

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 6:59 p.m., May 1, 2014, with the following members present: Dick Coose, Kj Harris, DeAnn Karlson, Matthew Olsen, Robert Sivertsen and Marty West. Councilmember Judy Zenge was absent.

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, Museum Director Simpson, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen, Electric Division Manager Donato, Telecommunications Division Manager Cushing and City Clerk Suiter.



**PUBLIC HEARING ON RESOLUTION NO. 14-2551 – AMENDING
THE 2014 GENERAL GOVERNMENT ANNUAL BUDGET – FIRE
DEPARTMENT - \$5,000**

Mayor Williams called the public hearing on Resolution No. 14-2551 to order at 7:00 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:00 p.m.



COMMUNICATIONS

Mayor Williams said there was a revised motion laid on the table relating to the Thomas Basin Seawall design.

PERSONS TO BE HEARD

Katy Posey left a letter to be read into the record, and it was read by Councilmember Harris. Ms. Posey's letter requested the Council make improvements to the southernmost ramp at Thomas Basin, and she suggested ways to make the ramp safer.

Kathleen Light, Director of Ketchikan Area Arts and Humanities Council, handed out several items concerning the new gallery opening, "Not Your Father's Woodshop," the Celebration of the Sea brochure, and information regarding a local art walk app. She described each, and invited the Council to participate.

Jay Rhodes spoke to the item regarding health insurance for non-represented employees, saying a reduction in health insurance co-pay for represented employees has been a bargaining point as opposed to negotiating for higher wages.

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Chris Hoyt spoke regarding crossing guards on Water Street, clarifying he wasn't representing any business, only himself. He stated that his intent was not to get a crossing guard to benefit a business, but rather as a point of safety. He asked several questions, including the policy used to determine where crossing guards and traffic lights are placed, how often it has been revisited and rewritten, data concerning how determinations are made, etc. He felt when considering safety, we need to take every precaution we can. Mayor Williams asked him to get his questions to the manager for answers, and Mr. Hoyt said he would do that.

Peter Rice, representing Ketchikan Medical Center, spoke in support of the request to cut down alder trees near the hospital.

CONSENT AGENDA

Mayor Williams suggested moving several items to the Consent Agenda, including: the second reading of Ordinance No. 14-1755 relating to utilization and prohibited activities concerning the drive down float and crane; revisions to the 2014 cruise ship berth assignments; the award of Contract No. 14-15 for an asphalt patcher bid; and Change Order No. 1 to Contract No. 14-04, Beaver Falls Unit No. 1 Stator Rewind. He asked if there were any objections, and none were heard.

Both Councilmembers Sivertsen and Coose notified they were members of the Fraternal Order of Red Men, and Mayor Williams said he didn't see a conflict.

Approval of Minutes

Moved by Sivertsen, seconded by West approval of the minutes of the regular meeting of April 17, 2014.

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

Resolution No. 14-2551 – Amending the 2014 General Government Operating and Capital Budget to Provide a Supplemental Appropriation for the Fire Department in the Amount of \$5,000

Moved by Sivertsen, seconded by West the City Council approve Resolution No. 14-2551 amending the 2014 General Government Operating and Capital Budget to provide a supplemental appropriation for the Fire Department in the amount of \$5,000; and establishing an effective date.

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

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**Revocable and Limited Permit to Work on or Encroach
Upon the Platted Right-of-Way – 342 Main Street**

Moved by Sivertsen, seconded by West the City Council approve the Revocable and Limited Permit to Work on or Encroach Upon the Platted Right-of-Way to the Improved Order of Redmen for the construction of a new stairway that will extend to the City-owned parking lot (Craig Lot) and authorize the city manager to execute the permit on behalf of the City Council.

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

**Award of Contract No. 14-20 – Centennial Building and
Totem Heritage Center Janitorial Services, I Even Do
Windows**

Moved by Sivertsen, seconded by West the City Council accept the bid of I Even Do Windows in the amount of \$20,800 for Contract No. 14-20, Centennial Building and Totem Heritage Center Janitorial Services; authorize funding from the Museum Department's 2014 Centennial Building and Totem Heritage Center Janitorial Services Account Nos. 635.02 and 635.02, and direct the city manager to execute the contract documents on behalf of the City Council.

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

**Removal of Alder Trees – PeaceHealth Long-Term Care
Unit**

Moved by Sivertsen, seconded by West the City Council authorize the Public Works Department to facilitate the removal of alder trees at PeaceHealth's long-term care unit as detailed in the Public Works director's report dated April 22, 2014.

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

**Ordinance No. 14-1755 – Adding a New Section 14.20.085
to the Ketchikan Municipal Code Concerning Utilization
Of and Prohibited Activities Related to the Drive Down
Float and Crane; Providing for a Fine for Prohibited
Activities – Second Reading**

Copies of Ordinance No. 14-1755 were available for all persons present.

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Moved by Sivertsen, seconded by West the City Council approve in second reading Ordinance No. 14-1755 adding a new Section 14.20.085 to the Ketchikan Municipal Code concerning utilization of and prohibited activities related to the drive down float and crane; providing a fine for prohibited activities; and establishing an effective date.

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

Revisions to the 2014 Cruise Ship Berth Assignments

Moved by Sivertsen, seconded by West the City Council authorize revisions to the 2014 cruise ship berth assignments as detailed in the April 21, 2014 memorandum of the Port & Harbors director.

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

Award of Contract No. 14-15 – Asphalt Patcher Bid, Arrow Construction Supply, Inc.

Moved by Sivertsen, seconded by West subject to an acceptable field demonstration of the equipment, material and services in Ketchikan, the City Council accept the bid of Arrow Construction Supply, Inc. of Spokane, Washington in a net total amount of \$93,507 for Contract No. 14-15, Asphalt Patcher Bid, as detailed in the senior project engineer's report dated April 22, 2014; authorize funding from the Streets Division's 2014 Ketchikan Lakes Concrete Joint Repair Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Public Works Director Allen answered questions from the Council.

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

Change Order No. 1 to Contract No. 14-04 – Beaver Falls Unit No. 1 Stator & Rotor Rewind, Delta Electric Motors, Inc.

Moved by Sivertsen, seconded by West the City Council approve Change Order No. 1 in the amount of \$195,517 to Contract No. 14-04, Beaver Falls Unit No. 1 Stator & Rotor Rewind, between the City and Delta Electric Motors, Inc.; increase the contract amount from \$328,995 to \$524,512; authorize funding from the Electric Division's 2014 Generator Rewinds & Repair Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

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

UNFINISHED BUSINESS

Appointments to Boards and Commissions – Mayor Williams

Mayor Williams submitted the name of Merle Nancy Hawkins as appointment to the Museum Advisory Board and asked if there were any objections. None were heard.

NEW BUSINESS

Port of Ketchikan Crossing Guards

Moved by West, seconded by Olsen the City Council direct staff to take such action regarding the placement of Port of Ketchikan crossing guards in the Newtown area as determined appropriate by the City Council.

Mayor Williams suggested giving it a trial run for May and see if it helps. He went on to say he hated to say no again, and he would like to at least see a test.

After discussion, Mayor Williams asked if there were four hands to test a crossing guard in the area, and there were not four hands shown.

Councilmember Sivertsen said it should be put back on staff, and if they see something down there this year that indicates it should be worked on, it can be left up to staff.

Sixty Percent Design Development – Contract No. 13-21, Design Services for Phase IV of the Berths I and II Replacement Project, PND Engineers, Inc.

Moved by Sivertsen, seconded by Coose the City Council authorize sixty percent design development under Contract No. 13-21, Design Services for Phase IV of the Berths I and II Replacement Project, between the City of Ketchikan and PND Engineers, Inc. based on such design elements of the project as detailed in the Port & Harbors director's report dated April 22, 2014.

Port and Harbors Director Corporon answered questions from the Council. He described the plan for the area around the transformers near the Ketchikan Visitors Bureau, photo applications on part of it and a fence screen on another area, asking if there were any objections moving in that direction. None were heard.

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

**Thirty-Five Percent Design Development and Authorizing
Sixty-Five Percent Design Development – Contract No.
13-37, Thomas Basin Seawall Design, PND Engineers, Inc.**

Moved by Coose, seconded by Sivertsen the City Council approve thirty-five percent design development prepared under Contract No. 13-37, Thomas Basin Seawall Design, between the City of Ketchikan and PND Engineers, Inc. incorporating additional design element Nos. 1, 2, 3 and 4 as detailed in the assistant Public Works director's report dated April 30, 2014 and as may be modified by the City Council; and authorize sixty-five percent design development under the contract based on such design elements of the project as detailed in the assistant Public Works director's report and as may be modified by the City Council.

Assistant Public Works Director Brakke answered questions from the Council. He explained it costs about \$561,000 to go with a rock armored slope in lieu of a sheet pile wall. He explained the wild card is getting the Army Corps of Engineers permitting. He noted we changed from an easy nation-wide permit to an actual in-depth Army Corps fill permit, so we're concerned that may affect the schedule. He went on to say additional weight is being added to the sea floor in that area with the rock armored slope. He reminded the sheet pile would be driven down to rock. In response to Councilmember Coose about Item No. 5, he said the lighting is to conform with lighting that is being used in other areas of the promenade and there is no additional cost related to it. He recommended leaving No. 5 in the equation, to which Councilmember Coose agreed. In response to Councilmember Karlson, he said if the Council chose the rock stability slope there would need to be an additional slope stability analysis done by PND to make sure it is not a major concern. He said this is currently included in the design but if they find there are issues with settlement, staff will be back before the Council.

Councilmember Sivertsen suggested leaving the option for staff to move forward with a sheet pile wall if the rock stability slope doesn't pencil out. He cautioned against moving away from the original contract to include other improvements to the harbors that shouldn't be part of the project.

Port and Harbors Director Corporon answered questions from the Council, and he explained some of the discussion held with harbor users regarding a replacement gangway near the Potlatch Bar. Manager Amylon reminded these issues can be addressed down the line, and getting the components in place would be a good idea.

Clerk Suiter clarified that the design elements included 1, 2, 3, 4 and 5, which was confirmed.

Councilmember Olsen clarified that if the sloped wall doesn't appear to be working or isn't approved by the Corps of Engineers, the Council has no problem moving in the direction of the sheet pile option. No objections were heard.

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

**Budget Transfers – Adjustment of General Government
and KPU Non-Represented Employee Health Insurance
Contributions**

At the request of Councilmember Zenge, the Council determined to bring this item back at the meeting of June 19, 2014.

**Classification and Compensation Plan Update – Ralph
Andersen & Associates**

At the request of Councilmember Zenge, the Council determined to bring this item back at the meeting of June 19, 2014.

**Resolution No. 14-2550 – Authorizing the Issuance of a
General Obligation Bond of the City in a Principal
Amount Not to Exceed \$3,000,000 to Finance the Cost of
Certain Improvements to the Harbor Facilities of the City
as Authorized by Ordinance No. 12-1697 and Ratified by
the City’s Voters at a Special Election Held on June 26,
2012; Authorizing Tax Levies to Pay the Principal
Thereof and Interest Thereon; Authorizing the Sale of the
Bond to the Alaska Municipal Bond Bank on the Terms
and Conditions Provided in This Resolution**

Moved by Coose, seconded by Sivertsen the City Council approve Resolution No. 14-2550 authorizing the issuance of a general obligation bond of the City in a principal amount not to exceed \$3,000,000 to finance the cost of certain improvements to the harbor facilities of the City as authorized by Ordinance No. 12-1697 and ratified by the City’s voters at a special election held on June 26, 2012; authorizing tax levies to pay the principal thereof and interest thereon; authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this resolution; and establishing an effective date.

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

**Resolution No. 14-2549 – Authorizing the Issuance of a
General Obligation Bond of the City in a Principal
Amount Not to Exceed \$43,000,000 to Finance A Portion
of the Cost of Capital Improvements to the Ketchikan
Medical Center as Authorized by Ordinance No. 13-1726**

and Ratified by the City's Voters at an Election Held on October 1, 2013; Authorizing Tax Levies to Pay the Principal Thereof and Interest Thereon; Authorizing the Sale of the Bond to the Alaska Municipal Bond Bank on the Terms and Conditions Provided in This Resolution

Moved by Sivertsen, seconded by Olsen the City Council approve Resolution No. 14-2549 authorizing the issuance of a general obligation bond of the City in a principal amount not to exceed \$43,000,000 to finance a portion of the cost of capital improvements to the Ketchikan Medical Center as authorized by Ordinance No. 13-1726 and ratified by the City's voters at an election held on October 1, 2013; authorizing tax levies to pay the principal thereof and interest thereon; authorizing the sale of the bond to the Alaska Municipal Bond Bank on the terms and conditions provided in this resolution; and establishing an effective date.

In response to Councilmember Harris, Finance Director Newell said the bond will cost the City \$80 million over the 30 years of the bond, including interest and principal. He reminded in 2018 the 1997 hospital bond will mature, and the debt service on that is about \$900,000 that could then be applied to pay the newer bond.

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

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$6,221.79.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of April 17, 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 April 17, 2014.

Contract No. 13-38, Pre-Construction Services for the Ketchikan Medical Center Expansion Project – Owner/Executive Committee Meeting Summary Minutes of April 4, 2014

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Manager Amylon included reports containing the minutes of the Pre-Construction Services for the Ketchikan Medical Center Expansion Project Owner/Executive Committee meeting held between the City of Ketchikan and Layton Dawson JV Constructors on Friday, April 4, 2014.

**Contract No. 13-08, Phase III of Berths I and II
Rehabilitation Project – Construction Meeting Minutes of
April 11 and 21, 2014**

Manager Amylon transmitted the April 11 and 21, 2014 construction meeting minutes for Contract No. 13-08, Phase III of Berths I and II Rehabilitation Project.

**Contract No. 13-09, Bar Harbor Drive Down Float
Facility – Construction Meeting Minutes of April 11 and
18, 2014**

Manager Amylon included copies of the April 11 and 18, 2014 construction meeting minutes for Contract No. 13-09, Bar Harbor Drive Down Float Facility.

