

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:03 p.m., February 21, 2013, with the following members present: Sam Bergeron, Dick Coose, Kj Harris, Matthew Olsen, Robert Sivertsen and Marty West. Councilmember DeAnn Karlson was absent.

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

Staff present were Assistant Manager Martin, Finance Director Newell, City Attorney Seaver, Fire Chief Share, Museum Director Naab, Police Chief Bengaard, Public Works Director Allen, Electric Division Manager McConnell and City Clerk Suiter.



PUBLIC HEARING FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY – AMANDA’S TAXI SERVICE

Mayor Williams called the public hearing for a Certificate of Public Convenience and Necessity for Amanda’s Taxi Service to order at 7:04 p.m. and requested public testimony.

Zac Boles, representing Sourdough Cab and Alaska Cab, spoke as to why cabs are regulated, citing safety standards relating to vehicles and drivers. He discussed convenience, noting they have had no complaints for inadequate cab service, and he explained the number of vehicles they run and why they run at various times. He pointed out the fact that we are no longer in a boom situation. He questioned the necessity of another cab service, and what that would do to the jobs that are out there for taxi drivers. Mr. Boles answered questions from the Council.

As there was no further testimony, Mayor Williams declared the public hearing closed at 7:14 p.m.



PUBLIC HEARING ON RESOLUTION NO. 13-2497 – AMENDING THE 2013 GENERAL GOVERNMENT ANNUAL BUDGET – PORT DEPARTMENT - \$244,100

Mayor Williams called the public hearing on Resolution No. 13-2497 to order at 7:15 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:14 p.m.



COMMUNICATIONS

Included in the packet material was a notification of the public meeting schedule for the Tongass National Forest 5-Year Review and a letter from the Downtown Steering Committee requesting improvements for downtown visitor areas. There was also additional information regarding the skate park project.

PERSONS TO BE HEARD

Kathleen Light, Director of Ketchikan Area Arts and Humanities Council, updated the Council on the exhibits and gallery shows. She recounted the Wearable Arts Show, the release for call to artists for the 2014 Main Street Gallery season, and the upcoming release of the Blueberry Festival T-shirt artwork. She explained she testified before the House committee about the Pick-Click-Give Program and a bill to remove the full audit requirement for the program. She thanked the Council for the process related to community grants, and encouraged the Council to combine efforts with the Borough and commit 4% of sales tax for this purpose.

Mike Ramsey spoke relative to the award of a tree trimming contract, noting he lost the bid by \$3.58. He explained his experience working on KPU projects, and recounted prior bids for this type of work. He pointed out he is local and spends money here in Ketchikan. He asked the Council to reconsider awarding the bid to the out of town contractor and stated he will be available on March 7 when the contract comes before the Council. He answered questions from the Council.

Tom Ferry spoke regarding the Newtown Art Park Project, stating he has wide support and hopes to get the ball rolling on this. He requested the Council direct staff to move forward to get in-house engineering and an estimate. He said it is sorely needed by Newtown, saying it provides a gateway to Hopkins Alley. He felt it will spur economic development immediately and increase tax revenue by adding more value to the buildings located there. He stated the old Marine Bar is so decrepit that it puts a bad face on the area. He answered questions from the Council.

Richard Elliot spoke about the Hopkins Alley Area, providing a brief history of the improvements in the area. He felt the Art Park proposal would have the double effect of getting rid of an ugly site as well as bringing people across the street to the area. He felt the idea has merit and potential, and a good chance of turning around the Newtown area.

Stephen Reeve and Terry Wanzer, representing Historic Ketchikan, spoke regarding the port projects on the agenda. They said they will be available when this item is discussed on the agenda. Mr. Reeve explained if the projects are approved, they assume they will work with staff to develop more detailed deliverables and contracts for doing this work. Mr. Wanzer spoke to Hopkins Alley, noting the changes that have taken place in the area. They answered questions from the Council.

Ken Arriola discussed the Yates building, questioning why the Council should put public money into a private property. He felt the church needed to explain why it allowed the building to deteriorate to such a condition, and he stressed that the municipality will receive no benefit for supporting this project with CPV funds.

Chas Edwardson, representing Ketchikan Indian Community, spoke regarding the Deer Mountain Hatchery. He said they are planning on closing the hatchery under economic development, and reopen it under the workforce development and education umbrella. He said budget cuts from the federal government have placed them in a financial position that is not favorable under their economic development area. He stated they need a clear title in order to help secure money through educational funding, and they cannot continue to pour money into a losing proposition.

