

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., January 5, 2012, with the following members present: Sam Bergeron, Dick Coose, DeAnn Karlson, Matthew Olsen, and Marty West. Councilmembers Kj Harris and Bob Sivertsen were absent.

The Pledge of Allegiance was given by all persons in the Chambers.

Staff present were Manager Amylon, Assistant Manager Martin, Accounting Manager Johansen, City Attorney Seaver, Library Director Gens, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen, Acting Telecommunications Division Manager Lindgren, Water Systems Foreman Johnston, and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams said there were a couple of items laid on the table, including: a substitute motion for the item concerning Amendment No. 8 to Contract No. 10-30; an appeal of the award of the vehicle fuel supply bid to Anderes Oil; and requests to remove all three scheduled executive sessions from the agenda.

PERSONS TO BE HEARD

Mayor Williams read the proclamation regarding National Mentoring Month and presented it to Joann Flora of Big Brothers Big Sisters. Ms. Flora expressed her appreciation for the recognition, not just for BBBS but for all the volunteers and agencies in the community that serve kids. She commented they do it because they care, and getting recognition sends a message to the community that our kids are worth our time. She felt if there was anything lacking in our kids' lives today, it is adult time.

Kathleen Light, representing Ketchikan Area Arts and Humanities Council, updated the Council on things happening in January. She outlined the Mainstreet Exhibit by Kali Bellon, a Community Conversation About the Arts in Ketchikan, the Americans for the Arts Study for the Economic Impact of the Arts in Ketchikan, the Mid-Winter Midevil Feast, the Monthly Grind, the Robert Burns Night, the Main Street Square Dance, the Boom Ball Dance Hall, the Alaska State Council on the Arts Annual Conference, and the Ketchikan Alaska Arts Lives Here website.

Halli Kenoyer discussed the upcoming Wearable Arts Show, citing the support that is provided for this show by all age groups as well as the volunteer help that makes it happen.

Dean Bengen spoke about the parking problems in his area of town. He commented that a parking spot was removed and that it affects property values. He expressed concern for those who live on a walkway and felt he was a discriminated class. He expressed his

expectation for new leadership to represent the needs of community members and resolve parking issues in the downtown district.

Councilmember West clarified that the Council represents all people.

Leslie Jackson spoke on behalf of the Alaska Sea Party, and said she was circulating a petition to reestablish the Alaska Coastal Management Program. She felt the most important aspect of the program is streamlining the permitting process. She said Ketchikan is trying to get at least 500 signatures.

CONSENT AGENDA

Mayor Williams asked if there were any objections to moving the items dealing with Change Order No. 1 to Contract No. 11-58 and Change Order No. 5 to Contract No. 10-31 to the Consent Agenda, and none were heard. Councilmember Coose requested Resolution No. 12-2435 be considered separately.

Approval of Minutes

Moved by West, seconded by Coose approval of the minutes of the special meeting of December 12, 2011 and regular meeting of December 15, 2011.

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

2012 Ketchikan Fire Department Medical Director Services Agreement – William Anthes, M.C.

Moved by West, seconded by Coose the City Council approve the 2012 Medical Director Services Agreement between the City of Ketchikan and William Anthes, M.D. in an amount not to exceed \$12,000; authorize funding from the Fire Department Administration Division's 2012 Contractual Services Account No. 53; and direct the city manager to execute the agreement on behalf of the City Council.

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

Award of Schedule A of Contract No. 11-49, 2012-2016 Fuel Supply (Diesel, Heating & Vehicle) Petro Marine Services

Moved by West, seconded by Coose the City Council award Schedule A of Contract No. 11-49, 2012-2016 Fuel Supply (Diesel, Heating & Vehicle), to Petro Marine Services with exceptions as requested and direct the city manager to execute the contract on behalf of the City Council.

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

Resolution No. 12-2436 – Authorizing an Application for Funds Through the Federal Highway Administration Fiscal Year 2012 Transportation, Community, and Systems Preservation (TCSP) Program for the Waterfront Promenade Phase II; Agreeing to Provide the Local Share of Projects as Required

Moved by West, seconded by Coose the City Council approve Resolution No. 12-2436 authorizing an application for funds through the Federal Highway Administration Fiscal Year 2012 Transportation, Community, and Systems Preservation (TCSP) Program for the Waterfront Promenade Phase II; agreeing to provide the local share of projects as required; and establishing an effective date.

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

Change Order No. 1 to Contract No. 11-58 – Creek Street Water and Sewer Emergency Repairs, CBC Construction, Inc.

Moved by West, seconded by Coose the City Council approve Change Order No. 1 in the amount of \$10,925 to Contract No. 11-58, Creek Street Water and Sewer Emergency Repairs, between the City and CBC Construction, Inc.; authorize funding in the amount of \$10,925 from the Streets Division Creek Street Trestle Repairs Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

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

Change Order No. 5 to Contract No. 10-31, Construction Manager/General Contractor Construction Services for the Construction of a New Fire Station – Dawson Construction, Inc.

