

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 a.m., January 19, 2012, 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, Fire Chief Share, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen and City Clerk Suiter.



**PUBLIC HEARING ON ORDINANCE NO. 12-1691 – INCREASING
WASTEWATER RATES BY FIVE PERCENT**

Mayor Williams called the public hearing on Ordinance No. 12-1691 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:02 p.m.



COMMUNICATIONS

Mayor Williams said there were a couple of things laid on the table, including a request to withdraw the item relating to the management review of the Human Resources Division, and additional information relating to the reconsideration of the schematic design of Ketchikan Medical Center.

PERSONS TO BE HEARD

Dean Bengen spoke to his previous request regarding parking issues. He requested the Council initiate a municipal solution as outlined in the Charter, or terminate the employment of the city manager and bring in new leadership for the municipal parking issues. He hoped the council would support Mayor Williams in taking action on this issue.

Justin Carro spoke regarding the dock vendor program. He informed he agrees with the conclusions of the appeals, but he felt they had a right to be there just as the bid is. He said he didn't feel the City should reject their bid. He urged the Council to consider possible collusion as it may relate to other vendors.

Brad Washington spoke in favor of his tree removal. He read a letter from John Gildersleeve, a logger, who gave his opinion regarding the trees. He asked the Council to take into consideration Mr. Gildersleeve's point when making a decision.

Kathleen Light spoke regarding the presentation she made at the Alaska State Council of the Arts Annual Conference, noting she spoke about the vibrancy of the arts in Ketchikan

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to about 450 people from around the state. She commented she also described the new artist website that was created, and said she was happy to brag about Ketchikan.

David Johnson spoke on behalf of the hospital, stating there were many people in the audience who could speak regarding that item.

Steve McDonald handed out some paperwork regarding the dock vendor bids, pointing out several items of apparent collusion between John Flora and Robert Wickman. He felt an award to All Island Tours makes a mockery of the dock vendor process, and since Mr. Wickman still works for Yellow Taxi he felt it was a clear violation.

Stephen Bradford, representing John Flora's Ketchikan Sightseeing, pointed out that Mr. Flora and Mr. Wickman have each bid for separate entities, and there is no financial interest between the parties as they relate to these companies.

Nils Utterback said he supported Mr. Corporon's decision to reject Ketchikan City Tours as the bidder is clearly from Juneau. He also agreed with Mr. McDonald that Yellow Taxi and Mr. Wickman may indeed be in collusion.

Brien Salazar referred to the letter of appeal he filed. He pointed out if one of his own employees put in a bid to compete with him, either the employee is working for him or he is fired. He felt staff should check to see if the equipment gets shared. He encouraged the Council to consider adding more booths in the future.

CONSENT AGENDA

Mayor Williams suggested adding several items to the Consent Agenda, including: the Washington's request to remove trees; the agreement with Ketchikan Area Arts & Humanities Council for the selection of public art for the new library; and the request to use contingency funds for storing the new Bethe transformer. He asked if there were any objections, and none were heard.

Approval of Minutes

Moved by Sivertsen, seconded by West approval of the minutes of the regular meeting of January 5, 2012.

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

2012 Agreement for Federal Lobbying Services – Hoffman, Silver, Gilman and Blasco

Moved by Sivertsen, seconded by West the City Council approve the 2012 Professional Services Agreement between the City and Hoffman, Silver, Gilman and Blasco for federal lobbying services in an amount not to exceed \$50,416.63; authorize funding from the 2012 City Council's Professional Services Account No. 60; and direct the city manager to execute the contract on behalf of the City Council.

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

Resolution No. 12-2437 – Accepting an Economic Development Grant from the Ketchikan Gateway Borough for Economic Development Action Plan Commercial Fishing Projects

Moved by Sivertsen, seconded by West the City Council approve Resolution No. 12-2437 accepting an Economic Development Grant from the Ketchikan Gateway Borough for Economic Development Action Plan commercial fishing projects; and establishing an effective date.

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

Amendment No. 1 to Designated Legislative Grant Agreement – Replacement of Berths I and II

Moved by Sivertsen, seconded by West the City Council approve Amendment No. 1 to 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 directing 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.

Amendment No. 1 to Designated Legislative Grant Agreement – New Public Library

Moved by Sivertsen, seconded by West the City Council approve Amendment No. 1 to 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 amendment on behalf of the City Council.