Camille Booth displayed a PowerPoint outlining the position of KIC relative to the tribal hatchery. She explained profit and loss that has been experienced, displaying a chart that outlines all the costs of the hatchery. She told of KIC's efforts to get funding, stating they are going to have to make a "fundamental closure" in order to say they are re-starting. She pointed out several of the sources they are looking at require a clear title, and stated they are on a very tight timeline. She addressed the thought to operate the hatchery as part of a cultural center. Ms. Booth and Mr. Edwardson answered questions from the Council.

The Council took a short break at 8:20 p.m. and reconvened at 8:25 p.m.

CONSENT AGENDA

Mayor Williams suggested moving several items to the Consent Agenda, including: the ordinance relating to the lease agreement with the Ketchikan Visitors Bureau; the three-year insurance broker services agreement with Davies-Barry and Alliant Insurance; and the resolution amending the 2013 Port Department Budget. No objections were heard.

Councilmember Coose requested the items regarding the 2012 Emergency Management Performance Grant, the resolution requesting Volunteer Fire Assistant grant funding, and the Road Safety Assessment with the Federal Highway Administration be considered separately.

Approval of Minutes

Moved by Sivertsen, seconded by West approval of the minutes of the regular meeting of February 7, 2013.

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

Exempting the Procurement of a Maintenance Services Agreement for the First City Libraries Consortium's Collection Management System from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code - SirsiDynix

Moved by Sivertsen, seconded by West pursuant to subparagraph 6 of Section 3.12.050(1)(6) of the Ketchikan Municipal Code, the City Council exempt from the competitive bid/written quotation requirements of the Ketchikan Municipal Code the proposal from SirsiDynix for a maintenance services agreement for the First City Libraries Consortium's collection management system in the amount of \$23,278.56; authorize funding in the amount of \$23,278.56 from the First City Libraries Division's 2013 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, Coose, Sivertsen, West, Olsen and Bergeron voting yea; Karlson absent.

Resolution No. 13-2498 – Endorsing and Urging State Funding for the Swan Lake Reservoir Expansion Project

Moved by Sivertsen, seconded by West the City Council approve Resolution No. 13-2498 endorsing and urging State funding for the Swan Lake Reservoir Expansion Project; and establishing an effective date.

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

Budget Transfer – 2013 Electric Division Maintenance Materials

Moved by Sivertsen, seconded by West the City Council authorize the KPU general manager to transfer \$318,000 within the Electric Division's 2013 Budget from various maintenance services accounts to various maintenance materials accounts as outlined in the finance director's report dated February 12, 2013.

In his report, the finance director outlined:

Account Cont Svcs	Description	2013 Adopted Budget	Amount to Transfer	2013 Amended Budget
635.06	Bldg & Grounds Maintenance Services	31,500	(31,500)	-
635.07	Mach & Equip Maintenance Services	110,600	(110,600)	-
635.08	Infrastructure Maintenance Services	176,000	(176,000)	-
		318,100	(318,100)	-

<u>Supplies</u>			
515.02	Bldg & Grounds Maintenance Materials	0	31,500
515.03	Furniture & Fixtures Maintenance Materials	0	-
515.04	Mach & Equipment Maintenance Materials	0	110,600
515.04	Infrastructure & Plant Maintenance Materials	0	176,000
		<hr/>	<hr/>
		-	318,100
		<hr/>	<hr/>
	Total All	<u>318,100</u>	<u>-</u>
		<hr/>	<hr/>
			<u>318,100</u>

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

Exempting Procurement of Capacitor Bank Replacement Components from Competitive Bidding – Cooper Power Systems

Moved by Sivertsen, seconded by West pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of capacitor bank replacement components from competitive bidding requirements; authorize the general manager to purchase capacitor bank replacement components from Cooper Power Systems in an amount not to exceed \$13,094; and approve funding in an amount not to exceed \$13,094 from the 2013 Electric Division's Infrastructure & Plant Maintenance Materials Account No. 515.04.

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

Ordinance No. 13-1716 – Approving a Lease Agreement Between the City of Ketchikan and Ketchikan Visitors Bureau, Inc. for Certain Real Property Located on Berth II and Berth III of the Port of Ketchikan, Alaska – Second Reading

Copies of Ordinance No. 13-1716 were available for all persons present.

