

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., October 6, 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, Finance Director Newell, City Attorney Seaver, Fire Chief Share, Human Resources Manager Miller, Port and Harbors Director Corporon, Acting Police Chief Dossett, Public Works Director Allen, Acting Telecommunications Division Manager Lindgren and City Clerk Suiter.

### **COMMUNICATIONS**

There was a letter from Sonja Alvarez regarding the cutting of trees near her property laid on the table.

### **PERSONS TO BE HEARD**

Mayor Williams read a proclamation for Red Ribbon Week and presented it to Ginny Clay of Tongass Substance Screening. Ms. Clay said Red Ribbon Week is very important and they have partnered with the Police Department and the mall for a celebration at the mall. She noted there will be different activities from October 24 – 28, and she outlined some of the activities to occur. She continued that Steven Arrington, a nationally known drug abuse counselor and author, will be in town and visiting the schools. She said he will also be at the Discovery Center on October 27 for a presentation.

Mayor Williams read a proclamation for Disability Mentoring Day and presented it to Kevin Gadsey. Mr. Gadsey, representing Southeast Alaskans for Independent Living, thanked the Mayor and Council for recognizing those with disabilities. He said the activities for the month are the work of all four agencies mentioned in the resolution, and he cited some of the activities to occur. He reported they hope to unveil the City of Ketchikan's first wheelchair accessible taxicab, which was a combination of efforts between transportation service providers and SAIL.

Mayor Williams read a proclamation for Domestic Violence Awareness Month and presented it to Jamie Barber and Don Moss of Women In Safe Homes. Ms. Barber thanked the Council for its support. She explained how Domestic Violence Awareness Month came about, and she encouraged everyone to report any act of violence they know about. Mr. Moss also thanked the Council and reported about a new center that is being planned for WISH. He encouraged anyone who desired to apply to volunteer at WISH.

Lance Bifoss spoke in support of the Ketchikan Area Arts and Humanities Council, noting he has been encouraged to fulfill a lifelong dream to make a living from his art. He felt he would not have the confidence he does without this encouragement, noting he has an exhibit opening this Saturday.

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Kathleen Light, representing Ketchikan Area Arts and Humanities Council, thanked the members who worked hard to put together a process that standardizes how the grants are given out and where the money is coming from. She expressed there were some issues in the process that may potentially not only be detrimental to the stabilization of the community agencies, but that may not be as advantageous to the City in terms of the way the organizations are being funded and the way the process goes. She handed out a brief summary of the email she sent earlier to the Council, noting numbers cited are from the City's website.

Steve Corporon, Port and Harbors Director, said he spoke with the captain of the port for the Coast Guard, and there are going to be some recommended changes to what the Council has in front of them tonight. He cited some of the changes, noting particularly a missing word that has a major impact that will be changed before the next reading.

Lallete Kistler, representing the Performing Arts Center Committee, spoke in support of putting the Center on the CEDS list. She cited the benefits of the new center to the community, and she asked those present in the audience who supported the new Performing Arts Center to stand, which they did.

Kelly Chick spoke in support of the new Performing Arts Center, stating that putting the Center on the CEDS list will support grant applications as they proceed forward.

Dave Hashagen spoke to the proposed ordinance relating to the port and harbors code rewrite. He suggested setting up a charge to go into a separate fund that would support salvage fees. He felt a flat fee would work well, and he listed advantages to this method.

Fire Chief Frank Share introduced Assistant Fire Chief Jon Dorman. Mr. Dorman said he is glad to be here, his children are loving Ketchikan, and he was glad to be able to be of service to the community.

Sonja Alvarez spoke about some City trees that needed to be removed near her home. She asked this removal be inserted into the Consent Agenda. She noted the trees are at the end of their life span.

## **CONSENT AGENDA**

Mayor Williams asked if there were at least five hands to add the removal of Ms. Alvarez's trees to the Consent Agenda, and at least five were shown.

## **Approval of Minutes**

Moved by Jason Harris, seconded by Coose approval of the minutes of the special meetings of August 24 and September 22, 2011 and regular meetings of September 1 and 15, 2011.

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

**Amendment No. 7 to Contract No. 10-30, Professional Services Agreement for the Design of the Ketchikan Public Library – Bettisworth Welsh Whiteley, LLC**

Moved by Jason Harris, seconded by Coose the City Council authorize the city manager to enter into Amendment No. 7 to Contract No. 10-30, Professional Services Agreement for the Design of the Ketchikan Public Library, between the City and Bettisworth Welsh Whiteley, LLC in an amount not to exceed \$16,199 for design of a mat slab foundation.

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

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

Moved by Jason Harris, seconded by Coose 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 September 29, 2011 and direct staff to dispose of said personal property by means of a sealed bid process.