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

Declaration of Surplus Equipment – Single-Phase, 20-kW Northern Lights Generator

Moved by Sivertsen, seconded by West pursuant to Section 3.12.070(d)(2) of the Ketchikan Municipal Code, the City Council declare as surplus a single-phase, 20-kW Northern Lights Generator as detailed in the contracts/grants administrator's report dated

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January 9, 2012 and authorize the city manager to transfer said generator to the Ketchikan Gateway Borough South Tongass Volunteer Fire Department.

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

Liquor License Renewals

Moved by Sivertsen, seconded by West the City Council approve the renewal of liquor licenses: Package Store – Westside Liquor Store, Wines International, Alaska Liquor Store; Beverage Dispensary – Annabelle’s Famous Keg & Chowder House, My Office, Fat Stan’s Lounge, The Asylum; Club – V.F.W. Post #4352, American Legion Post #3; Restaurant – The Pizza Mill and The Galley.

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

Amendment No. 8 to Contract No. 10-22, Professional Services Agreement, Between the City of Ketchikan and RISE Alaska, LLC, Shop Fabrication Welding Inspection and Non-Destructive Testing Services

Moved by Sivertsen, seconded by West the City Council authorize the city manager to enter into Amendment No. 8 to Contract No. 10-22, Professional Services Agreement, between the City and RISE Alaska, LLC at a cost not to exceed \$11,166 for the provision of shop fabrication welding inspection and non-destructive testing services associated with the construction of a new Ketchikan Public Library; and approve funding from the Library Facilities Replacement Capital Account.

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

Amendment No. 9 to Contract No. 10-30, Professional Services Agreement for the Design of the Ketchikan Public Library – Bettisworth Welsh Whiteley, LLC

Moved by Sivertsen, seconded by West the City Council authorize the city manager to enter into Amendment No. 9 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 \$3,675 for the preparation of an abbreviated plat for the Library project.

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

Request to Declare Forfeit Firearms as Surplus, and Authorizing Exchange for Tactical Equipment

Moved by Sivertsen, seconded by West the City Council declare 124 firearms as surplus, and authorize the city manager to dispose of said firearms as indicated in the January 11, 2012 memorandum of the chief of police.

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

Request for Removal of Trees Within the Undeveloped Front Street Right-of-Way – Brad and Nancy Washington – Deferred from December 15, 2011

The motion before the Council was:

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.

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

Professional Services Agreement with the Ketchikan Area Arts & Humanities Council for the Selection and Procurement of Public Art – Ketchikan Public Library Project

Moved by Sivertsen, seconded by West the City Council authorize the city manager to enter into a professional services agreement with the Ketchikan Area Arts and Humanities Council at a cost not to exceed \$5,215 for the selection and procurement of public art for the Ketchikan Public Library; and approve funding from the Library Facilities Replacement Capital Account.

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

Contract No. 10-41 Bethe Transformer, Request to Utilize Contingency Funds for Unit Storage

Moved by Sivertsen, seconded by West the City Council approve the use of contingency funding provided for in Contract No. 10-41 Bethe Transformer to Virginia Transformer in order to provide for specialized storage of the transformer until delivery is requested by KPU.

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

UNFINISHED BUSINESS

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

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

Moved by Sivertsen, seconded by West the City Council approve in second 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, Harris, Sivertsen and Coose voting yea; Bergeron voting nay.

NEW BUSINESS

Resolution No. 12-2439 – Recognizing John Parsons for His Years of Service At the Port and Harbors Department

Moved by Sivertsen, seconded by Olsen the City Council approve Resolution No. 12-2439 recognizing John Parsons for his years of service at the Port and Harbors Department and establishing an effective date.

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

Mayor Williams presented the resolution to Port and Harbors Director Corporon, who said Mr. Parsons had to leave town last week to be with his family in California. He noted they gave him an unsigned copy of the resolution, along with a watch from the City. He explained they retired his radio “handle” and thus retired his number. He said Mr. Parsons will be missed, noting his replacement started today.

Management Review of the Human Resources Division – Matrix Consulting Group

This item was removed due to the fact that the consultant couldn't get to Ketchikan because of bad weather conditions. The Council felt a special meeting for this subject would be a good idea.

Amendment No. 1 to Contract No. 11-43 – Design of Bar Harbor Boat Launch Ramp Reconstruction Project, PND Engineers, Inc.

Moved by Sivertsen, seconded by Olsen the City Council authorize the city manager to execute Amendment No. 1 to Contract No. 11-43 with PND Engineers, Inc. of Juneau, Alaska, for design of the Bar Harbor Boat Launch Ramp Reconstruction Project in an amount not to exceed \$39,741 and approve funding from the Port and Harbors Department's Bar Harbor Launch Ramp Reconstruction Capital Account.

Port and Harbors Director Corporon answered questions from the Council.

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

Lease of City Property for Private Parking – Mayor Williams

Mayor Williams reminded the Council that about a year ago they gave direction to have the mayor and the attorney work with Mr. Bengen on ideas to increase parking in Mr. Bengen's area. He said everything that was tried and thought of was pretty much eliminated, and it came down to the final option which was to find a new place to build some. He continued instead of trying to find area to build something, he pointed out an area on a drawing showing a space where parking may be installed. He requested the Council direct staff to have Public Works look at how it could be done and a potential cost.

Councilmember Sivertsen didn't feel it was the City's responsibility to build parking there, and he suggested a way to create a parking space that was removed.

Councilmember Olsen said he was reluctant to look at a structure that must be maintained, and was more inclined toward an existing lot that is cleared so there is no overriding maintenance in the future.

He asked for four hands to have staff look at it, and at least four were shown.

Professional Services Agreement for the Development of Abatement/Demolition Specifications for the Removal of 347 Bawden Street – Carson Dorn, Inc.

Moved by Sivertsen, seconded by Coose pursuant to its November 3, 2011 declaration of public emergency, the City Council authorize the city manager to enter into a professional services agreement in the amount of \$12,800 with Carson Dorn, Inc. for the preparation of abatement/demolition specifications for the removal of 347 Bawden Street and approve funding from the 2012 Engineering Division's Abatement of Dangerous Building Capital Account.

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

Reconsideration of Council Action Regarding Resolution No. 12-2435 – Councilmember West

Moved by West, seconded by Olsen to reconsider Council action taken at the regular Council meeting of January 5, 2012 regarding Resolution No. 12-2435 amending the

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Compensation Plan to provide for the reclassification of the positions of senior administrative assistant and deputy city clerk.

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

Ordinance No. 12-1692 – Authorizing the Granting of Certain Food Vendor Leases on City Real Property Pursuant to the Provisions of Charter Section 5-17(a)(2) – First Reading

Copies of Ordinance No. 12-1692 were available for all persons present.

Moved by Coose, seconded by Bergeron the City Council approve in first reading Ordinance No. 12-1692 authorizing the granting of certain food vendor leases on City real property pursuant to the provisions of Charter Section 5-17(a)(2); providing for the filing of referendum petitions; and establishing an effective date.

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

The Council took a short break at 7:55 p.m. and reconvened at 8:03 p.m.

Ordinance No. 12-1693 – Authorizing the Granting of Certain Dock Vendor Leases on City Real Property Pursuant to the Provisions of Charter Section 5-17(a)(2) – First Reading

And

Appeals of Award of Contract No. 11-34 from Ketchikan City Tours, Alaska Amphibious Tours and Venture Travel

Copies of Ordinance No. 12-1693 were available for all persons present.

Attorney Seaver said the main concern seems to be whether there is financial interest between two of the companies. He continued in looking at the documentation provided and what the bid specifications require, he didn't feel the appeals had merit. He cited some of the materials and ways that bidders can collude, but he felt none of these came into play in this situation. He answered questions from the Council.

Moved by Sivertsen, seconded by West the City Council deny the appeal of Ketchikan City Tours of the award of Contract No. 11-34, 2012-2014 Dock Vendor Program, to Northern Tours, LLC.

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

Moved by Sivertsen, seconded by West the City Council deny the appeal of Alaska Amphibious Tours, LLC the award of Contract No. 11-34, 2012-2014 Dock Vendor Program, to All Island Tours.

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

Moved by Sivertsen, seconded by West the City Council deny the appeal of Venture Travel the award of Contract No. 11-34, 2012-2014 Dock Vendor Program, to All Island Tours.

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

Moved by Sivertsen, seconded by West the City Council approve in first reading Ordinance No. 12-1693 authorizing the granting of certain dock vendor leases on City real property pursuant to the provisions of Charter Section 5-17(a)(2); providing for the filing of referendum petitions; and establishing an effective date.

Councilmember Coose commented there were some legitimate concerns, and he requested the harbormaster and staff watch all the vendors to determine if there is sharing of vehicles or employees. Manager Amylon commented he didn't feel it would be possible to ask for or require financial records.

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

Alaska Miners Association, Inc. Membership

Moved by Coose, seconded by Karlson the City Council direct staff to submit a membership application to the Alaska Miners Association, Inc. at a \$500 level.

Moved by Bergeron, seconded by Sivertsen to amend to join at the \$5,000 business level.

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

Mayor Williams ruled the amendment would substitute for the main motion. No objections were heard.

**Professional Services Agreement, Contract No. 12-11,
Carlanna Project Area 1: Wastewater Treatment Plant A
Force Main & Flow Meters Replacement Design –
DOWL, HKM**

Moved by Sivertsen, seconded by Olsen the City Council authorize the city manager to enter into a professional services agreement for Contract No. 12-11, Carlanna Project Area 1: Wastewater Treatment Plant A Force Main & Flow Meters Replacement Design, with DOWL HKM at a cost not to exceed \$48,304 and approve funding from the Wastewater Division's Treatment Plant A Force Main & Flow Meters Replacement Capital Account.

Assistant Public Works Director Brakke answered questions from the Council.

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

**Reconsideration of Council Action Regarding Schematic
Design and Construction Budget for the Ketchikan
Medical Center Addition & Alterations Project –
Councilmember Olsen**

Moved by Olsen, seconded by Sivertsen to reconsider Council action taken at the special Council meeting of January 12, 2012 regarding schematic design and construction budget for the Ketchikan Medical Center Addition & Alterations Project.

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

VOUCHERS

Moved by West, seconded by Sivertsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,590.22.

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

CITY MANAGER'S REPORT

**Schedule of General Government and KPU Appropriated
Reserves Through the City Council Meeting of January 5,
2012**

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 January 5, 2012.

Sole Source Procurement of ACT Bioenergy Boiler and Auger System

In response to Councilmember Coose, Manager Amylon reminded the Council of its motion at the meeting of July 7, 2011 to proceed with the installation of an ACT bioenergy boiler and auger system.

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 No. 40

Manager Amylon advised Weekly Construction Progress Meeting No. 40 was held in Ketchikan/Anchorage/Bellingham on January 3, 2012 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 No. 38

Manager Amylon provided minutes for the weekly design/construction progress meeting No. 38 that was held in Ketchikan/Anchorage/Bellingham on January 3, 2012 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 December 30, 2011

Manager Amylon transmitted the December 30, 2011 minutes for the weekly construction meeting for Contract No. 11-02, Phase I of Berths I and II Replacement Project.

Police Department Canine Activity Report – December 2011

Manager Amylon included the December 2011 report of Police Department canine activities.

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**Public Works Department Project Status Report –
December 2011**

Manager Amylon provided the project status report of the Public Works Department for the month of December 2011.

**January 26, 2012 Special Meeting of the City Council –
FCS Group Water/Wastewater/Storm Drainage Cost
Allocation and Rate Design Study**

Manager Amylon reminded the Council a special meeting has been scheduled on January 26, 2012 at 7:00 p.m. to meet with representatives of the FCS Group, in order to review the results of the cost allocation and rate design study.

New Library Boiler

In response to a question from Councilmember Sivertsen, Councilmember Bergeron reported the boiler is sized correctly for the library.

K.P.U. MANAGER'S REPORT

**Project Status Reports of the KPU Operating Divisions –
December 2011**

Manager Amylon provided the project status reports of the KPU operating divisions for the month of December 2011.

**Reports of December 25, 2011 and January 4 and 6, 2012
Power Outages**

Manager Amylon transmitted memorandums from Senior Electric Systems Engineer Donato regarding the December 25, 2011 and January 4 and 6, 2012 power outages.

Public Access to Lake Levels

In response to Councilmember Bergeron, Manager Amylon provided information from Senior Electric Systems Engineer Donato with instructions on how to access lake level indications on the Electric Division's homepage.

Penstock Safety Program Report

Manager Amylon reminded the Council of its action to approve a contract with Kleinschmidt Associates to develop a penstock safety program. He alerted the report has been completed and the Electric Division intends to incorporate its recommendations into KPU's existing preventative maintenance program.

Resignation of Telecommunications Division Engineering Manager

Manager Amylon said Telecommunications Division engineering manager has resigned, which is a big hit for us because we don't have anyone at the moment. He reported they are going to temporarily promote one of the central office network technicians to fill the engineer's role, and he appears to be a promising candidate. He said he is letting the Council know because we will probably have to use consultants to get us through the recruitment period, which will not be cheap.

Meeting with SEAPA

Manager Amylon reported he, Councilmember Coose, Senior Project Engineer Holstrom and Electric Division Manager McConnell attended a meeting with SEAPA regarding the Whitman Lake Project. He commented it was fair to say everyone is committed to try to get that project done, but if we have to adhere to the provisions to hold SEAPA harmless financially relative to any power Whitman may displace of SEAPA power, it will be very difficult for the City to move that project forward in terms of compensating SEAPA and paying the debt service on the bonds. He noted staff felt the most likely alternative is for KPU to move the project forward, build it and then somehow either transform ownership of the Whitman Lake Project to SEAPA, or we operate it as SEAPA's agent which will mean a lot of things will need to be worked out in a small time period.

He continued they are going to try to move discussions forward, and he and Dave Carlson will be meeting in Juneau with Sarah Fisher Goud, the executive director of AEA, to try to assure her we are all on the same page so we don't jeopardize the \$8.7 million grant.

CITY CLERK'S FILE

Gaming Permit Applications – American Diabetes Association – Alaska Affiliate; Alaska State Elks Association, Inc., and International Brotherhood of Electric Workers Local 1547

Clerk Suiter provided the gaming permit notifications for American Diabetes Association – Alaska Affiliate; Alaska State Elks Association, Inc., and International Brotherhood of Electric Workers Local 1547. She noted if the Council wished to deny any application, a resolution could be prepared accordingly.

CITY ATTORNEY'S FILE

City Attorney's Activity Report – December 2011

Attorney Seaver reported on the more significant developments in his office during the month of December 2011. He noted it does not address all of the activities of the office during that time period.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose reminded there was a planning meeting last year about this time and questioned whether another was needed. Mayor Williams said he would look at dates.

Councilmember Karlson reminded of a possible meeting with Police Chief Bengaard about drug enforcement, and Manager Amylon said Chief Bengaard is in the process of drafting some information for the Council and they are trying to find a time when a lot of other things are not going on.

Councilmember Olsen thanked people who are involved in the hospital project, saying he got a lot of informative phone calls from people educating him on the information. He said a lot of his concerns stemmed from the hospital strength index and how it related. He informed his goal was to make sure we were building a hospital or an addition that was appropriate for Ketchikan. He said he was glad we were moving forward. He reminded over \$400,000 was being used from the hospital sales tax fund to support General Government, and if the Council were to commit all that to a bond issue, there would be a deficit to General Government of over \$400,000.

Councilmember Sivertsen said he was at the new library site yesterday, and it is good to see materials arriving. He said this will be the first public building we are going to build with an alternative heat source in it, and he is excited to see it move along.

Councilmember West congratulated Councilmember Karlson on her recent marriage, and wished her much happiness.

Councilmember Kj Harris said he would sure like to get out of the dock vendor business.

Mayor Williams said he will look for dates for a planning session and for the deferred HR issue. He reported there is a Cooperative Relations Committee meeting tomorrow, and he spoke to power washing railings in the Creek Street area. He spoke to the IRP report, saying SEAPA should probably provide comments. He felt the City should provide comments too, and he encouraged the Council to pass along any comments to the manager.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for Executive Session – Collective Bargaining Agreement Between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547

Moved by West, seconded by Olsen the City Council declare that consistent with the city manager's memorandum dated January 10, 2012, it is in the best interest of the City to

discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547 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 city manager's memorandum dated January 10, 2012, 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 favorable labor settlements.

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

The Council recessed into executive session at 8:50 p.m. and reconvened at 9:17 p.m.

Mayor Williams said the Council has completed an executive session to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan and the International Brotherhood of Electrical Workers, Local 1547 and no action would be taken tonight.

Request for Executive Session – Little Susitna Construction Company vs. City of Ketchikan, Case No. 1KE-12-13 Civil

Moved by West, seconded by Olsen 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 the 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 Sivertsen, Bergeron, Coose, Olsen, West and Karlson voting yea; Harris voting nay.

The Council recessed into executive session at 9:20 p.m. and reconvened at 9:37 p.m.

Mayor Williams said the Council has completed an executive session 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 the company's Notice of Contract Dispute dated July 12, 2011 and no action would be taken tonight.

Request for Executive Session – Collective Bargaining Between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers, Local 1547

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Moved by West, seconded by Sivertsen the City Council declare that consistent with the general manager's memorandum dated January 10, 2012, it is in the best interest of the City to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers, Local 1547 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 general manager's memorandum dated January 10, 2012, 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 favorable labor settlements.

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

The Council recessed into executive session at 9:40 p.m. and reconvened at 9:58 p.m.

Mayor Williams said the Council has completed an executive session to discuss negotiations regarding a collective bargaining agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and the International Brotherhood of Electrical Workers, Local 1547 and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 10:00 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the January 11, 2012 Ketchikan Gateway Borough/City of Ketchikan
Lobbying Executive Committee Meeting
Lake Levels and System Generation Report for the Month of December 2011
Water Utilization Study Report - December 2011