

Special Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., December 12, 2011, with the following members present: Sam Bergeron, Dick Coose, Kj Harris, DeAnn Karlson, Matthew Olsen, 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, Marketing Manager Cushing, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen, Electric Division Manager McConnell, Acting Telecommunications Division Manager Lindgren, Water Division Manager Kleinegger and Deputy City Clerk Stanker.

### **COMMUNICATIONS**

There were several items laid on the table, including: General Government Budget Update No. 18 – Revised 2011 Public Works Building Inspection Labor Estimates; General Government Budget Update No. 19 – Revision to the Sales Tax Revenue Estimates for 2011 and 2012; General Government Budget Update No. 20 – Corrected Public Works Wastewater Division V-11 Page; General Government Budget Update No. 21 – Revenue and Appropriation Summary Revision No. 4; General Government Budget Update No. 22 – Reorganization of Police Department Staffing; General Government Budget Update No. 23 – Proposed Mill Rate; General Government Budget Update No. 25 – Revision to Interdepartmental Charges; and General Government Budget Update No. 26 – Proposed Revision to the Harbor Department’s Bar Harbor Launch Ramp and Grid Repair Project.

### **PERSONS TO BE HEARD** – None

Mayor Williams asked if there were any objections to holding the executive session before consideration of the budgets, and none were heard.

### **NEW BUSINESS**

#### **Request for Executive Session – Consideration of Marketing and Financial Issues Associated with Operation of the KPU Telecommunications Division in a Competitive Environment**

Moved by Olsen, seconded by Sivertsen the City Council declare that consistent with the general manager’s memorandum dated December 8, 2011, it is in the best interest of the City Council to discuss marketing and financial issues associated with the KPU Telecommunications Division operating in a competitive environment; 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 such marketing and financial issues associated with the Telecommunications Division operating in a

competitive environment and the auxiliary items described in the general manager's memorandum dated December 8, 2011, which includes the need to discuss subjects the knowledge of which could have an adverse impact upon the finances of the City and upon the City's ability to successfully operate the KPU Telecommunications Division in a competitive environment.

Motion passed with Karlson, Olsen, West, Sivertsen and Coose voting yea; Harris and Bergeron voting nay.

The Council recessed into executive session at 7:03 p.m. and reconvened at 7:35 p.m.

Mayor Williams said the Council has completed an executive session to discuss such marketing and financial issues associated with the Telecommunications Division operating in a competitive environment and the auxiliary items described in the general manager's memorandum dated December 8, 2011 and no action would be taken tonight.

### **UNFINISHED BUSINESS**

#### **Resolution No. 11-2420 – Draft 2012 General Government Annual Budget – Postponed from December 6, 2011**

Moved by Sivertsen, seconded by Olsen the City Council amend by decreasing the 2011 estimates for personnel reflected in the Public Works Building Inspection Division by \$29,600.

Motion to amend passed with West, Olsen, Karlson, Bergeron, Harris, Sivertsen and Coose voting yea.

Moved by Sivertsen, seconded by Olsen the City Council amend by revising the sales tax revenue projections programmed in the 2011 Budget by increasing the estimate for 2011 from \$9,660,000 to \$9,900,000 and increasing the estimate for 2012 from \$9,852,000 to \$10,100,100.

Finance Director Newell answered questions from the Council.

Motion to amend passed with Coose, Bergeron, West, Harris, Sivertsen, Olsen and Karlson voting yea.

Moved by Sivertsen, seconded by Coose the City Council amend by approving the reorganization of Police Department staffing as detailed in the Police chief's memorandum dated December 5, 2011.

Manager Amylon and Police Chief Bengard answered questions from the Council.

Motion to amend passed with Harris, Coose, Sivertsen, West, Karlson, Olsen and Bergeron voting yea.

Moved by Bergeron, seconded by Coose the City Council amend the 2012 General Government Draft Budget by decreasing the proposed mill levy from 6.5 mills to 6.2 mills.

Finance Director Newell answered questions from the Council.

Motion to amend passed with Bergeron, Sivertsen, Olsen, Karlson and Coose voting yea; Harris and West voting nay.

Moved by Sivertsen, seconded by Coose the City Council amend by revising the allocation of the cost of the Public Works Engineering Division by decreasing the amount allocated to the Solid Waste Division by \$30,000 and increasing the amount allocated to the KPU Water Division by \$27,000.

Motion to amend passed with Karlson, Harris, Olsen, West, Bergeron, Sivertsen and Coose voting yea.

Moved by Sivertsen, seconded by Bergeron the City Council amend by making available from the Raw Fish Tax Funds designated for the Bar Harbor South Drive Down Ramp Capital Project \$370,000 for the repairs to the Bar Harbor grid.

Port and Harbors Director Corporon, Manager Amylon and Finance Director Newell answered questions from the Council.

Motion to amend passed with Karlson, Harris, Olsen, West, Bergeron, Sivertsen and Coose voting yea.

**Resolution No. 11-2421 – Draft 2012 Ketchikan Public Utilities Annual Budget – Postponed from December 6, 2011**

**Telecommunications Division**

Acting Telecommunications Division Manager Lindgren answered questions from the Council.

**Water Division**

Water Division Manager Kleinegger, Finance Director Newell and Manager Amylon answered questions from the Council.

**Other**

No action was taken.

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**Capital Improvement Projects**

Various staff answered questions from the Council.

Mayor Williams announced both budgets would be on the agenda Thursday, and any amendments should be addressed then.

**MAYOR AND COUNCIL COMMENTS**

Councilmember West wondered if the Council was premature in dropping the mill levy because we have an additional \$900,000 in debt service payments this year.

Councilmember Harris echoed Ms. West's comment.

Moved by Sivertsen, seconded by Harris to postpone until December 15, 2011.

Motion passed by unanimous consent.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:05 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk