

Regular Ketchikan City Council meeting was called to order by Vice Mayor West at 7:00 p.m., September 1, 2011, with the following members present: Dick Coose, 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 Assistant Manager Martin, Finance Director Newell, Public Works Director Allen, Port and Harbors Director Corporon, Human Resources Manager Miller, Deputy Police Chief Dossett, Solid Waste Supervisor Neeley and Deputy City Clerk Stanker.



**PUBLIC HEARING ON ORDINANCE NO. 11-1675 – AMENDING  
CHAPTER 11.12 - TELECOMMUNICATION SERVICES AND RATES**

Vice Mayor West called the public hearing on Ordinance No. 11-1675 to order at 7:03 p.m. and requested public testimony.

As there was no testimony, Vice Mayor West declared the public hearing closed at 7:03 p.m.



**COMMUNICATIONS**

Vice Mayor West noted the proclamation for National Alcohol and Drug Addiction Recovery Month would be read after persons to be heard, as the recipient was delayed.

Vice Mayor West read a proclamation for National Suicide Prevention Week and presented to Trish Hoover representing SPEAK Task Force of the Wellness Coalition. Ms. Hoover thanked the Council for recognizing that suicide is a problem in Ketchikan. She went on to say this proclamation was the first step for our community in recognizing suicide awareness.

**PERSONS TO BE HEARD**

Richard Zellmer, representing the Salvation Army, spoke in support of a sale tax exemption for nonprofit organizations. He thanked the Council for what the City has done for their organization in the past. He went on to say he understood the budget process, but the Salvation Army would not be a beneficiary from the exemption. He suggested the nonprofits be held accountable in their fund raising efforts as to where these extra funds could be used.

Bill Rotecki spoke in support of the new public library foundation cost. He referenced expensive roof issues that currently needed repairs only because they were done wrong first time. He went on to say they could have saved a lot of money by spending a little

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more in the beginning. He indicated the City would be in error not to put the library on a good foundation. Mr. Rotecki answered questions from Council.

Kathleen Light, representing the Arts Council, encouraged the Council to support the exemption for nonprofit organizations from sales tax. She urged Council to include the exemption on sales tax for alcoholic beverages in accordance with State special permits.

Steve Patton, representing the Rainbird Community Broadcasting, likewise encouraged the Council to support the exemption for nonprofits from sales tax.

Vice Mayor West read a proclamation for National Alcohol and Drug Addiction Recovery Month and presented it to Renee Schofield. Ms. Schofield indicated the police department was working hard on prevention education during Red Ribbon Week. She went on to say treatment works and recovery happens and we have the month of September to celebrate. She indicated there would be an event sponsored by the Substance Abuse Task Force at the Plaza during this month. She thanked the Council for their time.

### **CONSENT AGENDA**

Councilmember Jason Harris suggested moving several items to the Consent Agenda, including: E-Waste Recycling Event; Application to the Alaska Department of Homeland Security; Change Order No. 1 to Contract No. 10-31; award of Contract No. 11-45; and lease agreement between Alascom Inc. and the City of Ketchikan.

Councilmember Coose requested separate consideration of the item relating to Resolution No. 11-2417.

Councilmember Shay requested the item regarding Change Order No. 1 to the Professional Services Agreement with Edwards, Angell, Palmer & Dodge be placed on the Consent Agenda

Vice Mayor West asked if there were any objections, and none were heard.

### **Approval of Minutes**

Moved by Jason Harris, seconded by Shay approval of the minutes of the regular meeting of August 18, 2011.

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

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**Resolution No. 11-2416 – Appointing the Election Workers for the Regular Municipal Election to be Held on October 4, 2011; Approving the Appointment of the Canvass Board as Authorized by the City Clerk**

Moved by Jason Harris, seconded by Shay the City Council approve Resolution No. 11-2416 appointing the election workers for the regular municipal election to be held on October 4, 2011; approving the appointment of members of the canvass board as authorized by the city clerk and establishing an effective date.

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

**Approving Designated Legislative Grant Agreement – Replacement of Berths I and II**

Moved by Jason Harris, seconded by Shay the City Council approve Designated Legislative Grant Agreement No. 12-DC-612 in the amount of \$5,000,000 between the City of Ketchikan and the Department of Commerce, Community and Economic Development for the replacement of Berths I and II and direct the city manager to execute the agreement on behalf of the City Council.

