

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., October 16, 2014, with the following members present: Dick Coose, Kj Harris, DeAnn Karlson, David Kiffer, Matthew Olsen, Robert Sivertsen and Judy Zenge.

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

Staff present were Manager Amylon, Assistant Manager Martin, City Attorney Seaver, Fire Chief Share, Human Resources Manager Miller, Information Technology Manager Thomas, Library Director Lyshol, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen, Telecommunications Division Manager Cushing and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams said there was a proclamation laid on the table for Red Ribbon Week. He also noted there was a request from the Chamber of Commerce for a \$500 donation for the Christmas Tree Lighting event, and asked if there were any objections to moving that request to the Consent Agenda. No objections were heard.

PERSONS TO BE HEARD

Stephen Reeve, representing Historic Ketchikan, spoke in support of the replacement of the sheet pile wall on the former Spruce Mill Property. He stressed the urgency of the repair of the sheet pile wall, and pointed out the variety of support for the completion of the waterfront promenade.

Anna Shaffer, President of the Ketchikan Area Arts and Humanities Council Board, passed along the Board's support of completing the sheet pile wall and promenade. She said it will benefit the community in a variety of ways, saying the surrounding businesses already support it. She felt confident the Council could find a way to move the promenade to completion.

Doug Ward, representing the Chamber of Commerce, thanked the Council for moving their request to the Consent Agenda. He said the Borough has contributed \$500 as well.

Mary Wanzer spoke in support of the money for the timber appeal. She felt it was important for our community to support Prince of Wales and the timber industry.

Linda Millard voiced support for the waterfront promenade, saying she didn't feel we have another 20 years on the sheet pile wall.

Rob Scheer, representing the Great Alaskan Lumberjack Show, expressed their support for the project of repairing the wall and completing the waterfront promenade. He provided a brief history of the project since their business has been on site, citing the financial commitment they have already made. He reminded of their offer to donate the

property to the City, and said they will work with the City in negotiating how the funding will work while moving forward. He pointed out it is an economic driver as well as a repair. In response to Councilmember Olsen, he said they spent \$110,000 on the first section, plus the gifting of that to the City. He reminded they moved their grandstands, spending \$500,000 to do that in order to allow for engineering and construction of the seawall repair. In addition, he went on to say they want a promenade and what they will contribute is a partial commitment to their 127 feet of whatever the seawall repair will be, a portion of that.

Mayor Williams read the proclamation for Friends of the Library Week and presented it to Heidi Ekstrand. Ms. Ekstrand reminded the Friends is a 501c(3) organization with a few dues-paying members, but they have many more supporters than that. She said it includes everyone who uses the library, and so accepted it on behalf of those folks.

Mayor Williams also read a proclamation for Red Ribbon Week, and presented it to Renee Schofield. Ms. Schofield thanked the Council for the proclamation, and spoke as the chair of the Substance Abuse Taskforce of the Wellness Coalition. She said this is their driver and work toward it constantly. She reported the school kids wrote essays that will be in the paper next week. She said this was important to the kids because it encouraged them to talk about what it means for them to be drug free in our community. She applauded the Council for its stand on Ballot Measure No. 2.

CONSENT AGENDA

Approval of Minutes

Moved by Sivertsen, seconded by Kiffer approval of the minutes of the regular meeting of October 2, 2014.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

2014-2015 Agreement Between the City of Ketchikan and the Ketchikan Gateway Borough – Payment of Funds to the City of Ketchikan for Library Services

Moved by Sivertsen, seconded by Kiffer the City Council approve the agreement between the City of Ketchikan and the Ketchikan Gateway Borough for the payment of funds to the City of Ketchikan for library services during Borough Fiscal Year 2014-2015 and authorize the city manager to execute the agreement on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

Exempting the Procurement of IBM iSeries Platform Maintenance Agreement from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Education Management Associates

Moved by Sivertsen, seconded by Kiffer pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of the IBM iSeries Platform Maintenance Agreement from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the city manager to acquire such maintenance services agreement at a cost not to exceed \$13,198.91 from Education Management Associates; approve funding from the Information Technology Division's 2014 Software Maintenance Services Account No. 635.04; and direct the city manager to execute the contract documents on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

Assignment of Tidelands Lease ADL 02445

Moved by Sivertsen, seconded by Kiffer the City Council approve the assignment of Tidelands Lease ADL 02445 from AmeriGas Propane, L.P. to Petro 49, Inc. d/b/a Petro Marine Services and authorize the city manager to execute the assignment of the tidelands lease on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

Request for Removal of Trees Within the First Avenue Right-of-Way – Harley Lewis Jr.