Moved by Sivertsen, seconded by West the City Council approve in second reading Ordinance No. 13-1716 a lease agreement between the City of Ketchikan and Ketchikan Visitors Bureau, Inc. for certain real property located on Berth II and Berth III of the Port of Ketchikan, Alaska; providing for the filing of referendum petitions; and establishing an effective date.

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

Three-Year Insurance Broker Service Agreement to Davies-Barry, Inc. and Alliant Insurant Services

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Moved by Sivertsen, seconded by West the City Council award a three-year insurance broker service agreement to Davies-Barry, Inc. and Alliant Insurance Services in the amount of \$70,000 annually for a total contract amount of \$210,000 and authorize the city manager to execute the agreement on behalf of the City Council.

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

Resolution No. 13-2497 – Amending the 2013 General Government Operating and Capital Annual Budget to Provide a Supplemental Appropriation for the Port Department in the Amount of \$244,100

Moved by Sivertsen, seconded by West the City Council approve Resolution No. 13-2497 amending the 2013 General Government Operating and Capital Annual Budget to provide a supplemental appropriation for the Port Department in the amount of \$244,100; and establishing an effective date.

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

Alaska Division of Homeland Security & Emergency Management 2012 Emergency Management Performance Grant Agreement No. 12EMPG-GR35585

Moved by Coose, seconded by West the City Council approve Alaska Division of Homeland Security & Emergency Management 2012 Emergency Management Performance Grant Agreement No. 12EMPG-GR35585 for the purpose of reimbursing the City up to 50% of the wages and benefits paid to the fire chief for time spent on emergency management activities up to a maximum of \$5,000 and direct the city manager to execute the grant agreement on behalf of the City Council.

Councilmember Coose expressed concern about taking money from the federal government when it is broke.

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

Resolution No. 13-2499 – Requesting Volunteer Fire Assistant Grant Funding from the U.S. Department of Agriculture Forest Service Through the Alaska Division of Forestry

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Moved by Coose, seconded by West the City Council approve Resolution No. 13-2499 requesting Volunteer Fire Assistant grant funding from the U.S. Department of Agriculture Forest Service through the Alaska Division of Forestry; and establishing an effective date.

Councilmember Bergeron said the reality is if we turn this money down it will be spent somewhere else. He stated as federal taxpayers, we will still get the enjoyment of paying for this even though it will be used somewhere else, so if they appropriate the money we have an obligation as representatives of the Ketchikan public to try to acquire as much of that as we can.

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

Road Safety Assessment – Federal Highway Administration

Moved by Coose, seconded by Olsen the City Council direct the city manager to authorize the Federal Highway Administration to undertake a Road Safety Assessment in the City and on the Port of Ketchikan.

Moved by West, seconded by Coose to defer this item to the next Council meeting.

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

UNFINISHED BUSINESS – None

NEW BUSINESS

Port of Ketchikan 2013 Capital Project Appropriations – Public Art and Yates Building Restoration

Moved by Sivertsen, seconded by West the City Council direct the city manager to take such action regarding the Port Department's 2013 appropriations for public art projects, preliminary efforts directed to the restoration of the Yates Building and the Hopkins Alley Redevelopment Plan as determined appropriate by the City Council.

Tom Williams, Borough Planning Director, explained the Hopkins Alley Redevelopment Plan (HARP) and the scope of work that would be proposed in the initial effort. He continued by elaborating on the subsequent phases, noting that if one of the phases fails there would be no following phase.

Moved by Sivertsen, seconded by West to remove the funding appropriation for the Yates Building.

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

Mayor Williams said if the Council wanted to eliminate any of the projects listed in the budget, he would entertain motions for such; otherwise, the projects would move forward as budgeted. Assistant Manager Martin said any of the projects listed would come back to the Council for approval.

Councilmember Coose suggested the Waterfront Master Plan be the first project completed, as it would provide direction for other projects.

Councilmember Olsen expressed concern about Historic Ketchikan creating “mission creep” as well as the possible creation of a new project management company.

Mayor Williams asked Assistant Manager Martin if he had enough information to proceed, and Mr. Martin said he did.

**Release of Deed Conditions and Approving Revised
Revocable Permit to Work or Encroach Upon Platted
Right-of-Way – Deer Mountain Fish Hatchery and
Easements, Ketchikan Indian Community d/b/a
Ketchikan Tribal Hatchery Corporation**

Councilmember Bergeron removed himself from consideration of this item as Ketchikan Indian Community is his employer.