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

**Approving Designated Legislative Grant Agreement – New Public Library**

Moved by Jason Harris, seconded by Shay the City Council approve Designated Legislative Grant Agreement No. 12-DC-443 in the amount of \$6,000,000 between the City of Ketchikan and the Department of Commerce, Community and Economic Development for the new Ketchikan Public Library and direct the city manager to execute the agreement of behalf of the City Council.

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

**E-Waste Recycling Event**

Moved by Jason Harris, seconded by Shay the City Council authorize the Solid Waste Department to join the E-Waste event in cooperation with Ketchikan Indian Corporation and Alaska Marine Lines; authorize the city manager to sign the agreement with PC Recycle of Bellevue, Washington and to accept and recycle the electronic waste materials at a rate of \$0.20 per pound; authorize funding from the Solid Waste Disposal Division's

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Contractual Services Account No. 53; and direct the city manager to execute the agreement on behalf of the City Council.

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

**Application to the Alaska Department of Homeland Security for Emergency Management Performance Grant Funds**

Moved by Jason Harris, seconded by Shay the City Council designate the fire chief as the Emergency Management Coordinator for the City of Ketchikan and authorize submission of an application to the Alaska Department of Homeland Security for Emergency Management Performance Grant Funding.

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

**Change Order No. 1 to Contract No. 10-31 – Construction Manager/General Contractor Construction Services for the Construction for the New Municipal Fire Station, Dawson Construction, Inc. Reducing the Guaranteed Maximum Price by \$239,871**

Moved by Jason Harris, seconded by Shay the City Council approve Change Order 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., reduce the guaranteed maximum price by \$239,871 from \$9,485,490 to \$9,245,619; and direct the city manager to execute Change Order No. 1 on behalf of the City Council.

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

**Approval of Contract No. 11-45, Specialized Inspection Services – Ketchikan Public Library –EMC Engineering Inc., of Anchorage, Alaska**

Moved by Jason Harris, seconded by Shay the City Council approve Contract No. 11-45 Special Inspection Services with EMC Engineering, Inc. of Anchorage, Alaska in an amount not to exceed \$51,950; authorize funding from the Ketchikan Public Library Replacement Capital Account and authorize the city manager to execute the contract on behalf of the City Council.

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

**Approval of Change Order No. 1 in the Amount of \$5,407.74 to the Professional Services Agreement with Edwards, Angell, Palmer and Dodge and Authorization of a Budget Transfer**

Moved by Jason Harris, seconded by Shay the City Council approve Change Order No. 1 to the Professional Services Agreement between the City of Ketchikan and Edwards, Angell, Palmer and Dodge in the amount of \$5,407.74 bringing the total amount to \$105,407.74 and authorize the general manager to transfer \$8,027 from the appropriated reserves of the Ketchikan Public Utilities Enterprise Fund to the Telecommunications Division Professional Services Account No. 60.

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

**Lease Agreement Between Alascom Inc., AT&T Alaska, and the City of Ketchikan d.b.a. Ketchikan Public Utilities**

Moved by Jason Harris, seconded by Shay the City Council authorize the KPU general manager to sign the Lease Agreement by and between Alascom, Inc., and Alaska Corporation, d.b.a. AT&T Alaska (Landlord) and the City of Ketchikan, an Alaska municipal corporation, d.b.a. Ketchikan Public Utilities, (Tenant) for an initial term of five years under the terms and conditions set forth in the attached Lease Agreement.

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

**UNFINISHED BUSINESS**

**Ordinance No. 11-1675 – Amending Chapter 11.12, Telecommunication Services and Rates, of the Ketchikan Municipal Code – Second Reading**

Copies of Ordinance No. 11-1675 were available for all persons present.

Moved by Jason Harris, seconded by Sivertsen the City Council approve in second reading Ordinance No. 11-1675 amending Chapter 11.12, Telecommunication Services and Rates, of the Ketchikan Municipal Code; providing a date for a public hearing; and establishing an effective date.

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

**NEW BUSINESS**

**Contract No. 11-43 – Design of Bar Harbor Boat Launch Ramp Reconstruction, PND Engineers, Inc.**

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the city manager to execute Contract No. 11-43 with PND Engineers, Inc. of Juneau, Alaska for design of the Bar Harbor Boat Launch Ramp Reconstruction in an amount not to exceed \$108,690 and authorize funding from the Port and Harbors Department 2011 Bar Harbor Launch Ramp Reconstruction Capital Account.

Port and Harbors Director Corporon answered questions from Council.

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

**Budget Transfer Request, Public Works - Wastewater**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the city manager to transfer from within the Wastewater Division's 2011 Budget \$70,000 from the Schoenbar-Fairy Chasm Sewer Line Replacement Capital Account to the O & M Contractual Services Account No. 53.