Moved by Sivertsen, seconded by Kiffer the City Council authorize the removal of alder trees within the First Avenue right-of-way as requested by Harley Lewis Jr. and detailed in the assistant public works director's report dated October 7, 2014.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

Exempting the Procurement of AMR Style Electric Meters from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Cooper Power Systems

Moved by Sivertsen, seconded by Kiffer pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of approximately 600 AMR style electric meters from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code and authorize the general manager to purchase such meters from Cooper Power Systems at a cost not to exceed \$93,500; approve funding from the Electric Division's 2014 Operating Equipment Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

**Award of Contract No. 14-39, 2015-2017 Diesel Generator
Fuel Supply – Petro Marine Services**

Moved by Sivertsen, seconded by Kiffer the City Council accept the bid of Petro Marine Services for Contract No. 14-39, 2015-17 Diesel Generator Fuel Supply, and authorize the general manager to execute the contract documents on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

**Request by Greater Ketchikan Chamber of Commerce -
\$500 – Community Holiday Festival and Christmas Tree
Lighting**

Moved by Sivertsen, seconded by Kiffer the City Council approve the request of the Greater Ketchikan Chamber of Commerce for funding in the amount of \$500 to support the 2014 Community Holiday Festival and Christmas Tree Lighting.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

**Award of Contract No. 14-40 – Utility Transformers,
General Pacific, Inc.**

Moved by Sivertsen, seconded by Kiffer the City Council accept the bid of General Pacific, Inc. in the amount of \$79,340 for Contract No. 14-40, Utility Transformers; authorize funding from the Electric Division's 2014 Transformer Purchase Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

UNFINISHED BUSINESS

Ordinance No. 14-1764 – Providing for the Conveyance of the City of Ketchikan's Interests in Certain Real and Personal Property Identified as the Deer Mountain Fish Hatchery; Providing for the Filing of Referendum Petitions – Second Reading

Copies of Ordinance No. 14-1764 were available for all persons present.

Moved by Sivertsen, seconded by Olsen the City Council approve in second reading Ordinance No. 14-1764 providing for the conveyance of the City of Ketchikan's interests in certain real and personal property identified as the Deer Mountain Fish Hatchery; providing for the filing of referendum petitions; and establishing an effective date.

Motion passed with Kiffer, Olsen, Karlson, Coose, Harris, Sivertsen and Zenge voting yea.

NEW BUSINESS

Thomas Basin Sheet Pile Retaining Wall Between the Great Alaskan Lumberjack Show and Stedman Street – Community Waterfront Promenade

Moved by Coose, seconded by Sivertsen the City Council direct the city manager to take such action regarding the failing sheet pile retaining wall, which extends from the Great Alaskan Lumberjack Show to Stedman Street, or portions thereof, as determined appropriate by the City Council.

Moved by Coose, seconded by Zenge to follow the manager's suggestions included in the memorandum.

The manager had offered the following recommendation in the packet material:

The City would absorb fifty percent of the cost of a preliminary evaluation by PND Engineers of the sheet pile retaining wall to determine an order of magnitude estimate to undertake repairs/replacement if the Borough and private property owners would each be willing to commit to twenty-five percent of the remaining cost.

Manager Amylon clarified that he is to approach the Borough and property owners, looking for them to each contribute twenty-five percent of the cost, which was affirmed by Mayor Williams.

Motion passed with Sivertsen, Coose, Zenge, Harris, Kiffer and Karlson voting yea; Olsen voting nay.

**City of Ketchikan and Ketchikan Public Utilities FY 2016
Legislative Liaison Priority Requests**

Moved by Kiffer, seconded by Sivertsen the City Council approve the City of Ketchikan and Ketchikan Public Utilities Priorities for inclusion in the 2016 Legislative Liaison Community Priority List as detailed in staff's report dated October 8, 2014 and/or as modified by the City Council.