Moved by Sivertsen, seconded by Coose the City Council approve the Release of Deed Conditions for the conveyance of the Deer Mountain Fish Hatchery and Easements to the Ketchikan Indian Community d/b/a Ketchikan Tribal Hatchery Corporation; authorize the Revised Revocable and Limited Permit to Work on or Encroach Upon the Platted Right-of-Way; and direct the city manager to execute the release and encroachment permit on behalf of the City Council.

Councilmember Sivertsen suggested a grant process, whereby if KIC closes the hatchery they would repay the City the value of it, perhaps on a sliding scale. John Brown, representing KIC, answered questions from the Council. Mr. Brown emphasized they are looking for a clear title to the land.

Moved by Sivertsen, seconded by Coose to defer to allow staff to discuss ownership options with Ketchikan Indian Community, to be brought back at the March 21, 2013 meeting.

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

Grants for Community Agencies – Councilmember West

Moved by West, seconded by Harris the City Council direct the city manager to enter into 2013 community agency funding agreements with those organizations and for those dollar amounts as recommended by the Community Grant Committee and authorize a total expenditure of \$327,200 from the 2013 Community Grant Program Account No. 610.02.

The Committee's recommendations were as follows:

#	Agency	Initial Agency Request	Final Committee Recommendation to Council
1	Ketchikan Boys & Girls Club	\$25,000.00	\$12,600.00
2	Love, Inc.	\$10,000.00	\$10,000.00
3	Big Brothers Big Sisters	\$10,000.00	\$8,800.00
4	Rendezvous Senior Day Services, Inc.	\$25,000.00	\$25,000.00
5	SE Senior Services - Care Coordination Program	\$51,728.00	\$48,700.00
6	SE Senior Services - Food and Fuel Program	\$25,000.00	\$21,500.00
7	Historic Ketchikan	\$40,000.00	\$19,400.00
8	Ktn Committee for the Homeless - PATH	\$48,281.00	\$45,900.00
9	Ketchikan Youth Court	\$13,300.00	\$11,300.00
10	KAHC - Ketchikan Area Arts & Humanities Council	\$50,000.00	\$47,400.00
11	First City Players	\$20,000.00	\$12,100.00
12	Women in Safe Homes (WISH)	\$18,000.00	\$11,800.00
13	Alaska Legal Services	\$22,000.00	\$18,600.00
14	First City Homeless Services Day Shelter	\$10,000.00	\$9,500.00
15	Southeast Alaska Independent Living SAIL	\$15,000.00	\$12,100.00
16	Ketchikan Wellness Coalition	\$30,000.00	\$12,500.00
	Total	\$413,309.00	\$327,200.00

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

Resolution No. 13-2496 – Accepting from the State of Alaska the Transfer in Ownership of the Mountain Point Boat Launch Facility and State Deferred Maintenance Funds in the Amount of \$300,000

Moved by Coose, seconded by West the City Council approve Resolution No. 13-2496 accepting from the State of Alaska the transfer in ownership of the Mountain Point Boat

Launch Facility and State deferred maintenance funds in the amount of \$300,000; and establishing an effective date.

Port and Harbors Director Corporon answered questions from the Council.

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

Application for Certificate of Public Convenience and Necessity – Amanda’s Taxi Service

Moved by Sivertsen, seconded by West the City Council, after taking into consideration the number of taxicabs already in operation, whether existing transportation is adequate to meet the public need, the probable effect of increased service on local traffic conditions, and the character, experience, and responsibility of the applicant, hereby:

1. Finds that further taxicab service in the city is not required by the public convenience and necessity on the following grounds: the number of taxicabs already in operation is sufficient to meet the public need; there will be an undesirable increase in traffic on local streets; and the applicant appears to have no experience within the Ketchikan area relative to taxicab operation.
2. Directs the city clerk not to issue a certificate of public convenience and necessity in accordance with Ketchikan Municipal Code Section 5.40.050.

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

Request for Waiver of General Government and Ketchikan Public Utilities Costs and Fees Associated with the Proposed Construction of a Skate Park at the Intersection of Park Avenue and Schoenbar Road – Ketchikan Youth Initiatives

Moved by West, seconded by Sivertsen the City Council direct the city manager to respond to the request of Ketchikan Youth Initiatives for the donation of General Government/Ketchikan Public Utilities labor and materials for the proposed skate park at the intersection of Park Avenue and Schoenbar Road as determined appropriate by the City Council; and further authorize the city manager to object to the proposed property transfer from the Ketchikan Gateway Borough to Ketchikan Youth Initiatives until such time as the proposed subdivision plat is submitted for review and approval and the quitclaim deed is revised to the satisfaction of the city attorney.

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Moved by Sivertsen, seconded by Coose to defer the portion of the motion addressing the request for donation of labor and materials, and direct staff to proceed working with the Borough regarding the issue of the conveyance of the property.

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

VOUCHERS

Moved by West, seconded by Olsen for approval of vouchers to Ketchikan Daily News in the amount of \$3,608.00.

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

CITY MANAGER'S REPORT

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of February 7, 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 February 7, 2013.

Special City Council Meeting of February 28, 2013 – Compensation Plan Presentation by Ralph Andersen & Associates

Manager Amylon reminded of the special meeting to be held with Ralph Andersen & Associates on February 28, 2013 for the purpose of discussing various aspects of the Compensation Plan.

Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project – Construction Meeting Minutes of February 1 and 8, 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, February 1 and 8, 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 No. 92

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Manager Amylon provided minutes for the weekly design/construction progress meeting No. 92 that was held in Ketchikan/Anchorage/Bellingham on February 5, 2013 for Contract No. 11-27, Construction Manager/General Contractor Services for the construction of a New Municipal Public Library.

Insurance Services Organization Public Protection Classification

Manager Amylon copied the Council with a memorandum from Fire Chief Share informing the Insurance Services Organization has completed its Public Protection Classification review of the City of Ketchikan. He noted the city has been issued a new rating of 3/8B, which is an improvement over the last rating and represents a significant accomplishment for the Fire Department. Manager Amylon recognized the Fire Department for their ongoing efforts on behalf of the community.

Building Code Effectiveness Grading Schedule Classification

Manager Amylon included correspondence from Community Mitigation Analyst Michael Vargas. He said Mr. Vargas reviewed the City's plan for improving or regaining the previous Building Code Effectiveness Grading Schedule classification, and has determined that the City may retain its class 3 rating.

Public Works Department Project Status Report – January 2013

Manager Amylon transmitted the project status reports for the Public Works Department for the month of January 2013.

**Contract No. 12-20A, Bawden Street Apartments
Abatement and Demolition Project – Minutes of February
5, 2013 Weekly Construction Progress Meeting No. 2**

Manager Amylon copied the Council with the weekly construction progress meeting for Contract No. 12-20A, Bawden Street Apartments Abatement and Demolition Project dated February 5, 2013.

Police Department Canine Activity Report – January 2013

Manager Amylon provided the January 2013 report of Police Department canine activities.

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

Through a report from the Engineering Division, Manager Amylon informed the Council that the Jackson Street Area Reconstruction Project will begin again during the first half of March. The report noted that project inspection has moved from 100% in-house to a 50/50 split with the consulting firm Dowl HKM.

3300 Block Hawkins Avenue

Manager Amylon detailed the action staff will take in response to a December 26, 2012 letter from various Hawkins Avenue property owners, unless the Council directs otherwise. Staff's research indicated the City's responsibility in the area was minimal at best due to the fact that the roadway has been altered well beyond that indicated on as-built documentation from the roadway's development in 1983.

FY 2014 Capital Budget Amendments HB64 / SB18

Manager Amylon reported Governor Parnell's amendments to the 2014 Capital Budget had been received, and it was amended to include a \$10,000,000 federal funding authorization for Water Street Trestle No. 2. He said the City's lobbyist pointed out this amendment is significant in that it qualifies the project for federal funding that potentially may be received by the State in FY 2014. He went on to say that by amending the capital budget to qualify the replacement of Water Street Trestle No. 2 for federal funding, the chances of securing the necessary financial resources to move the project forward are significantly improved. He expressed his appreciation to Mr. Matiashowski, who has been working closely with his office to secure the desired budget amendment.

Amendment No. 4 to 2012-2015 Alaska Statewide Transportation Improvement Plan

Manager Amylon attached a memorandum from Contracts/Grants Administrator Barry that analyzes adopted Amendment No. 4 to the 2012-2015 Alaska Statewide Transportation Improvement Plan. Mr. Barry noted only two of the City's comments were addressed.