**Ketchikan Medical Center Expansion Project –
Owner/Executive Committee Meeting Summary Minutes
of April 11, 2014**

Manager Amylon provided the minutes of an Owner/Executive Committee meeting that was held for the Ketchikan Medical Center Expansion Project on April 11, 2014, and included a copy of the minutes.

2014 Sales Tax Report No. 3

Manager Amylon included a memorandum from Finance Director Newell regarding 2014 sales tax collections.

Delay of the Completion of the 2013 Audit

Manager Amylon transmitted a memorandum from Finance Director Newell informing that the City's 2013 audit will not be completed by April 30, 2014, due to the implementation of the City's new utility billing system. He said the audit will be complete by June 30, 2014.

K.P.U. MANAGER'S REPORT

Proposed Amendment to SEAPA Bylaws

Manager Amylon notified the Council of a proposed bylaw amendment for SEAPA, and transmitted a letter from SEAPA legal counsel confirming that any change to the term of agency directors would require the unanimous approval of the member utilities. Manager

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Amylon explained the amendment would modify the length of terms of the agency's directors. He said he would advise the Council if a change were formally proposed by SEAPA.

**Whitman Lake Hydroelectric Project – Construction
Meeting Minutes of April 8 and 15, 2014**

Manager Amylon provided the April 8 and 15, 2014 minutes of construction meeting Nos. 59 and 60 for the Whitman Lake Hydroelectric Project.

**Whitman Lake Hydroelectric Project – Powerhouse
Equipment Installation Meeting Minutes of April 6 and
15, 2014**

Manager Amylon transmitted the minutes of Powerhouse Equipment Installation Meeting Nos. 14 and 15 that were held on Tuesday, April 8 and 15, 2014.

**Whitman Lake Hydroelectric Project – Construction
Report No. 14**

Manager Amylon copied the Council with the FERC-required Construction Report No. 13 for the period March 1-31, 2014.

Whitman Lake Update

At the request of Councilmember Coose, Electric Division Manager Donato provided an update relating to the Whitman Lake Project. Mr. Donato handed out a talking-points sheet summarizing activities that have occurred in the more recent past. He went on to discuss progress at the dam, the Achilles diversion, the substation, the power house and he concluded with the tentative spin date of late June. He said the heavy rains have caused some log jams and the dam is spilling right now. He spoke to the financials, pointing there are two contracts with Burke, one with Dawson, and there is plenty of money with those. He said the one with Hatch is a little bit light, and he has alerted them to how much is left. He explained some of the work being done currently by Hatch, noting he has asked them to stop work on the non-essential stuff and concentrate on the critical path issues.

Manager Amylon added staff is continuing discussions with SEAPA on the true-up, and they are fairly close. He hoped to have something to the Council shortly.

CITY CLERK'S FILE

**Question on March 20, 2014 Council Action Regarding
Centennial Building**

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Clerk Suiter provided a report relative to a question asked by Councilmember Olsen as to the procedural accuracy for action relative to the Centennial Building that was taken by the Council on March 20, 2014.

**Certification of Petition Regarding Chloramination of
City's Domestic Water Supply**

Clerk Suiter reported that on April 2, 2014, a petition initiating an ordinance that the City of Ketchikan shall not engage in the practice of chloraminating its domestic drinking water was filed in the city clerk's office. She explained that with the assistance of the city attorney, the petition was found legally insufficient and provided a copy for Council review.

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Councilmember West notified the Council that the Sourdough and 49'er Bars both went smoke free today, and she has been approached by some people who are wondering if the Council would once again discuss having smoke-free bars and restaurants.

MAYOR AND COUNCIL COMMENTS

Councilmember West said the Ketchikan Medical Center now has a doctor who is coming up for an oncology clinic, and she wanted to give a public presentation on cancer screening. She went on to say she couldn't figure out where to put it. She noted the library was already being used and she got in touch with the museum. She said the museum found a wonderful place with great space to have the presentation. She pointed out the museum staff couldn't have been better or more helpful. She expressed her sincere appreciation.

Councilmember Olsen asked where we stand with the proposal to SEAPA to purchase Whitman, and Manager Amylon said it is in their court. Councilmember Sivertsen said the RFOs close out in September of this year on Options 1, 2 and 3, and he thought Option 4 goes out in another six to eight months. He said Swan Lake will be added storage.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 8:30 p.m.

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Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Rendezvous Senior Day Services, Inc.'s Quarterly Activity and Financial Reports –
January Through March 2014
Boys & Girls Clubs of Southcentral Alaska's Quarterly Activity Report – January
Through March 2014
Alaska Legal Services Corporation's Quarterly Financial Report – January through
March 2014
Unapproved Minutes of the March 11 and April 1, 2014 Port & Harbors Advisory Board
Meeting