The detail in staff's report included:

<u>Project</u>	<u>Priority</u>	<u>Total Cost</u>	<u>Requested Funding</u>
Reconstruction of Hole-in-the-Wall Harbor	1	\$2,620,000	\$1,310,000
Schoenbar Road Water and Sewer Main Replacement	3	5,673,479	3,971,435
Replacement of Gangways, Decking, Utilities and Associated Improvements for Thomas Basin Harbor	2	2,820,000	1,410,000
Chatham Avenue Water, Sewer & Storm Drain Replacement	4	1,921,942	1,345,289
Front/Mill/Stedman Streets Water and Sewer Mains Replacement	5	9,763,000	6,834,100
Sayles/Gorge Streets Viaduct Replacement	6	1,318,688	1,318,688
Total		\$24,117,009	\$16,189,512

Motion passed with Zenge, Coose, Kiffer, Harris, Sivertsen, Olsen and Karlson voting yea.

Support of Big Thorne Timber Sale – Mayor Williams

Moved by Coose, seconded by Zenge pursuant to a request to participate with a group that includes, among others, the City of Craig, Southeast Stevedoring, Alaska Electric Light and Power, First Things First, and Alaska Marine Lines, the City Council appropriate an amount not to exceed \$5,000 to Robertson, Monagle and Eastaugh in support of legal action to intervene in the appeal of the Big Thorne Timber Sale.

Motion passed with Karlson, Harris, Olsen, Kiffer, Coose, Sivertsen and Zenge voting yea.

Offer of Employment – Fire Chief

Moved by Sivertsen, seconded by Harris the City Council authorize the city manager to offer the position of fire chief to Abner Hoage of Unalaska, Alaska based upon a compensation level of Grade 7-76, Step O at an annual salary of \$102,469 and moving expenses not to exceed \$15,000.

Motion passed with Coose, Sivertsen, Olsen, Karlson, Zenge, Harris and Kiffer voting yea.

**Award of Contract No. 14-23A – Replacement of M6
Hosted IP Voice Infrastructure, Taqua**

Moved by Sivertsen, seconded by Coose the City Council award Contract No. 14-23A, Replacement of M6 Hosted IP Voice Infrastructure, to Taqua of Richardson, Texas in an amount not to exceed \$430,000; establish a \$10,000 contingency, bringing the total project cost to \$440,000; authorize funding from the Telecommunications Division's 2014 Switch Upgrade Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

Telecommunications Division Manager Cushing answered questions from the Council.

Motion passed with Harris, Zenge, Sivertsen, Kiffer, Karlson, Olsen and Coose voting yea.

VOUCHERS

Moved by Sivertsen, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$1,529.63.

Motion passed with Kiffer, Olsen, Karlson, Coose, Harris, Sivertsen and Zenge voting yea.

CITY MANAGER'S REPORT

**Schedule of General Government and KPU Appropriated
Reserves Through the City Council Meeting of October 2,
2014**

In his report, 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 October 2, 2014.

**Ketchikan Medical Center Expansion Project –
Owner/Executive Committee Meeting Summary Minutes
of September 26 and October 3, 2014**

Manager Amylon provided the minutes of the Owner/Executive Committee meeting that were held for the Ketchikan Medical Center Expansion Project on September 26 and October 3, 2014, and included copies of the minutes.

**Contract No. 14-12, Bar Harbor Floats 1N & 9
Replacement, Construction Meeting Minutes of October
3, 2014**

Manager Amylon transmitted a copy of the minutes of the construction meeting held on October 3, 2014 for the Bar Harbor Floats 1N & 9 Replacement Project.

**Draft 2015 General Government and Ketchikan Public
Utilities Annual Budgets**

Manager Amylon informed the draft 2015 Ketchikan Public Utilities Annual Budget would be transmitted electronically to the Council on or about Friday, October 17, 2014. He indicated the draft 2015 General Government Budget will be electronically submitted on or about Friday, November 7, 2014. He noted budget meetings were tentatively scheduled to begin the week of November 3, 2014.

**Public Works Department Project Status Report –
September 2014**

Manager Amylon provided the Public Works Department project status report for the month of September 2014.

