule on the Whitman Lake Hydroelectric Project and future City projects and no action would be taken tonight.

### **ADJOURNMENT**

As there was no further business, the Council adjourned at 8:50 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk

### **FYI ITEMS INCLUDED**

Unapproved Minutes - Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee  
- July 15, 2011  
Letter of Appreciation - Ted Ferry Civic Center Staff  
Unapproved Minutes - Ketchikan Gateway Borough/City of Ketchikan Tax Coordinating Committee  
Meeting  
Boys & Girls Clubs of Southcentral Alaska's Quarterly Activity and Financial Reports - May Through  
June 2011  
Unapproved Minutes of June 23, 2011 KPU Advisory Board Meeting