Moved by West, seconded by Coose the City Council approve Change Order No. 5 in the amount of \$21,908 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.; and direct the city manager to execute the change order on behalf of the City Council.

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

Resolution No. 12-2435 – Amending the City of Ketchikan Compensation Plan to Provide for the Reclassification of the Positions of Senior Administrative Assistant and Deputy City Clerk

Moved by Coose, seconded by West the City Council approve Resolution No. 12-2435 amending the Compensation Plan to provide for the reclassification of the positions of senior administrative assistant and deputy city clerk; and establishing an effective date.

Councilmember Coose said he was a little puzzled about the process, questioning the reason for the upgrade. He expressed he would like to see the reasons why the positions are being upgraded.

Manager Amylon responded, due to the upgrade to the legal secretary position, the positions are being upgraded so that single positions in a class are not being unilaterally upgraded, which was recommended in the ongoing review of the HR Division.

Clerk Suiter spoke relative to the deputy clerk position, explaining that prior to the review of the compensation plan the deputy city clerk was graded above the positions of senior administrative assistant, and through the compensation plan process the position was graded two grades lower. She continued by expressing the position is an assistant department head position, the only one of the two positions that acts as a department head in the absence of the city clerk.

Councilmember Coose felt the position should be graded based upon the work that is being performed, and he would like to see some consistency maintained in the process.

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

Councilmember West served notice of reconsideration of this item for the next Council meeting.

UNFINISHED BUSINESS – None

NEW BUSINESS

Power Systems & Supplies of Alaska, LLC Ward Cove Development Plan

Andrew Spokely, representing Power Systems & Supplies of Alaska, handed out a schematic of the plan for their Ward Cove development. He explained the different

elements of the plan, and answered questions from the Council. He spoke to the marine opportunities, including housing the fishing fleet, a container barge location, a fuel facility, a travel lift, a boat launch, a drive-down dock, and uplands stores. In response to Mayor Williams he said it was an option to lease to the City the drive-down ramp and moorage operations, and he said right now they are locking it down, getting it stable and secure to minimize liability. He said they are proceeding with uplands cleanup one item at a time as priority dictates. He explained how the access road would be rerouted and improved.

Councilmember Karlson congratulated him on this endeavor, stating it is a huge accomplishment. Mr. Spokely said their main goal is to bring Ketchikan some benefit.

Ordinance No. 12-1691 – Increasing Wastewater Rates by Five Percent – First Reading

Copies of Ordinance No. 12-1691 were available for all persons present.

Moved by West, seconded by Olsen the City Council approve in first reading Ordinance No. 12-1691 increasing wastewater rates by five percent; providing a date for a public hearing; and establishing an effective date.

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

2012 Community Agency Funding Agreement Between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc.

Moved by Coose, seconded by West the City Council approve the 2012 Community Agency Funding Agreement between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc. and authorize the city manager to execute the agreement on behalf of the City Council.

Councilmember Coose felt the Council should decide just what it wants for the money that is spent. Mayor Williams said Ms. Mackey of the KVB has asked for a meeting, and he said it could be part of the meeting to discuss the building.

Moved by Coose, seconded by Bergeron to defer.

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

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

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Amendment No. 8 to Contract No. 10-30, Professional Services Agreement for the Design of the Ketchikan Public Library – Bettisworth Welsh Whiteley, LLC

Moved by Olsen, seconded by West the City Council authorize the city manager to enter into Amendment No. 8 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 \$24,844 for design and construction administration services associated with the fixtures, furnishings and equipment (FFE) component of the project.

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

Award of Contract No. 11-55 – 2012-2013 Vehicle Fuel Supply, Anderes Oil, Inc.

Moved by Olsen, seconded by Coose the City Council deny the appeal of Petro Marine Services for the award of Contract No. 11-55, 2012-2013 Fuel Supply, to Anderes Oil, Inc.

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

Moved by Coose, seconded by Olsen the City Council accept the bid of Anderes Oil, Inc. for Contract No. 11-55, 2012-2013 Vehicle Fuel Supply, and direct the city manager to execute the contract documents on behalf of the City Council.

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

Change Order No. 2 to Contract No. 11-02 – Phase I of Berths I and II Rehabilitation Project, Dutra Construction

Moved by Coose, seconded by Olsen the City Council approve Change Order No. 2 in the amount of \$41,950 to Contract No. 11-02, Phase I of the Berths I and II Rehabilitation Project, between the City of Ketchikan and Dutra Construction; authorize funding from the Port Department's 2011 Phase I of the Berths I and II Rehabilitation Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

Port and Harbors Director Corporon answered questions from the Council.