**Contract No. 12-34 Update – Jackson Street Area
Reconstruction Project, S&S General Contractors and
Equipment Rentals, Inc.**

Manager Amylon included a report that was prepared by the Engineering Division that summarized project activities for the Jackson Street Area Reconstruction Project through the beginning of October.

Staff Departures

Manager Amylon asked Public Works Director Clif Allen and Fire Chief Frank Share approach the podium. After reminding the Council this was these gentlemen's last meeting, he said he has been in this business for 35 years and he has dealt with a lot of department heads and division managers. He said these are two of the best he has had the pleasure to work with: their commitment and dedication to their departments and the City

as a whole has been unparalleled. He stated the community has really benefited by them being here.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions – September 2014

Manager Amylon copied the Council with the project status reports of the KPU operating divisions for the month of September 2014.

Whitman Lake Hydroelectric Project – Construction Meeting Minutes of September 23 and 30, 2014

Manager Amylon provided the September 23 and 30, 2014 minutes of the construction meetings for the Whitman Lake Hydroelectric Project.

Whitman Lake Hydroelectric Project – Turbines and Generators Installation Meeting Minutes of September 23 and 30, 2014

Manager Amylon transmitted the minutes of the Turbines and Generators Installation meetings that were held on September 23 and 30, 2014.

Proposed 2015 KPU Budget

Manager Amylon informed that it was staff's intent to transmit the proposed 2015 KPU budget electronically by close of day tomorrow. He also said for those who have requested a paper copy, it will probably be Monday before getting it to those who want it.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Harris requested an update on the Ebola outbreak. Fire Chief Share said staff has been working closely with the hospital, all of staff has been trained in the symptoms, and there is a plan between several agencies should an outbreak occur. He said they are on top of it and are not taking it lightly. He felt this was really a serious one, our infection control officer is staying up to date on it, and information is being shared. He informed how a case would be dealt with should it occur locally.

Mayor Williams said there was a schedule for KPU budget meetings before the Council.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

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

Moved by Sivertsen, seconded by Olsen the City Council declare that consistent with the city manager's memorandum dated October 3, 2014 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 October 3, 2014 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 Sivertsen, Coose, Zenge, Harris, Olsen, Kiffer and Karlson voting yea.

The Council recessed into executive session at 8:110 p.m. and reconvened at 8:40 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 – Collective Bargaining
Between the City of Ketchikan d/b/a Ketchikan Public
Utilities and the International Brotherhood of Electrical
Workers, Local 1547**

Moved by Sivertsen, seconded by Olsen the City Council declare that consistent with the general manager's memorandum dated October 3, 2014 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 October 3, 2014 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.

October 16, 2014

Motion passed with Zenge, Coose, Kiffer, Harris, Sivertsen, Olsen and Karlson voting yea.

The Council recessed into executive session at 8:42 p.m. and reconvened at 8:55 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.

**Request for Executive Session – KPU
Telecommunications Division Participation in FCC
Auction #97 for the Potential Purchase of Spectrum
Licenses for Advanced Wireless Services**

Moved by Kiffer, seconded by Olsen the City Council declare that consistent with the general manager's memorandum dated October 7, 2014 it is in the best interest of the City to discuss competitive issues associated with FCC Auction #97 for the potential purchase of Spectrum licenses for advanced wireless services 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 items described in the general manager's report dated October 7, 2014, which include the need to discuss matters the knowledge of which would have an adverse impact upon the finances of the City d/b/a Ketchikan Public Utilities and upon the Utility's ability to competitively operate in the telecommunications field.

Motion passed with Karlson, Harris, Olsen, Kiffer, Coose, Sivertsen and Zenge voting yea.

The Council recessed into executive session at 8:57 p.m. and reconvened at 9:10 p.m.

Mayor Williams said the Council has completed an executive session to discuss competitive issues associated with FCC Auction #97 for the potential purchase of Spectrum licenses for advanced wireless services and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 9:10 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Fiscal Year 2013 Financial Statements – Ketchikan Visitors Bureau
Ketchikan Area Arts & Humanities Council’s Quarterly Activity and Financial Reports –
July Through September 2014
Lake Levels and System Generation Report for the Month of September 2014
Water Utilization Study Reports – August 2014