

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:04 p.m., December 15, 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, Human Resources Manager Miller, 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 City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 11-2433 – AMENDING
THE 2011 KETCHIKAN PUBLIC UTILITIES ANNUAL BUDGET –
ELECTRIC DIVISION - \$235,500 AND WATER DIVISION -
\$225,000**

Mayor Williams called the public hearing on Resolution No. 11-2433 to order at 7:05 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:05 p.m.



**PUBLIC HEARING ON RESOLUTION 11-2420 – ADOPTING
2012 GENERAL GOVERNMENT BUDGET**

Mayor Williams called the public hearing on Resolution No. 11-2420 to order at 7:05 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:05 p.m.



**PUBLIC HEARING ON RESOLUTION 11-2421 - ADOPTING 2012
KETCHIKAN PUBLIC UTILITIES BUDGET**

Mayor Williams called the public hearing on Resolution No. 11-2421 to order at 7:06 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:06 p.m.



COMMUNICATIONS

Mayor Williams noted several things laid on the table, including: General Government Budget Update No. 27 – Front & Mill Streets Sewer Replacement; General Government Budget Update No. 28 – Pending Assistant Harbormaster Position Vacancy; General Government Budget Update No. 29 – Carry Over of 2011 Capital Projects; General Government Budget Update No. 30 – Revenue and Appropriation Summary Revision No. 5; General Government Budget Update No. 31 – Revised Resolution No. 11-2420; KPU Budget Update No. 1 – Lund and Millar Streets & Sayles and Gorge Streets Water Improvements; KPU Budget Update No. 2 – Estimate of Funds Available Revision No. 1; KPU Budget Update No. 3 – Carry Over of 2011 Capital Projects; KPU Budget Update No. 4 – Revised Resolution No. 11-2421; a request for a new business item relating to a Public Works Department budget transfer for an equipment storage shed; a schedule of pending presentations to the Council; and a letter from Linda Millard regarding the removal of trees on Front Street right-of-way.

PERSONS TO BE HEARD

Brad Washington spoke to his request for tree removal. He provided a brief history of the area, and read a letter describing an assessment by a tree expert about the trees in question. He handed out pictures of the area and requested the Council consider allowing removal of the trees.

Mayor Williams asked if there were any objections to moving the item relating to the Port Department’s budget transfer for space rental to the Consent Agenda, and none were heard. He also asked if there were any objections to adding the item relating to the equipment storage shed to New Business, and none were heard.

CONSENT AGENDA

Approval of Minutes

Moved by Sivertsen, seconded by Coose approval of the minutes of the special meetings of November 30, December 5 and 6, 2011 and regular meeting of December 1, 2011.

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

**Evening Construction Activities, Contract No. 11-02,
Phase I of Berths I and II Replacement Project**

Moved by Sivertsen, seconded by Coose the City Council authorize Dutra Construction to perform concrete form work on Berth II during evening hours beginning the night of

December 5, 2011 for a period of approximately four weeks as part of Contract No. 11-02, Phase I of Berths I and II Replacement Project.

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

Letter of Support – Community Connections’ Application for a USDA Low Interest Loan for the Purchase of a Renovated Building at 723 Stedman Street

Moved by Sivertsen, seconded by Coose the City Council authorize the mayor to issue a letter supporting Community Connections’ application for a USDA low interest loan for the purchase of a renovated building at 723 Stedman Street.

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

Amendment No. 2 to Ketchikan Gateway Borough CPV Fund Grant Program Agreement – Interim Repairs to Berths I and II; Modifications to the Berth III Floating Dock; and Creek Street Pedestrian Trestle Repairs

Moved by Sivertsen, seconded by Coose the City Council approve Amendment No. 2 to Ketchikan Gateway Borough CPV Fund Grant Program Agreement for interim repairs to Berths I and II; modifications to the Berth III floating dock; and Creek Street pedestrian trestle repairs and direct the city manager to execute the amendment on behalf of the City Council.

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

Declaration of Surplus Equipment – Fish Trap Anchor

Moved by Sivertsen, seconded by Coose pursuant to Section 3.12.070(a) of the Ketchikan Municipal Code, the City Council declare as surplus a fish trap anchor as detailed in the engineering technician’s report dated December 6, 2011 and authorize the city manager to transfer said anchor to Ketchikan Gateway Borough for use as part of a park to be located in the vicinity of Berth IV; said transfer to become null and void if the Ketchikan Gateway Borough elects to abandon the park at this location.

