

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., May 16, 2013, with the following members present: Dick Coose, Kj Harris, DeAnn Karlson, Matthew Olsen, Robert Sivertsen and Marty West. Councilmember Sam Bergeron 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, Civic Center Manager Bolling, Fire Chief share, Ports and Harbors Director Corporon, Police Chief Bengaard, Public Works Director Allen and City Clerk Suiter.

COMMUNICATIONS

Mayor Williams noted there were a few items laid on the table, including an update to the item relative to funding harbor operations and capital projects; a notice that AIDEA would like to make a presentation about the shipyard to the Council; and a request from Councilmember Bergeron to delay consideration of the item relating to the Deer Mountain Hatchery. Mayor Williams said most anytime a councilmember requests an item be postponed, he has been obliging.

PERSONS TO BE HEARD

Girl Scouts Troop 4075 presented a project to the Council. Each girl from the troop read a portion of the history of the project, which was a troop-personalized garbage can, asked the Council to place it at the bus shelter near Woodside Apartments. They thanked the City for helping them achieve their award and making a difference in the community.

Steve Corporon, Port & Harbors Director, spoke on behalf of the chair of the Port & Harbors Advisory Board, who couldn't be present at the meeting. He said the Advisory Board met Tuesday night and approved the draft memo that was in the packet pretty much as written. He explained they had him add in on each item in parenthesis which item it was correlated to in the mayor's memorandum.

CONSENT AGENDA

Councilmember Sivertsen requested that the item dealing with the mass notification system be considered separately.

Approval of Minutes

Moved by West, seconded by Sivertsen approval of the minutes of the regular meeting of May 2, 2013.

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

May 16, 2013

Application for Restaurant Designation Permit

Moved by West, seconded by Sivertsen the City Council approve the restaurant/eating place designation permit application of The Galley, and authorize the city clerk to sign the application on behalf of the City Council.

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

Supplemental Agreement No. 1 to Lease No. 57-0109-4-00074 Between the City of Ketchikan and the United States Department of Agriculture

Moved by West, seconded by Sivertsen the City Council approve Supplemental Agreement No. 1 to Lease No. 57-0109-4-00074 between the City of Ketchikan and the United States Department of Agriculture and authorize the city manager to execute the supplemental agreement on behalf of the City Council.

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

Grant Applications for Funding of Mass Notification Systems

Moved by Sivertsen, seconded by Coose the City Council authorize staff to pursue grant funding for the purchase of at least two mass notification signals to provide notification to downstream residents in the event of dam failure at either Ketchikan Lakes or Carlanna Lake.

Manager Amylon and Fire Chief Share answered questions from the Council. Manager Amylon stated staff met with the Borough manager, who indicated pending Assembly approval and definition of what the investment would have to be, if the Borough wants to exercise its authority relative to moving forward with an areawide system, he was very supportive of that. Manager Amylon emphasized he has a FERC deadline that must be met. He stressed they have all agreed they will cooperate on this and anything the City might get grant funding for will be purchased such that it can feed into a Borough-operated areawide system. He noted the timing just doesn't sync, but efforts will be made to be consistent.

Councilmember Coose felt the Council should be presented with the bare minimum of what is required by FERC. Manager Amylon reminded the bare minimum may not be consistent with what the Borough wants to implement.

May 16, 2013

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

UNFINISHED BUSINESS

Ordinance No. 13-1724 – Amending Subsection (g) of Ketchikan Municipal Code Section 3.04.100 Entitled Exemptions, Relating to Sales Tax Exemptions for Healthcare and Funeral Services – Second Reading

Copies of Ordinance No. 13-1724 were available for all persons present.

Moved by Sivertsen, seconded by Olsen the City Council approve in second reading Ordinance No. 13-1724 amending Subsection (g) of Ketchikan Municipal Code Section 3.04.100 entitled Exemptions, relating to sales tax exemptions for healthcare and funeral services; and establishing an effective date.

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

NEW BUSINESS

Septic Tank Pumping Services for the Former Shoreline Service Area

Moved by Sivertsen, seconded by Harris the City Council direct the city manager to initiate discussions with the Ketchikan Gateway Borough regarding the possibility of placing the former Shoreline Service Area under the auspices of the Borough's septic tank pumping program as determined appropriate by the City Council.

Councilmember Sivertsen suggested the easy fix might be to change the designation from non-areawide to areawide, and put some language in excluding cities such as the City of Ketchikan and the City of Saxman that are on a utility sewer system. He felt this would allow Shoreline residents to use or access the Borough system. Councilmember Coose asked what the Shoreline residents wanted, and wanted to make sure we communicated with them. Several councilmembers questioned the monthly charge of the Borough, and questioned whether it would be less expensive for Shoreline residents to pay for the services on their own.

Mayor William asked the manager if he had enough comment to provide direction, which he affirmed.

Discontinuing the Use of the Ted Ferry Civic Center as a Venue for Ketchikan Fight Club's Competitive Events

May 16, 2013

Moved by Sivertsen, seconded by Coose the City Council direct the city manager to advise the Ketchikan Fight Club that the Ted Ferry Civic Center will no longer be available as a venue for the organization's competitive events.