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

**Exempting the Procurement of an iSeries Software and Hardware Service Contract from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code – Education Management Associates**

Moved by Jason Harris, seconded by Coose pursuant to subparagraph 7 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of an iSeries Software and Hardware Service Contract from Education Management Associates from competitive bidding/quotation requirements at a cost of \$11,220; authorize funding from the Information Technology Department's 2011 Maintenance Services Account No. 58; and direct the city manager to execute the contract documents on behalf of the City Council.

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

**Ordinance No. 11-1678 – Approving a Lease Agreement Between Ketchikan Public Utilities and Alascom, Inc. for Certain Real Property Located at 2900 Tongass Avenue, Ketchikan, Alaska – First Reading**

Copies of Ordinance No. 11-1678 were available for all persons present.

Moved by Jason Harris, seconded by Coose the City Council approve in first reading Ordinance No. 11-1678 approving a lease agreement between Ketchikan Public Utilities and Alascom, Inc. for certain real property located at 2900 Tongass Avenue, Ketchikan, Alaska; providing for the filing of referendum petitions; and establishing an effective date.

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

**Agreement for Joint Use of Ketchikan Public Utilities System Poles – GCI Communication Corp.**

Moved by Jason Harris, seconded by Coose the City Council approve the 2011-13 Joint Use of Ketchikan Public Utilities System Poles Agreement between GCI Communication Corp. and Ketchikan Public Utilities and authorize the general manager to execute the contract on behalf of the City Council.

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

**Removal of Trees on Nadeau Street**

Moved by Jason Harris, seconded by Coose the City Council authorize the removal of trees on Nadeau Street as requested by Sonja Alvarez.

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

**UNFINISHED BUSINESS** – None

**NEW BUSINESS**

**Appointment of a City Council Member to the Ketchikan Medical Center (Ketchikan General Hospital) Governing Board**

Moved by Jason Harris, seconded by Sivertsen the City Council direct staff to take such action regarding the appointment of a councilmember to the Ketchikan Medical Center's Governing Board as determined appropriate by the City Council.

Patrick Branco, CEO of Ketchikan Medical Center, provided a brief history of the hospital's governing board. He noted the bylaws were changed a couple of years ago, and now allows for ex-officio members of the Council and Assembly to participate. He recited the names of current members of the Board, and he invited the Council to provide an appointment from its membership to serve on the board. He explained how the appointment would work for the remainder of this year.

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

**2011-2012 Collective Bargaining Agreement Between the City of Ketchikan and the Public Safety Employees Association (PSEA)**

Moved by Jason Harris, seconded by Olsen the City Council approve the 2011-2012 Collective Bargaining Agreement between the City of Ketchikan and the Public Safety Employees Association (PSEA) and direct the city manager to execute the agreement on behalf of the City Council.

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

**Resolution No. 11-2405 – Amending the Compensation Plan for the Reclassification of the Position of Engineering Technician to Contract/Grant Administrator Within the Public Works Department**

Moved by Olsen, seconded by West the City Council approve Resolution No. 11-2405 amending the Compensation Plan for the reclassification of the position of engineering technician to contract/grant administrator within the Public Works Department; and establishing an effective date.

Public Works Director Allen answered questions from the Council.

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

**Discussion of Adding the Performing Arts Center to the 2011-2015 Community Economic Development Strategy (CEDS) List – Councilmember Shay**

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Moved by Shay, seconded by Olsen the City Council direct staff to add the Performing Arts Center to the City of Ketchikan's priority projects within Southeast Conference's 2011-2015 Comprehensive Economic Development Strategy (CEDS) List.

Councilmember Coose thought the Borough added this project to its list the other day.

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

**Ordinance No. 11-1682 – Adding New Provisions To and Amending Title 13 Entitled “Port of Ketchikan” and Title 14 Entitled “Boat Harbor Facilities Code” of the Ketchikan Municipal Code – First Reading**

Copies of Ordinance No. 11-1682 were available for all persons present.

Moved by Jason Harris, seconded by West the City Council approve in first reading Ordinance No. 11-1682 adding new provisions to and amending Title 13 entitled “Port of Ketchikan” and Title 14 entitled “Boat Harbor Facilities Code” of the Ketchikan Municipal Code; and establishing an effective date.

Port and Harbors Director Corporon answered questions from the Council.

Moved by Coose, seconded by Shay to amend by removing Section 25, new Section 14.20.015 Insurance, from the ordinance.

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

Moved by Coose, seconded by Sivertsen to amend by removing Section 13.09.010(2).

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

[Clerk's Note: The amendment above was not part of the ordinance under consideration, and therefore another amending ordinance that includes this change will be presented to the Council at a later date.]

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

The Council took a short break at 8:30 p.m. and reconvened at 8:35 p.m.