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

Ordinance No. 12-1690 – Increasing Water Rates by 15%
- First Reading

Copies of Ordinance No. 12-1690 were available for all persons present.

Moved by West, seconded by Olsen the City Council approve in first reading Ordinance No. 12-1690 increasing water rates by 15%; providing a date for a public hearing; and establishing an effective date.

Moved by Coose, seconded by Bergeron to defer until the regular Council meeting of February 2, 2012.

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

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

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

Exempting the Procurement of Broadsoft Licenses and Annual Technical Support from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code

Moved by Bergeron, 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 additional Broadsoft licenses and annual technical support at an estimated cost of \$11,500 from competitive bidding/quotation requirements; approve funding in the amounts of \$10,000 and \$1,500 respectively from the Telecommunications Division's 2012 Professional Services and Licenses & Fees Account Nos. 60 and 68; and direct the general manager to execute the contract documents on behalf of the City Council.

Acting Telecommunications Division Manager Lindgren answered questions from the Council.

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

Exempting the Procurement of Optical Network Terminals (ONTs) from Competitive Bidding/Quotation Requirements of the Ketchikan Municipal Code – Aurora Networks

Moved by West, seconded by Olsen pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of additional Optical Network Terminals (ONTs) from competitive bidding/quotation requirements and authorize their purchase from Aurora Networks at a cost not to exceed \$30,400; approve funding from the Telecommunications Division's 2012 Normal Growth – Transmission Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

Exempting Procurement of Programming Content for KPU CommVision IPTV Services from Competitive Bidding – National Cable Television Cooperative (NCTC)

Moved by Olsen, seconded by West pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of CommVision IPTV programming content from competitive bidding requirements; authorize the general manager to purchase National Cable Television Cooperative (NCTC) programming content in an amount not to exceed \$561,000 for 2012; and approve funding in the amount of \$561,000 from the 2012 Telecommunications Division's Licenses & Fees Account No. 68.

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

Exempting Procurement of Video on Demand Media Content and High Definition Transport for KPU CommVision IPTV Services from Competitive Bidding – TVN Entertainment Corporation d/b/a Avail-TVN

Moved by Olsen, seconded by West pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of Video on Demand media content and high definition transport from competitive bidding requirements; authorize the general manager to purchase such Video on Demand media content and high definition transport from TVN Entertainment Corporation d/b/a Avail-TVN in an amount not to exceed \$63,818 for 2012; and approve funding in the amount of \$63,818 from the 2012 Telecommunications Division's Licenses & Fees Account No. 68.

Due to the fact the Telecommunications Division is a business, Councilmember Olsen questioned whether there was a way to exempt them from these Code provisions or have an alternative Code so they don't have to come before the Council repeatedly. City Attorney Seaver said the Charter provides that there can be certain exemptions from the competitive bid process, and some of these are getting rather repetitive as needs and technology changes. He reported he and Finance Director Newell have been looking at ideas and draft language, aimed at high tech and compatibility issues similar to what Mr.

Lindgren is facing. He said he hoped to bring something forward in the future for consideration.

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

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$4,809.95.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of December 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 December 15, 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. 36, 37, 38 and 39

Manager Amylon advised Weekly Construction Progress Meeting Nos. 36, 37, 38 and 39 were held in Ketchikan/Anchorage/Bellingham on December 6, 13, 20 and 27, 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. 11-27, Construction Manager/General Contractor Services for the Construction of a New Municipal Public Library – Minutes of Weekly Design/Construction Progress Meeting Nos. 35, 36 and 37

Manager Amylon provided minutes for the weekly design/construction progress meeting Nos. 35, 36 and 37 that were held in Ketchikan/Anchorage/Bellingham on December 6, 13 and 20, 2011 for Contract No. 11-27, Construction Manager/General Contractor Services for the construction of a New Municipal Public Library.

Councilmember Coose questioned the “one manufacturer” statement, which was unclear to him. Manager Amylon said he would get clarification.

Contract No. 11-02, Phase I of Berths I and II Replacement Project Weekly Construction Meeting Minutes of December 2, 9, 16 and 23, 2011

Manager Amylon transmitted the December 2, 9, 16 and 23, 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 a revised draft schedule for the cruise ship schedule and berth assignments. He noted a public meeting was held and several changes were made as a result.

Derelict Buildings and Structures

Manager Amylon copied the Council with a report from the Building Inspection Division providing an update on buildings within the City limits that are considered to be “derelict” and in critical need of repair or demolition. He highlighted the specific action that staff is recommending with regard to the properties, and noted his intent to work with the Building Inspection Division to develop criteria to prioritize these buildings and structures to begin the process of notification to the owners of record.

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

Manager Amylon provided a report from the Engineering Division summarizing project activities for the Jackson/Monroe Streets & 4th/7th Avenues Reconstruction Project.