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

Budget Transfer – Bethe Substation Switchgear Witness Testing

Moved by Sivertsen, seconded by Coose the City Council authorize the general manager to transfer \$2,000 from the Bethel Substation Replacement Capital Account No. 94 to the Bethel Substation Replacement Travel and Training Account No. 27.

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

Resolution No. 11-2433 – Amending the 2011 KPU Annual Budget to Provide Supplemental Appropriations for the Electric Division in the Amount of \$231,500 and the Water Division in the Amount of \$225,000

Moved by Sivertsen, seconded by Coose the City Council approve Resolution No. 11-2433 amending the 2011 Ketchikan Public Utilities Annual Budget to provide for supplemental appropriations for the Electric Division in the amount of \$231,500; the Water Division in the amount of \$225,000; and establishing an effective date.

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

Budget Transfer – Port Department’s 2011 Space Rental Account

Moved by Sivertsen, seconded by Coose the City Council authorize the city manager to transfer \$12,300 and \$6,200 respectively from the Port Department’s 2011 Salaries and Wages and Employee Benefits Account Nos. 11 and 16 to the Space Rental Account No. 62.

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

Mayor Williams asked if there were any objections to moving the resolution honoring Lloyd Gossman to this point in the agenda, and none were heard.

Resolution No. 11-2434 – Recognizing Lloyd Gossman for His Years of Service at the Human Resources Division

Moved by Coose, seconded by Sivertsen the City Council approve Resolution No. 11-2434 recognizing Lloyd Gossman for his years of service at the Human Resources Division and establishing an effective date.

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

Mr. Gossman thanked the Council for the resolution, and he appreciated the opportunity to work at the City. He felt the City was a great place to work and he felt he made a difference.

UNFINISHED BUSINESS

Resolution No. 11-2429 – Amending Council Resolution No. 10-2316 in Order to Consolidate the Joint Cooperative Relations, Joint Tax and Joint Solid Waste Committees into One Joint Committee Between the City of Ketchikan and the Ketchikan Gateway Borough; Repealing Previous Resolutions and/or Appointments Establishing Such Committees – Deferred from December 1, 2011

The motion before the Council was:

Moved by Harris, seconded by West the City Council approve Resolution No. 11-2429 amending Council Resolution No. 10-2316 in order to consolidate the Joint Cooperative Relations, Joint Tax and Joint Solid Waste Committees into one joint committee between the City of Ketchikan and the Ketchikan Gateway Borough; repealing previous resolutions and/or appointments establishing such committees; and establishing an effective date.

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

Resolution No. 11-2420 – Adopting the Budget for the Year 2012; Appropriating From the General Government Funds for the Fiscal Year 2012 – Postponed from December 12, 2011

Moved by Olsen, seconded by Sivertsen the City Council amend by approving the carry over of \$899,100 in uncompleted capital projects programmed for 2011 and authorizing the city manager to add these projects to the 2012 General Government Budget; and reduce capital projects originally programmed for 2012 by \$342,000.

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

Councilmember Coose said he would like to have a special meeting about the Engineering Department and how they are accounting on the projects they are working on.

In response to Councilmember Olsen, Attorney Seaver said he didn't see a problem with Councilmembers Olsen and Sivertsen voting on the main motion in the aggregate.

Main motion on Resolution No. 11-2420, as amended, passed with Bergeron, Sivertsen, Olsen, Karlson, Coose, Harris and West voting yea.

Resolution No. 11-2421 – Adopting the Budget for the Year 2012; Appropriation from the Ketchikan Public Utilities Enterprise Fund for the Fiscal Year 2012 – Postponed from December 12, 2011

Moved by Olsen, seconded by West the City Council approve the carry over of \$1,149,513 in uncompleted projects programmed for 2011 and authorize the general manager to add these projects to the 2012 Ketchikan Public Utilities Budget.

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

Main motion on Resolution No. 11-2421, as amended, passed with Coose, Bergeron, West, Harris, Sivertsen, Olsen and Karlson voting yea.

NEW BUSINESS

Change Order No. 4 to Contract No. 10-31, Construction Manager/General Contractor Construction Services for the Construction of a New Fire Station – Dawson Construction, Inc.

Moved by Sivertsen, seconded by Olsen the City Council approve Change Order No. 4 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. providing a new credit of \$7,345; and direct the city manager to execute the change order on behalf of the City Council.

Councilmember Coose questioned the need to add things that bring a bigger cost, rather than estimating the project properly, and Manager Amylon responded that a project of this magnitude will never be built 100% according to specifications. He said that is just an unrealistic expectation and things change. He continued as the building goes up, the functionality of the building is looked at and a realization may be reached that for a particular room, there may not be enough electrical receptacles even though when the design was done it may have seemed like enough. He said the Council will see the same thing on the library, pointing out that staff provides the minutes of each weekly meeting where these things are discussed. He stated the Council has the ability to track the proposals and why they are being done, and staff is always available to answer any questions the Council may have. Councilmember Coose felt the minutes were not detailed enough to determine that information, and if the City is paying an architect ten

percent of the price the City shouldn't have to have these things. He conceded there are changes that occur.

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

Award of Contract No. 11-35 – 2012-2014 Port Food Vendor Program

Moved by West, seconded by Sivertsen the City Council award Contract No. 11-35, 2011-2014 Port Food Vendor Program, to Ketchikan Fish Shack and T&G's Fish Taco House in the amounts of \$5,101 and \$5,029 per month respectively and direct the city manager to execute the lease agreements on behalf of the City Council.

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

Request for Removal of Trees Within the Undeveloped Front Street Right-of-Way – Brad and Nancy Washington

Moved by Sivertsen, seconded by Coose the City Council allow Brad and Nancy Washington to remove trees within the undeveloped Front Street right-of-way.

Moved by Bergeron, seconded by Harris to defer consideration of this item until the regular meeting of January 19, 2012.

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

Budget Transfer – Streets Division's Equipment Storage Shed

Moved by Sivertsen, seconded by Olsen the City Council authorize the city manager to transfer \$15,000 from the 2011 Streets Division's Staircase Reconstruction Capital Account to the Equipment Storage Shed Capital Account, in order to fund cost overruns that were incurred during the course of the project.

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

Professional Services Agreement for Design of Chlorination Booster System – May Engineering Services, LLC

Moved by Coose, seconded by Sivertsen the City Council authorize the general manager to enter into a professional services agreement with May Engineering Services, LLC for

the design of a chlorination booster system at a cost not to exceed \$12,500 and approve funding from the Water Division's 2011 Professional Services Account No. 60.

Water Division Manager Kleinegger answered questions from the Council.

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

Exempting the Procurement of a Bethe Substation High Voltage Cable from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code – The Okonite Company

Moved by Sivertsen, seconded by Coose pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Bethe Substation high voltage cable from competitive bidding/quotation requirements and authorize its purchase from the Okonite Company at an estimated cost of \$125,575; approve 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 Karlson, Harris, Olsen, West, Bergeron, Sivertsen and Coose voting yea.

Various Ketchikan Public Utilities Division Budget Transfers

Moved by Sivertsen, seconded by West the City Council authorize the general manager to transfer \$316,750 from various accounts, in order to address requests for additional funding from various KPU divisions as outlined in the finance director's report of December 6, 2011.

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

VOUCHERS

Moved by Bergeron, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,173.84.

Motion passed with Sivertsen, Bergeron, Coose, harris, Olsen, West and Karlson voting yea.

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of December 1, 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 December 1, 2011.

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. 34 and 35

Manager Amylon advised Weekly Construction Progress Meeting Nos. 34 and 35 were held in Ketchikan/Anchorage/Bellingham on November 22 and 29, 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.

Councilmember Coose said he would like to see the list of equipment and furnishings that is referred to, and Manager Amylon said staff would provide it.

Contract No. 11-27, Construction Manager/General Contractor Services for the Construction of a New Municipal Public Library – Minutes of Weekly Design/Construction Progress Meeting Nos. 33 and 34

Manager Amylon provided minutes for the weekly design/construction progress meeting Nos. 33 and 34 that were held in Ketchikan/Anchorage/Bellingham on November 22 and 29, 2011 for Contract No. 11-27, Construction Manager/General Contractor Services for the construction of a New Municipal Public Library.

Contract No. 11-02, Phase I of Berths I and II Replacement Project Weekly Construction Meeting Minutes of November 18 and 25, 2011

Manager Amylon transmitted the November 18 and 25, 2011 minutes for the weekly construction meetings for Contract No. 11-02, Phase I of Berths I and II Replacement Project.

Draft 2012 Cruise Ship Schedule and Berth Assignments

Manager Amylon provided the Council with a draft copy of the 2012 Cruise Ship Schedule and noted Port and Harbors Director Corporon has scheduled a public meeting at the Civic Center on December 13, 2011 to review the schedule with merchants, tour operators, members of the public, etc.

Small Boat Harbors Hot Berthing Policy

Manager Amylon included a memorandum from Port and Harbors Director Corporon relative to the Department's policy of hot berthing.

Contract No. 11-21 Update – Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project, Miller Construction Co., Ltd.

Manager Amylon included a report that summarizes the Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project activities during the month of November.

2011 Sales Tax Report No. 9

Manager Amylon provided a memorandum from Finance Director Newell regarding sales tax collections for 2011.

Public Works Department Project Status Report – November 2011

Manager Amylon copied the Council with the project status reports for the Public Works Department for November 2011.

Police Department Canine Activity Report – November 2011

Manager Amylon provided the November 2011 report of the Police Department canine activities.

Results of Contract No. 11-50 – Surplus Equipment Sale

Manager Amylon transmitted a report from Contracts/Grants Administrator Barry containing a summary of the successful bidders for the surplus equipment sale. Mr. Barry noted that a total of \$24,481.19 will be realized from the sale.

General Government Financial Statements for the First Ten Months Ending October 31, 2011

Manager Amylon attached the General Government financial statements for the first ten months of the year ending October 31, 2011.

Schedule of Pending Consultant Presentations to the City Council

Manager Amylon handed out a schedule of different consultant presentations in January and February of next year. He said if there are no objections, that is what staff will finalize.

Community Agency Funding Requests

Manager Amylon reported today was the due date for receipt of applications for community agency funding, noting a total of 19 were received for a combined requested amount of \$417,510. He said the applications would be going out to committee members shortly.

Governor's FY 2013 Budget

Manager Amylon said Governor Parnell released his state budget today for 2013, and on the capital side the City has received \$767,000 in additional funding we had applied for the Jackson and Monroe Project, \$325,000 appropriation for subsequent phases of the promenade, and \$9,250,000 for rehabilitation of bridges. He felt the money for the bridges would be directed toward Water Street Trestle No. 2.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions – November 2011

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

CITY CLERK'S FILE

Gaming Permit Applications – Ketchikan Killer Whales Swim Club and Ketchikan Lions Club

Clerk Suiter provided the gaming permit notifications for Ketchikan Killer Whales Swim Club and Ketchikan Lions Club. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE

Activity Report – October and November 2011

City Attorney Seaver provided an activity report for the months of October and November 2011 for the Council's review.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose wished everyone Merry Christmas.

Councilmember Bergeron repeated Mr. Coose' sentiment.

Councilmember Karlson said there was going to be a mining meeting tomorrow at the Landing. She said this is an organizational meeting for a mining association to attract membership. She explained the subject is becoming hot in terms of employment opportunities and economic growth. She said there may be a lack of trained people locally to fill positions once the mine starts operating, and there is a need to provide training for people to become qualified to fill the jobs.

Councilmember Olsen wished everyone Happy Holidays.

Councilmember Sivertsen reported that SEAPA voted for a rebate to be issued to member utilities, and Ketchikan's share is \$896,019.37. He said this represents a \$1.02 reduction in the wholesale power rate, bringing it down to just a little less than \$0.058.

Councilmember Harris said he learned quite a bit during the meeting of the Port and Harbors Advisory Board, one of which was very important and that they really need: an assistant harbormaster.

Mayor Williams said he and the manager met with Senator Stedman and went over the City's projects. He noted they did a tour at the hospital, and Senator Stedman mentioned his staff member could work on that. He stated the Spokeleys went to the Port and Harbors Advisory Board meeting, explaining they would like to give the same presentation on their ideas of a drive down ramp to the City Council at its first meeting in January. He stated a brief ceremony would be given to the City's new police chief on Wednesday, January 4 at 10:00 a.m. at the Civic Center. He said the manager's office will take care of the cost and invitations will be mailed. He reported he has been asked by the Chamber of Commerce to give a "state-of-the-City speech." He wished everyone a Merry Christmas, and thanked the Council and staff for the work on the budget. He continued by noting the presentations coming up and said they would be addressed.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

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

December 15, 2011

Manager Amylon said if there no objections from the Council, this item would be pulled from the agenda tonight. There were no objections expressed.

ADJOURNMENT

As there was no further business, the Council adjourned at 8:10 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Ketchikan Visitors Bureau's Quarterly Report of the President and Chief Executive Officer -
April Through June 2011

Ketchikan Cooperative Relations Committee Meeting - Unapproved Minutes of December 2,
2011

Ketchikan Public Library Officer Manager Participation in Teen Programming Webinar

Lake Levels and System Generation Report for the Month of November 2011

Water Utilization Study Report - November 2011