Civic Center Manager Bolling and Building Superintendent Heiser answered questions.

Moved by Sivertsen, seconded by West to defer until the meeting of June 6, 2013.

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

Funding Harbor Operations and Capital Projects

Moved by Sivertsen, seconded by West, the City Council direct staff to take such actions regarding the recommendations of the Port & Harbors Advisory Board regarding funding harbor operations and capital projects as determined appropriate by the City Council.

Mayor Williams said this came up through him via Dave Hashagen and other fishermen who have some concerns and ideas. He said the ideas were sent to the Port and Harbors Advisory Board as noted in the packet item. The items were as follows:

1. *Use of Fish Tax Funds.* The Port and Harbors Advisory Board recommends dedicating only \$200,000 per year to repay the loan which would extend the repayment period to between 6 and 8 years. This would allow additional capital projects to proceed without any additional raises to harbor rates.
2. *Seek additional Ketchikan Gateway Borough fish tax funds.* The Port and Harbors Advisory Board recommends any requests for funding should be initiated through the Joint Cooperative Relations Committee.
3. *Keep project scopes as small as possible to increase the competitiveness of local contractors.* The Port and Harbors Advisory Board feels the Port and Harbors staff has done an excellent job of keeping project scopes as small as possible during the past four years and recommends the practice continues.
4. *Explore alternative avenues for management of out of town harbor facilities of Knudsen Cove, Mt. Point Boat Launch and Hole In The Wall.* The Port and Harbors Advisory Board does not recommend expending staff time on developing a request for proposals at this time.
5. *Implement a boat stall surcharge for harbor construction only. Fee rate adjusted by size of stall.* The Port and Harbors Advisory Board does not recommend implementing a boat stall surcharge.

6. *Have raw materials for float construction shipped to Ketchikan then have KIC or UAS Construction Academy assemble. Example: finger floats and walkway floats.* The Port and Harbors Advisory Board recommends staff survey the existing wooden finger floats to see if there are any good candidates for replacement.

Manager Amylon said his concern about the recommendation on No. 1, stating within the next two to four weeks, depending on what Governor Parnell does with potential vetoes to the Capital Budget, staff will be bringing forward recommendations relative to the Ketchikan Medical Center. He continued assuming the \$15 million appropriation holds, we are \$5 million short of where we need to be and he would like all options to remain on the table to try to get that project going forward. He explained deferring payment of the loan may take away one option. He said he would like to show the Council a number of different strategies and this may be included, it may not.

Mayor Williams said he supported this idea, and further requested the Council support the manager examining No. 2 and 3 and wait a couple of weeks to see what the scenario will be on No. 1. No objections were heard.

Councilmember Coose stated he didn't support using half the fish tax to repay that loan, which is where he felt the manager was leading. Relating to the avoidance of raising harbor fees, he commented it costs money to run the harbors and users need to pay. Councilmember Olsen also expressed wariness about No. 1, because he felt the money was put there to do things that were more geared toward the fishing industry. He didn't feel all the harbor projects benefitted the fishing industry. He expressed concern about applying those funds to the hospital when we have \$36 million in funding for the hospital just with sales tax and we need to look for alternative means for that.

Mayor Williams summarized that we will wait on No. 1 and work on No. 2 and 3.

Change Order No. 4 (Final) to Contract No. 12-19 – Phase II of Berths I and II Rehabilitation Project, Orion Marine Contractors

Moved by Coose, seconded by Sivertsen the City Council approve Change Order No. 4 (Final) in the amount of \$207,432 to Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project, between the City and Orion Marine Contractors; authorize funding from the Port Department's Phase II of the Berths I and II Rehabilitation Capital Account; and direct the city manager to execute the change order on behalf of the City Council.

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

Response to Request for Endorsement of Using Commercial Passenger Vessel Funding to Support the Deer Mountain Fish Hatchery – Alaska Cruise Association

Mayor Williams said this item will be deferred until the meeting of June 6, 2013.

**Discussion of Seasonal Parking Enforcement Officer –
Councilmember Kj Harris**

Moved by Harris, seconded by West the City Council authorize the position of a seasonal parking enforcement officer for 2013.

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

VOUCHERS – None

CITY MANAGER’S REPORT

**Schedule of General Government and KPU Appropriated
Reserves Through the City Council Meeting of May 2,
2013**

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 May 2, 2013.

**Contract No. 11-27, Construction Manager/General
Contractor Services for the Construction of a New
Municipal Public Library – Minutes of Weekly
Design/Construction Progress Meeting Nos. 102 and 103**

Manager Amylon provided minutes for the weekly design/construction progress meeting Nos. 102 and 103 that were held in Ketchikan/Anchorage/Bellingham on April 24 and May 1, 2013 for Contract No. 11-27, Construction Manager/General Contractor Services for the construction of a new Municipal Public Library.