**Public Defender Contract**

Moved by Sivertsen, seconded by West the City Council authorize the city manager to negotiate a new Public Defender Services Contract between the City and the Law Office of Dennis L. McCarty, Attorney at Law, for a two-year term beginning January 1, 2012, with an option to renew for an additional one-year period, said agreement to be submitted to the City Council for formal consideration and approval.

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

Moved by Kj Harris, seconded by Jason Harris the City Council direct the city manager to solicit proposals for a new Public Defender Services Contract for a two-year term beginning January 1, 2012, with an option to renew for an additional one-year period, the results of said solicitation to be submitted to the City Council for formal consideration and approval.

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

**City of Ketchikan and Ketchikan Public Facilities FY  
2013 Legislative Liaison Priority Requests**

Moved by Jason Harris, seconded by West the City Council approve the City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the 2013 Legislative Liaison Community Priority List as detailed in staff's report dated September 29, 2011 and/or as modified by the City Council.

Staff recommended the following General Government and KPU projects for inclusion in the Community Priority List:

<b>Project</b>	<b>Priority</b>	<b>Total Cost</b>	<b>Requested Funding</b>
Ketchikan Medical Center Addition & Alterations Project	1	\$76,000,000	\$3,000,000
Rehabilitation/Replacement of Off-System City Bridges	2	\$17,000,000	\$17,000,000
Berths I and II Replacement Project	3	\$26,000,000	\$7,000,000
Whitman Lake Hydroelectric Project	4	\$27,500,000	\$3,300,000
Reconstruction of Jackson/Monroe Streets & 4 <sup>th</sup> /7 <sup>th</sup> Avenues Water and Sewer Infrastructure	5	\$1,059,849	\$741,895
Rehabilitation/Replacement of Electric Substation & Transmission System Infrastructure	6	\$2,000,000	\$2,000,000
Solid Waste Handling and Recycling Facility Expansion	7	\$1,817,378	\$1,272,164

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Phase I Extension of Water and Sewer Utilities Infrastructure to the Former Shoreline Service Area	8	\$10,000,000	\$7,000,000
Sales/Gorge Viaduct Replacement	9	\$1,280,000	\$1,280,000
<b>Total</b>		<b>\$162,657,227</b>	<b>\$42,594,059</b>

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

**Change Order No. 2 to Contract No. 10-31, Construction Manager/General Contractor Construction Services for the Construction of a New Fire Station – Dawson Construction, Inc.**

Moved by Jason Harris, seconded by West the City Council approve Change Order No. 2 in the amount of \$54,133 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.; authorize funding from the 2011 Main Street Fire Station Replacement Capital Account; and direct the city manager to execute the contract on behalf of the City Council.

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

**Community Agency Funding Form**

Moved by Sivertsen, seconded by Jason Harris the City Council form a Community Grant Committee and direct staff to include appropriations in the draft 2012 General Government and Ketchikan Public Utilities Annual Budgets as outlined in Councilmember Sivertsen's memorandum of September 29, 2011 and as may be determined appropriate by the City Council.

Mayor Williams said he was interpreting that he would appoint three councilmembers to be on the committee, and two others would be solicited from the community. He confirmed that the community committee members should not have a vested interest.

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

**Budget Transfers – 2011 Telecommunications Division's Space Rentals and Licenses and Fees Account Nos. 62 and 68**

Moved by Sivertsen, seconded by Jason Harris the City Council authorize the general manager to transfer \$60,000 and \$94,000 respectively from the Telecommunications Division's 2011 Contractual Services Account No. 53 and from Appropriated Reserves of

the KPU Enterprise Fund to the Space Rentals and Licenses and Fees Account Nos. 62 and 68, in order to sufficiently fund facility rental and video content costs.

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

**Award of Contract No. 11-39 – Bethe Substation Phase I Construction Contract, Pool Engineering, Inc. - \$665,250**

Moved by Coose, seconded by Jason Harris the City Council accept the bid of Pool Engineering, Inc. in the amount of \$665,250 for Contract No. 11-39, Bethe Substation Phase I Construction; establish a five percent contingency in the amount of \$33,262, bringing the total project cost to \$698,512; 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 Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Shay voting yea.

**VOUCHERS**

Moved by West, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$10,533.09.

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

**CITY MANAGER'S REPORT**

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of September 15, 2011**

Manager Amylon provided the Council a schedule of the current balance of Appropriated Reserves of various funds of General Government and KPU through the City Council meeting of September 15, 2011.

**Annual Evaluation of the City Manager/KPU General Manager**

Manager Amylon reminded the Council it is to conduct an annual evaluation of his performance as manager. He requested direction as to how the Council wished to proceed.

Mayor Williams said he would come up with some dates for a special meeting.

**Contract No. 10-31 – (Construction Manager/General Contractor Construction Services for the Construction for a New Municipal Fire Station) Update – Minutes of Weekly Construction Progress Meeting Nos. 24 and 25**

Manager Amylon advised Weekly Construction Progress Meeting Nos. 24 and 25 were held in Ketchikan/Anchorage/Bellingham on September 13 and 20, 2011 for Contract No. 10-31, Construction Manager/General Contractor Construction Services for the construction of a New Municipal Fire Station. He provided copies 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. 23 and 24**

Manager Amylon copied the Council with the minutes of Weekly Design Progress Meeting Nos. 23 and 24 that were held in Ketchikan/Anchorage/Bellingham on September 13 and 20, 2011 for Contract No. 10-30, One-Hundred Percent Design of the Ketchikan Public Library Project.

**Public Meeting Regarding Restructuring of the City's Permitting Process**

Manager Amylon notified the Council that the public meeting to solicit comments regarding the restructuring of the City's permitting process has been rescheduled for Wednesday, October 26, 2011 from 5:30 p.m. to 7:30 p.m. at the Ted Ferry Civic Center.

Councilmember Sivertsen requested the date be changed to sometime in November as he would be out of town.

**2011 Sales Tax Report No. 6**

Manager Amylon provided for Council review Report No. 6 from Finance Director Newell regarding the sales tax collections for 2011.

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

**Reports of September 21, 23 and 27, 2011 Power Outages**

Manager Amylon provided reports from Senior Electric Systems Engineer Donato regarding the September 21, 23 and 27, 2011 power outages.

**Report of September 17, 18 and 21, 2011 Telephone Outages**

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Manager Amylon transmitted a report from Acting Telecommunications Division Manager Lindgren outlining events of the September 17, 18 and 21, 2011 telephone outages.

**Modification of the Bethe Substation Replacement Construction Schedule**

Manager Amylon advised the Council that the Bethe Substation Replacement Project will not be completed until next year, and he provided detail from Electric Systems Engineer Donato.

**Report of September 29, 2011 Internet Outage**

Manager Amylon copied the Council with a report from Acting Telecommunications Division Manager Lindgren outlining the September 29, 2011 internet outage.

**CITY CLERK'S FILE** – None

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS** – None

**MAYOR AND COUNCIL COMMENTS**

Councilmember Kj Harris said it has been a pleasure to work with Councilmember Jason Harris for the past six years, and he expects to see him back in about a year.

Councilmember Shay congratulated the newly elected, and he would miss Councilmember Jason Harris. He said he attended the Women of Distinction award ceremony, and he reminded of a Southeast Transportation meeting on Tuesday at the Civic Center. He said he also attended the 25<sup>th</sup> anniversary celebration for Community Connections, and he related some of the funding information he learned. He thanked the Council for voting to put the Performing Arts Center on the CEDS list, and he encouraged everyone to write letters of support to assist in securing grants. He noted with sorrow the departure of Henry Clay Keene, Jr., who passed away the day before the meeting. He noted Mr. Keene was a judge, Coast Guard commanded, war hero, fellow Little League official, raconteur, skier at a geriatric age. He felt he would be sorely missed. He said he would be gone next week to visit his granddaughter who is doing very well.

Councilmember Olsen said he attended the Women of Distinction dinner, and he attended Community Connections as well. He hoped we all remember the impact they have on the health of the community when it gets around to budget time.

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Councilmember West joined Mr. Shay in mourning Henry Keene, and she joined everyone else in saying she will miss Councilmember Jason Harris.

Councilmember Sivertsen expressed thanks to Councilmember Jason Harris for his public service, saying he brought a lot to the table.

Councilmember Jason Harris said it has been an interesting ride, and when he set foot at the diaz six years ago he didn't think he would be there that long. He said it has been fun and he hoped people in the community knew he put everything into it. He expressed he knew there were lots of rumors flying around the community and you never know when one of them will come true. He said it was all for the betterment of the community, which he has lived by. He wished everyone well.

Councilmember Coose he hoped everyone read the letter received about the dock because there was a lot of truth in it. He also encouraged people to look at their phone bill, because the taxes on it are higher than the basic cost of service. He also thanked Councilmember Jason Harris.

Mayor Williams said he would get the staff evaluations organized. He said he was glad for those who went out and voted. He expressed he was sorry to hear about Judge Keene, and he related some favorite memories, noting he spent a lot of time at his house when he was going to high school.

**OTHER NEW BUSINESS** – None

### **EXECUTIVE SESSIONS**

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

Moved by West, seconded by Jason Harris 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.

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

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The Council recessed into executive session at 9:05 p.m. and reconvened at 9:15 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 dated July 12, 2011 and no action would be taken tonight.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:17 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 of the September 22, 2011 Ketchikan Gateway Borough/City of Ketchikan  
Tax Coordinating Committee

Unapproved Minutes of the September 23, 2011 Ketchikan Gateway Borough/City of Ketchikan  
Cooperative Relations Committee Meeting