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

**Ordinance No. 11-1679, Amending KMC Section 3.04.100 Entitles "Exemptions" by Adding a New Subsection (aa) Concerning a Sales Tax Exemption for Sales by Nonprofit Organizations – First Reading**

Copies of Ordinance No. 11-1679 were available for all persons present.

Moved by Kj Harris, seconded by Jason Harris the City Council approve in first reading Ordinance No. 11-1679, amending KMC Section 3.04.100 entitled "Exemptions" by adding a new subsection (aa) concerning a sales tax exemption for sales by nonprofit organizations; and establishing an effective date.

Moved by Kj Harris, seconded by Shay the City Council amend item number 2 under the new subsection (aa) to read: Alcohol sales administered under the State sanctioned "Special Event Permit given to nonprofit organizations five times annually are exempt from taxation." All other alcohol sales are taxable.

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

Councilmember Sivertsen requested the same clause be communicated to the Borough so their ordinance is the same as the City's. Vice Mayor West asked if there were any objections to add this language to the main motion, and none were heard.

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

**Financial and Compliance Audit for the Year Ending  
December 31, 2011**

Moved by Jason Harris, seconded by Sivertsen the City Council authorize the finance director to negotiate a contract with Mecham, Richardson and Company for the financial and compliance audit for the City of Ketchikan for the year ending December 31, 2011, said contract 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.

The Council took a short break at 7:52 p.m. and reconvened at 8:00 p.m.

**Budget Transfer from the Appropriated Reserves of the  
Economic Development and Parking Fund to the Tourism  
and Economic Development Department's 2011  
Contractual Services Account No. 53 to Fund the  
Acquisition of an Interpretive Panel and Base for the  
Bronze Sculpture "The Rock"**

Moved by Coose, seconded by Jason Harris the City Council approve a budget transfer from the Appropriated Reserves of the Economic Development and Parking Fund to the Tourism and Economic Development Department's 2011 Contractual Services Account No. 53 in the amount of \$7,125 and authorize funding from the Tourism and Economic Development Department's Contractual Services Account No. 53 to purchase a bronze interpretive panel and ferrous cement base as described in the assistant city manager's memorandum dated August 25, 2011.

A request was made regarding the language on the Plaque by Councilmember Coose, Assistant Manager Martin indicated it was just a draft and noted his request.

Councilmember Shay stated the Tongass School of Arts and Science elementary students raised \$1700.00 for this project.

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

**Ketchikan Public Library Foundation Design and Cost Analysis**

Moved by Olsen, seconded by Jason Harris the City Council direct staff to prepare the appropriate budget modifications to provide funding for the pile driven foundation and the pellet boiler system at the Ketchikan Public Library as deemed appropriate by the City Council.

Kent Crandall from RISE Alaska gave a brief synopsis regarding the pile driven foundation and additional costs. He said the figures were on the conservative side as there is no way to know exact figures until work begins.

Mr. Crandall as well as Public Works Director Allen answered questions from Council.

Moved by Jason Harris, seconded by Kj Harris to defer this motion to a special City Council meeting, date to be determined by Mayor Williams.

Assistant Manager Martin answered questions from Council.

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

**Berth IV Traffic Signal - Discussion**

Councilmember Coose indicated previous discussion regarding a traffic signal at Berth IV was not favorable. He noted the harbormaster could not justify putting crossing guards in this area. He stated just because we have the money doesn't mean we have to spend it. He went on to say it would just cause traffic problems in this area and is a waste of money.

Councilmember Sivertsen indicated the problem is with pedestrian traffic more than vehicle. He agreed with Councilmember Coose that a light is not necessary in that area. He also stated there was a proposal from the Department of Transportation that the City would have to maintain the light, even though we do not maintain any other lights on Tongass Avenue. He noted he didn't see the need and had spoken with the City Engineers and there are other alternatives to a light. He indicated the Department of Transportation had originally required the light with the initial planning and design of Berth IV.

Assistant Manager Martin as well as Public Works Director Allen answered questions from Council.

**Resolution No. 11-2417 Urging Construction of All State-Owned Marine Vessels be Restricted to Shipyards Located in Alaska; and Establishing an Effective Date**

Moved by Coose, seconded by Jason Harris the City Council approve Resolution No. 11-2417 urging construction of all state-owned marine vessels to be restricted to shipyards located in Alaska; and establishing an effective date.

Moved by Coose, seconded by Shay the City Council amend Resolution No. 11-2417 by adding additional language:

“Whereas the Ketchikan Shipyard was constructed by and is owned by the State of Alaska, Alaska Industrial Development and Export Authority (AIDEA).”

“Whereas the State of Alaska is funding the construction of new State owned Alaska Class Ferries.”

“Whereas the construction of the Alaska Class Ferries in Alaska (AIDEA) owned shipyard facilities supports the State of Alaska’s investment, economy and provides for Alaskan jobs.”

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

**VOUCHERS**

Moved by Sivertsen, seconded by Jason Harris for approval of vouchers to Ketchikan Daily News in the amount of \$1,748.09.

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

**CITY MANAGER’S REPORT**

**Contract No. 10-31 (Construction Manager/General Contractor Construction Services for the Construction for the New Municipal Fire Station) Update – Minutes of Weekly Construction Progress Meeting Nos. 19 and 20**

Assistant Manager Martin advised Council of the Weekly Construction Progress Meeting Nos. 19 and 20 was held in Ketchikan/Anchorage/Bellingham on August 9 and 16, 2011 for Contract No. 10-31, Construction Manager/General Contractor Construction Services

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for the construction of a New Municipal Fire Station. He provided a copy of the minutes for Council review.

**Contract No. 10-30 (One Hundred Percent Design of the Ketchikan Public Library Project) – Minutes of Weekly Design Progress Meeting Nos. 18 and 19**

Assistant Manager Martin copied the Council with the minutes of Weekly Design Progress Meeting Nos. 18 and 19 that was held in Ketchikan/Anchorage/Bellingham on August 9 and 16, 2011 for Contract No. 10-30, One-Hundred Percent Design of the Ketchikan Public Library Project.

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of August 18, 2011**

Assistant Manager Martin provided for Council review, General Government and KPU Appropriated Reserve statements through the City Council meeting of August 18, 2011.

**General Government Financial Statements for the First Seven Months Ending July 31, 2011**

Assistant Manager Martin included General Government financial statements for the first seven months ending July 31, 2011

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

**Report of August 20, 2011 Power Outage**

Assistant Manager Martin transmitted a report from Senior Electric Systems Engineer, Andy Donato regarding August 20, 2011 power outage.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS**

Councilmember Shay said he would like to bring forward recommendations from the Community Agency Committee for the Community Agency Funding Program.

Councilmember Sivertsen said he would like something brought forward regarding a peer review of the Whitman Lake Hydroelectric project since design is complete.

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Councilmember Jason Harris said he would like to see discussion on the next agenda regarding the placement of a Councilmember on the Hospital board.

Councilmember Olsen mention the tax committee had met and asked that the tax free day and a motion to do an exemption for the personal property tax to a certain dollar amount, which would ease the work burden on the tax assessment office, be placed on the next agenda.

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Kj Harris reminded everyone we need to be looking for a new police chief. He went on to say we really need to figure out the issues with the library construction project, so we can move forward.

Councilmember Shay thanked the Ketchikan Visitors Bureau for their financial report that was included in the Council packet. He reminded everyone the Southeast Conference starts on September 13<sup>th</sup> and there will be discussion on some very important topics. He encouraged persons to attend.

Councilmember Jason Harris wished our former police chief the best and was hopeful to fill that position relatively soon.

**OTHER NEW BUSINESS** – None

### **EXECUTIVE SESSIONS**

#### **Request for Executive Session – Collective Bargaining Agreement Between the City of Ketchikan and Public Safety Employees Association**

Moved by Kj Harris, seconded by Shay the City Council declare that consistent with the assistant city manager's memorandum dated August 24, 2011 it is in the best interest of the City to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the Public Safety Employees Association in executive session; in accordance with that finding, the City Council go into executive session in accordance with KMC 2.04.025(a)(1) and (b)(2) and AS 44.62.310(c)(1) and (3) to discuss said negotiations and the auxiliary items described in the assistant city manager's memorandum dated August 24, 2011, which matters include the need to discuss subjects the knowledge of which would have an adverse impact upon the finances of the City and upon the City's ability to negotiate labor settlements.

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

The Council recessed into executive session at 9:12 p.m. and reconvened at 9:25 p.m.

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Vice Mayor West said the Council has completed an executive session regarding the Public Safety Employees Association and no action would be taken tonight.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:26 p.m.

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Marty West, Vice Mayor

ATTEST:

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Kim Stanker  
Deputy City Clerk

**FYI ITEMS INCLUDED**

2010 Fiscal Year Financial Statements – Ketchikan Visitors Bureau, Inc.