**Contract No. 12-38A, City Hall Exterior and Interior
Renovations – Construction Meeting Minutes of April 24
and May 1, 2013**

Manager Amylon attached for Council review the minutes of a pre-construction meeting that was held on Wednesday, April 24 and May 1, 2013 regarding the City Hall Exterior and Interior Renovations Project.

2012 Building and Fire Code Adoption Update

Manager Amylon transmitted a memorandum from Assistant Manager Martin regarding the status of the building and fire code adoption process. He pointed out the effort is approximately 45 days behind schedule and provided a revised timeline.

Power Washing of Municipal Boardwalks

Manager Amylon reported on the completion of the Streets Division's 2013 power washing of municipal boardwalks in the downtown area.

Presentation by the Borough Assessor

Manager Amylon notified the Council that the Borough Assembly has requested that the Borough assessor make a brief presentation to the City Council regarding the Final Real and Personal Property Certified Roll. He requested the Council provide an acceptable date and he would work with the Borough assessor to schedule the presentation.

After discussion, Manager Amylon said he would ask the Borough manager if the meeting of June 20 would be acceptable.

Public Works Department Project Status Report – April 2013

Manager Amylon copied the Council with the project status report of the Public Works Department for the month of April 2013.

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

Manager Amylon provided an update summarizing the activities on the Jackson Street Area Reconstruction Project through the first part of May, 2013.

Police Department Training

Manager Amylon included a memorandum from Police Chief Bengaard detailing two training initiatives the Police Department will undertake during the month of June. Manager Amylon indicated his support, and emphasized that no compulsory training for department members will be affected by presenting these courses of instruction.

Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project – Construction Meeting Minutes of April 26 and May 3, 2013

Manager Amylon presented the Council with the construction meeting minutes for Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project that were held on Friday, April 26 and May 3, 2013.

2013 Sales Tax Report No. 1

May 16, 2013

Manager Amylon provided a memorandum from Finance Director Newell regarding the 2013 sales tax collections to date.

Finance Director Newell answered questions from the Council.

Presentation Relating to Alaska Ship and Drydock

At the direction of the Council, Manager Amylon said he would contact appropriate persons about making a presentation relating to Alaska Ship and Drydock at the meeting of June 20, 2013.

Recruitment in the Engineering Division

Manager Amylon reported that Matt Brown, who previously worked for Dawson Construction, will be joining the City's Engineering Division.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions – April 2013

Manager Amylon transmitted the April 2013 project status reports of the KPU operating divisions.

Whitman Lake Hydroelectric Project – Construction Meeting Minutes of April 23 and 30, and May 7, 2013

Manager Amylon provided the April 23 and 30 and May 7, 2013 minutes of Construction Meeting Nos. 13, 14 and 15 for the Whitman Lake Hydroelectric Project.

Whitman Lake Hydroelectric Project – Construction Report No. 3

Manager Amylon copied the Council with the FERC-required construction Report No. 3 for the period April 1 – 30, 2013.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Harris said on May 29, 2013, CHARR will have a meet and greet for the Council at Cape Fox. He said they wanted to discuss their industry and what they do in town. He said there will be email invitations.

May 16, 2013

Councilmember Olsen asked that staff have information on a couple of things next time: is there any violation of the renter's agreement by the Fight Club and does their use cause us to not be able to rent the facility afterwards for a day or two.

Councilmember Karlson reminded everyone of the rainboot race on Saturday and encouraged everyone to be there so we can get in the Guinness Book of World Records.

Councilmember Coose said he was waiting for some sort of report from the Engineering Division concerning metal siding on City Hall. He felt we got a poor answer last time that it doesn't work in Ketchikan. Manager Amylon handed out a memorandum from Contracts/Grants Administrator Barry outlining a detailed history of the project. Manager Amylon focused on detail regarding the March 15, 2013 meeting, whereby the Council was shown samples of recommended materials including the type of cladding. He continued explaining what has happened since that time. Councilmember Coose said the Council wasn't given alternatives, and Mayor Williams said he remembers having that discussion at that time. Manager Amylon emphasized that several options were presented to the Council and it was recommended that the Ceraclad material be chosen; he said staff was not given direction to pursue alternative options.

Mayor Williams said the MS walk is this weekend as well as the boot race, noting it has been busy around here. He said he was at the totem raising last week and he talked to the governor briefly about our hospital project. He noted the governor was in good humor, possibly campaign mode.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS – None

ADJOURNMENT

As there was no further business, the Council adjourned at 7:59 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Alaska Legal Services Corporation's Quarterly Activity and Financial Reports - January Through March 2013

Boys & Girls Clubs of Southcentral Alaska's quarterly Activity and Financial Reports - January Through March 2013

Unapproved Minutes of the April 26, 2013 Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee Meeting

Recognition of Police Department Staff

Recognition of Library Staff

Southeast Alaska Independent Living (SAIL) Quarterly Financial Report – January Through March 2013

Lake Levels and System Generation Report for the Month of April 2013

Water Utilization Study Report - April 2013