January 12, 2012 Special Meeting of the City Council – Ketchikan Medical Center Addition and Alterations Project Programming and Schematic Design, NAC Architecture

Manager Amylon reminded the Council of a special meeting on January 12, 2012 for the Council to review programming and schematic design for the Ketchikan Medical Center Addition and Alterations Project.

Berths I and II Visitor Information, Restrooms and Tour Sales Building Design Update

Manager Amylon transmitted a report from Port and Harbors Director Corporon detailing the current status of the Berths I and II Visitor Information, Restrooms and Tour Sales Building Design Update. He outlined that staff is operating under the assumption that the

new facility, as well as the Berth III annex, will be leased to and operated by the Ketchikan Visitors Bureau. He stressed if the Council wished to proceed in a different direction, this would be the appropriate time to advise staff of such.

Engineer In Training Resignation

Manager Amylon reported Engineer In Training Nick Myron has resigned to take a job down south. He said this will be a real hit to the Engineering Division.

Library Director Retirement Party

Manager Amylon invited the Council to attend the retirement party for former Library Director McQuerry on Saturday, January 7, 2012 at the Ted Ferry Civic Center.

K.P.U. MANAGER'S REPORT

Lake Levels Report

Councilmember Bergeron requested that staff provide a lake levels report. Manager Amylon said he would coordinate with the Electric Division manager.

Whitman Lake

Manager Amylon reported the City owes a lot of credit to Lobbyist Ray Matiashowski for the work done on the Whitman Lake Project. He said they worked together to secure a draft grant agreement from AEA on the legislative funding that was approved in the last session. He continued the bad news is the milestones don't parallel our timelines that are necessary to meet the FERC deadlines, and there is a lot of other language that will take some time and work to hammer out an agreement that will work for us and AEA. He said he advised the executive director of AEA that we need to come to an understanding that the project can move forward while negotiating the terms of the grant agreement. He said they are targeting next Friday for the solicitation date for the procurement contract on that project, even though there will not be an agreement in place before then. He reminded staff is moving aggressively.

CITY CLERK'S FILE

Gaming Permit Applications – First City Rotary, Ketchikan Theatre Ballet, First City Players and Fraternal Order of Eagles

Clerk Suiter provided the gaming permit notifications for First City Rotary, Ketchikan Theatre Ballet, First City Players and Fraternal Order of Eagles. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember West agreed with earlier comments about the Spokely project, saying it is very impressive.

Councilmember Karlson said she and Councilmember Coose attended the organizational meeting of the Alaska Miners Association, which was very encouraging. She said they have a lot of enthusiasm and high hopes for that industry in this location. She cautioned there is definitely an issue with how Ketchikan can benefit from it in the terms of skilled labor and enough resources available locally to meet the demands. She pointed out one of things they found out is that Prince Rupert would love to have the business, as would other communities, and it is something that Ketchikan should be aware of and start being prepared. She said they were looking into options with the University as well as with KIC.

Councilmember Bergeron said we just buried another one of our kids from a heroin drug overdose. He expressed every time that happens, his heart is broken for families in this community. He felt that for a community that is on an island we should be doing more about this problem; first it is oxycodone, now it is heroin. He said he would be willing to talk with the Chief of Police sometime this week and ask him and the manager as well as other staff members what tools they can use to fight this problem. He hoped the Council would listen to their recommendations and get behind it so we can actually do something about this rather than pay it lip service. He expressed sympathy to the families of the people who were affected by this tragedy, and wanted to let them know of his condolences. He thanked the Council a brief respite to take a look at the trees along Front Street, and he asked it be put on the agenda to go forward with it.

Councilmember Coose requested clarification regarding the parking issue spoken about earlier, and Mayor Williams said something would be on the next agenda. Councilmember Coose said he just wanted to make sure it was being addressed. He said he was glad the Spokelys have the Ward Cove property and their project looks good. He commented he hoped there would be no competition for the drive down ramp here in town because that is what the fishermen want because it is convenient. He felt what they develop will not be in competition, noting we need to move forward with the drive down ramp in town and do some repairs in the harbor if we can develop the \$10 million bond. He congratulated them, and reminded we have a harbor to run and make sure the public is served. He continued he would like the Council to consider joining the membership of the Alaska Miners Association because he felt we could benefit by knowing what is going on. In addressing the drugs in town, he commented perhaps it was time to have another executive session with the Police Department to see what the issues are, how we are doing and what we can do about it.

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Mayor Williams said he will do KRBD tomorrow, and he thanked everyone who came to the swearing-in ceremony for the new police chief. He reminded there is a meeting every Thursday this month as well as one either the 18th or the 30th. He also said we need to get in a meeting for employee evaluations.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 9:11 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED – None