

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., August 1, 2013, with the following members present: Sam Bergeron, Dick Coose, Kj Harris, DeAnn Karlson, Matthew Olsen, Robert Sivertsen and Marty West.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, City Attorney Seaver, Library Director Lyshol, Port and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen, Electric Division Manager McConnell, Assistant Telecommunications Division Manager Lindgren, Water Division Manager Kleinegger and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams said there was information for the special meeting of August 8, 2013 on the table.

PERSONS TO BE HEARD

Marc Jenefsky of Bazan Architects said he was available to answer questions on the City Hall project.

CONSENT AGENDA

Mayor Williams asked if there were any objections to moving the budget transfer for Library utilities to the Consent Agenda, and none were heard. Councilmember Olsen requested the item for the payment of library services be considered separately.

Approval of Minutes

Moved by West, seconded by Sivertsen approval of the minutes of the regular meeting of July 18, 2013.

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

Ordinance No. 13-1731 – Amending Subsection (d) of Ketchikan Municipal Code 3.21.010 Entitled “Exemptions” – First Reading

Copies of Ordinance No. 13-1731 were available for all persons present.

Moved by West, seconded by Sivertsen the City Council approve in first reading Ordinance No. 13-1731 amending Subsection (e) of Ketchikan Municipal Code 3.21.010 entitled “Exemptions;” and establishing an effective date.

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

Harbor Facility Grant Agreement No. 14-HG-002 in the Amount of \$4,787,500 – Construction of Bar Harbor South Drive Down Float and Reconstruction of Float Nos. 1N and 9

Moved by West, seconded by Sivertsen the City Council approve Harbor Facility Grant Agreement No. 14-HG-002 in the amount of \$4,787,500 for the construction of a Bar Harbor South Drive Down Float and reconstruction of Float Nos. 1N and 9 and authorize the city manager to execute the grant agreement on behalf of the City Council.

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

Budget Transfer – Waterfront Promenade Phase III

Moved by West, seconded by Sivertsen the City Council approve matching funds to the State of Alaska Department of Transportation & Public Facilities in the amount of \$4,515 to be allocated towards the Waterfront Promenade Phase III, as nominated by the City of Ketchikan and included in the Statewide Transportation Program, for a total match of \$89,616; and authorize the city manager to transfer \$4,515 from the Appropriated Reserves of the Economic and Parking Development Fund to the Waterfront Promenade Phase III Capital Account.

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

Exempting the Procurement of 4G/LTE Wireless Billing System from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – CommSoft Corporation

Moved by West, seconded by Sivertsen pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a 4G/LTE wireless billing system from CommSoft Corporation at a cost of \$87,600; authorize funding from the Telecommunications Division's 2013 4G/LTE Network Deployment Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

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Budget Transfer – Ketchikan Public Library Utilities

Moved by West, seconded by Sivertsen the City Council authorize the city manager to transfer \$26,000 from Appropriated Reserves of the General Fund to the Library Department's 2013 O&M Utilities Account No. 650.02 in order to pay for unanticipated electric costs.

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

2013-2014 Agreement Between the City of Ketchikan and the Ketchikan Gateway Borough – Payment of Funds to the City of Ketchikan for Library Services

Moved by Olsen, seconded by Sivertsen 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 2013-14 and authorize the city manager to execute the agreement on behalf of the City Council.

Moved by Olsen, second by Bergeron to amend by adding, “begin negotiations with the Ketchikan Gateway Borough to add a section allowing for the library bond to be included as an operational cost for the purposes of calculating future agreements, and” after the words, “...for library services during Borough Fiscal Year 2013-2014 and authorize the city manager to.”

Councilmember Olsen explained the Borough agrees that the Borough residents should pay the operational costs, and he sees the bond payment as an operational cost for the new library. He pointed out if the City was a business, any business would include those costs and adjust their product price accordingly.

Manager Amylon suggested the subject be brought up at the Cooperative Relations Committee, and several councilmembers agreed.

Mayor Williams ruled the amendment would substitute for the main motion if it passes.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Negotiation of a Professional Services Agreement for Contract No. 13-21, Design Services for Phase IV of the

Berths I and II Replacement Project – PND Engineers, Inc.

Councilmember Bergeron said he would abstain as his wife participated in the bid process.

Moved by Sivertsen, seconded by West the City Council authorize staff to negotiate the terms and conditions of a professional services agreement with PND Engineers, Inc. for Contract No. 13-21, Design Services for Phase IV of the Berths I and II Replacement Project, in an amount not to exceed \$150,000, said agreement to be submitted to the City Council for formal consideration and approval.

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

Gravina Access Project Draft Supplemental Environmental Impact Statement Alternatives

Moved by Bergeron, seconded by Coose the City Council direct staff to submit comments to the Department of Transportation & Public Facilities on the Gravina Access Project Draft Supplemental Environmental Impact Statement as determined appropriate by the City Council.

Councilmember Bergeron expressed support for an expanded ferry service, but felt anything beyond that would be detrimental to our economy.

Councilmember Coose disagreed, stating the City has benefitted from the cruise ship industry and he compared it with the timber industry, which we thought would never go away. He felt this may be an opportunity to actually expand economic development opportunities without having to rely on a ferry which, as submitted by the state, will cost two to three times as much in the long term. He stated the City needed to look out into the future – 50+ years out. He suggested the Council take the same tact as the Borough by preferring the two bridge alternative because we need a hard link, but ask them to raise the bridges a little higher.

Councilmember West said she didn't feel she could support a bridge option, noting she didn't feel the City could depend on the state to do maintenance on a bridge. She pointed out the City didn't have power to offer Gravina, and she felt it would be an exercise in futility to support a ferry option.

Councilmember Olsen disagreed with the need for a bridge, pointing out the only thing that will really be transported across the narrows is people. He felt the large scale economic groups will use the seaway to transport items across rather than the road. He said it will probably be a suburb of the community in the future, and at this time it is not prudent to do this. He spoke to current infrastructure needs the City has, and felt if the

state started doing a road, they need to pay for the City's water and sewer right now. He spoke to the cost of the swimming pool, noting other communities got more money to pay for their swimming pools. He thought it was important to look at our infrastructure, pointing out several areas where development can take place.

Councilmember Harris concurred with what other councilmembers have expressed about a no-bridge option.

Councilmember Coose expressed he didn't see how the bridge funding would compete with funding sources for water and sewer.

Councilmember Olsen spoke to "unfettered access," pointing out all the options have us paying a toll. He felt paying a toll for a decision the state made, and he believed this is the only toll that would be paid to get to an airport, needs to be addressed. He stated it should be subsidized at some point.

Clerk Suiter clarified, and Mayor Williams confirmed with the Council that the majority supported Option G4, with no cost to the community.

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

Budget Transfer – Change Order No. 2 to Contract No. 12-38A, City Hall Exterior and Interior Renovations, Dawson Construction, Inc.

Moved by Harris, seconded by West the City Council approve Change Order No. 2 in the amount of \$275,602 to Contract No. 12-38A, City Hall Exterior and Interior Renovations Project, between the City of Ketchikan and Dawson Construction, Inc.; increase the contract amount from \$2,400,000 to \$2,727,318; authorize a budget transfer of \$87,318 from Appropriated Reserves of the Public Works Sales Tax to the Building Maintenance Division's City Hall Siding and Roof Replacement Capital Account; approve funding from the Building Maintenance Division's City Hall Siding and Roof Replacement Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

Public Works Director Allen, Contracts/Grants Administrator Barry and Marc Jenefsky answered questions from the Council.

In response to Councilmember Sivertsen, Public Works Director Allen said he couldn't say they have found all the surprises at this point, and Contracts/Grants Administrator Barry said one condition they have discovered are rotted out metal studs.

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

Discussion of Request for Proposals for Professional Services Contract for an Assessment of the Operating Efficiencies and Economies of the Police Department Operations Division, E911 Central Communications Division and Parking Enforcement Division – Councilmember Coose

Moved by Coose, seconded by Sivertsen the city manager put out a professional services contract for an assessment of operating efficiencies and economies of the Police Department Operations Division, E911 Central Communications Division and Parking Enforcement Division.

Councilmember Coose commented there have been a number of things going for a couple of years, and he felt it should be done on every department. He said information the Council received in the attorney's report indicate there may be a morale problem, a motivational problem and other challenges that might be improved on. He felt this should be done to see if a good job is being done.

In response to Councilmember Olsen relative to the Human Resources Division, Manager Amylon said the Council has budgeted a fair amount in terms of the employee and supervisory training that was recommended and will be done by the end of the year. He continued the Council just approved an additional \$38,000 to do the update of the compensation plan, which is one of the recommendations. He noted he has seen the draft budget for the Human Resources Division for next year, and they have budgeted \$20,000 to \$30,000 on additional things the Council endorsed moving forward with that are not going to be accomplished this year. He pointed out the Council will then need to decide, once it sees the recommendations of the compensation plan update, whether to implement those.

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

Discussion of Previous City Council Direction Regarding the Operation & Maintenance Agreements Between the Southeast Alaska Power Agency and the Agency's Member Utilities – Mayor Williams

Councilmember Bergeron said he wanted to say he is all for continuing on with the O&M agreement KPU and SEAPA, noting it is an important component into the community's tie to this project. He felt that KPU is an established, mature utility with 43 very qualified people. He expressed his pride in being part of this organization. He hoped the Council saw it the same way.

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Amendment No. 1 to the LTE in Rural America Master Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless

Moved by Bergeron, seconded by Harris the City Council approve Amendment No. 1 to the LTE in Rural America Master Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless and direct the general manager to execute the amendment on behalf of the City Council.

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

Master Purchase Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and Ericsson, Inc.

Moved by Bergeron, seconded by Sivertsen the City Council approve the Master Purchase Agreement between the City of Ketchikan d/b/a Ketchikan Public Utilities and Ericsson, Inc. in the amount of \$1,358,396 for the Purchase of 4G/LTE equipment; authorize a three percent contingency in the amount of \$40,752, bringing the total project cost to \$1,399,148; approve annual support and software subscriptions in the amounts of \$62,335 for 2013-2014 and \$76,038 for 2014-2015; authorize funding in the amounts of \$1,399,148 from the Telecommunications Division's 4G Mobile Capital Account, \$62,335 from the 2013 Telecommunications Division's Engineering and Architecture Account No. 640.02 and \$76,038 from the 2014 Telecommunications Division's Engineering and Architecture Account No. 640.02; and direct the general manager to execute the agreement on behalf of the City Council.

Assistant Telecommunications Division Manager Lindgren answered questions from the Council.

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

Change Order No. 4 to Contract No. 12-29, Whitman Lake Hydroelectric Project General Construction – Dawson Construction, Inc.

Moved by Harris, seconded by Sivertsen the City Council approve Change Order No. 4 in the amount of \$63,858.58 to Contract No. 12-29, Whitman Lake Hydroelectric Project General Construction, between the City of Ketchikan d/b/a Ketchikan Public Utilities and Dawson Construction, Inc.; authorize funding from the Electric Division's Whitman Lake Hydroelectric Project Capital Account; and direct the general manager to execute the change order on behalf of the City Council.

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Senior Project Engineer Holstrom answered questions from the Council.

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

VOUCHERS

Moved by Sivertsen, seconded by Bergeron for approval of vouchers to Ketchikan Daily News in the amount of \$4,667.68.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of July 18, 2013

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 July 18, 2013.

Police Department Canine Activity Report – June 2013

Manager Amylon copied the Council with the June 2013 report of Police Department canine activities.

2015 Community Priority List – Initial City of Ketchikan and Ketchikan Public Utilities Legislative Requests

Manager Amylon advised of an upcoming meeting of the Lobbying Executive Committee at which the compilation of a 2015 Community Priority List that will be submitted to Governor Parnell will be discussed. He informed of his plan to establish priorities at the meeting of August 15, 2013, and encouraged councilmembers to advise staff if there are any projects that should be on the list.

Contract No. 13-09, Bar Harbor Drive Down Float Facility – Preconstruction Meeting Minutes of June 25, 2013

Manager Amylon included copies of the July 17, 2013 preconstruction meeting minutes for Contract No. 13-09, Bar Harbor Drive Down Float Facility.

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Contract No. 12-38A, City Hall Exterior and Interior Renovations – Construction Meeting Minutes of July 3, 10 and 17, 2013

Manager Amylon attached for Council review the minutes of the construction meetings that were held on Wednesday, July 3, 10 and 17, 2013 regarding the City Hall Exterior and Interior Renovations Project.

Shared Heating System Between the Southeast Alaska Discovery Center and the New Fire Station

Manager Amylon reported after the initial inquires to the Forest Service relative to the possibility of a shared heating system between the new fire station and the Southeast Alaska Discovery Center, staff turnover at the Forest Service precluded any progress. He provided a memorandum from Public Works Director Allen in which the Forest Service has not expressed renewed interest in the concept and is assembling a new design team to optimize the efficiency of the biomass unit at the Discovery Center.

2013 Programmed Maintenance of City Streets

Manager Amylon included a detailed scope of work for the programmed maintenance of City streets for 2013, noting the bid opening is scheduled for July 31, 2013.

2013 Cruise Ship Passenger Traffic Report No. 1

Manager Amylon copied the Council with a memorandum from Finance Director Newell detailing cruise ship passenger counts through the week ending July 14, 2013. Mr. Newell's report indicates passenger traffic through this time period increased by 36,405 or 8.6% from last year's level.

Special Meeting of August 8, 2013

Manager Amylon reminded the Council of the special meeting scheduled for August 8, 2013, noting he will bring forward the paving contract at the meeting. No objections were heard.

K.P.U. MANAGER'S REPORT

Whitman Lake Hydroelectric Project – Construction Report No. 5

Manager Amylon copied the Council with the FERC-required Construction Report No. 5 for the period June 1 – 30, 2013

Whitman Lake Hydroelectric Project – Construction Meeting Minutes of July 2, 9 and 16, 2013

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Manager Amylon provided the July 2, 9 and 16, 2013 minutes of construction meeting Nos. 23, 24 and 25 for the Whitman Lake Hydroelectric Project.

Conditional Extension of Interim Approval to Operate with UV, Chloramines, and Chlorine Disinfection Credits

Manager Amylon provided a copy of ADEC's July 12, 2013 extension of the City's interim approval to operate to September 30, 2014. He noted the extension also assigns credits for UV, chloramines and chlorine disinfection, and that the approval is subject to certain conditions. He also provided a memorandum from Water Division Manager John Kleinegger that details the next steps.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE

Report of Significant Activities for the Months of May and June 2013 – Office of the City Attorney

City Attorney Seaver provided an activity report for the months of May and June 2013.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Coose said he would like to see a draft copy of the RFP for the Police Department before it goes out. He stated he would like to see the scope of services being asked for.

Councilmember Bergeron said he would like to see the RFP as well before it goes out.

Councilmember Karlson asked for a wellness program update, and Assistant Manager Martin addressed her inquiry. He stated staff will have better numbers the first week in September.

Councilmember Sivertsen said he is enjoying the wonderful weather, reminding everyone that Ketchikan is a system based on hydro. He said all the melt is done and there is no more inflow.

Councilmember West said she would also like to see the RFP for the Police Department. She commented two different objectives were discussed, one being economies and operating efficiencies and the other being morale. She felt those two were quite different purposes. She said she would be interested in seeing how those are worded and how much it will cost.

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Councilmember Harris stated it is a privilege to live here, a great island community with very little crime.

Mayor Williams reminded of the August 8, 2013 meeting where the Council will be talking to the City attorney and the manager. He said he is glad to see the paving contract will be on the agenda. He emphasized the Council will need to be proactive in promoting the hospital bond. He outlined some activities he will be participating in, explaining the last weeks of August and through September the Council will need to actively support it. He explained it is a great economic engine, and the Council needs to stay on top of making it a first-rate facility. He hoped to see the Council out there as well. He related a discussion he had with the Forest Service, noting there is tremendous activity in the area for second growth.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

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

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Boys & Girls Clubs of Southcentral Alaska's Quarterly Activity Report – April Through
June 2013