Gross Sales Summary

In response to Mayor Williams, Finance Director Newell provided a summary of gross sales in 2012 by major industry.

Community Use of the Ketchikan Public Library

Manager Amylon transmitted a memorandum from Adult Services Librarian Pearson reporting on the increased use of the library since its January 2, 2013 opening.

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Draft Fund Balance Policy

Manager Amylon provided a memorandum from Finance Director Newell which transmits the draft fund balance policy as developed by Talbot, Korvola & Warwick, LLP of Oregon. He noted the draft was being submitted in advance of the March 7, 2013 meeting in order to provide sufficient time for councilmembers to review the policy and address any questions or concerns to staff.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Operating Divisions – January 2013

Manager Amylon copied the Council with the January 2013 project status reports of the KPU operating divisions.

Report of February 2, 2013 Power Outage

Manager Amylon transmitted a report from Senior Electric Systems Engineer Donato regarding the power outage of February 2, 2013.

Whitman Lake Hydroelectric Project – Construction Meeting Minutes of February 8, 2013

Manager Amylon provided the minutes from the meeting that was held on February 8, 2013 for the Whitman Lake Hydroelectric Project.

Impact on Utility Rates from Issuing Debt for Certain Water and Wastewater Utility Improvement Projects

In response to an inquiry from Councilmember Coose, Manager Amylon included a report from Finance Director Newell regarding the impact on utility rates from water and wastewater utility improvement projects.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Mayor Williams said he would like to discuss different ways to fund harbor projects, so he will get together with Port and Harbors Director Corporon.

MAYOR AND COUNCIL COMMENTS

Councilmember Coose asked for confirmation regarding the report on the ISO rating, which Assistant Manager Martin provided. Mr. Coose requested numbers be attached to

the draft fund balance policy, and Mayor Williams said staff will provide that to councilmembers.

Councilmember Olsen expressed appreciation for the report from the Library about use of the new facility, noting it was telling about the new construction and how it is bringing people up there. He said he visited with Finance Director Newell on the draft fund balance policy, and Mr. Newell was very informative.

Councilmember Sivertsen said he just returned from the Legislative Fly-In and he felt Ketchikan was very successful in putting plans forward. He felt the group was well received because of the amount of skin we had in the game on the hospital project. He continued the temperament in the legislature is “We don’t know what the budget is going to be yet,” because it is still a little bit too early. He stated the governor’s budget is in and they are trying to figure out where the price of oil is going to land to let them know what they are going to have to work with. He noted it ranges anywhere from \$200 million to \$450 million, and they have to determine whether or not they will need to dip into savings. He explained there are a number of new people in the building and they talk about reduced government. He said right now they are talking about reduced capital budget, and he said they told them that is not reducing government because you have to work on the operating side of things. He informed everyone in the building is guarded right now because of unknown numbers. He reported the oil forecast comes out in late March or early April, and right now it takes \$108 per barrel to balance the budget.

Councilmember Sivertsen continued the reception was held last night and they had basically all the cabinet there and the departments were very well represented. He explained we have requests from a number of majority legislators to visit Ketchikan because they want to see what we are doing down here. He stated they hear a lot about our shipyard, power issues and mining and we will have visitors this summer. He felt it was important that we keep driving home the fact we are growing, working hard and still need their help.

Councilmember West expressed appreciation for those who represented the City at the Fly-In, as well as the hard work our lobbyist, Representative Wilson and Senator Stedman do. She felt it was disingenuous of the governor to talk about cutting capital projects because of the price of oil when the newspaper had \$45 billion in the permanent Fund. She felt the state was negligent by not investing some of its money in the communities around the state. She stated we are building a great community here and we need water, sewer, power and other things, and we keep going to the taxpayers to have them cough it up while the state is sitting on billions of dollars that wouldn’t be wasted by spending it in our communities.

Councilmember Harris agreed with Councilmember West. He thanked BAM for the good job they did on tearing down the Bawden Street Apartments, and as far as he knew it went well.

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Mayor Williams said he forgot to put the Downtown Steering Committee's request for a bike rack on the agenda, but would make sure it was on the next meeting.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

**Request for Executive Session – Dangerous Buildings
Abatement Cost Recovery**

Moved by Sivertsen, seconded by West 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 (3) for the reasons set forth in the city attorney's memorandum dated February 12, 2013 to discuss recovery of the City's costs for abatement of the Bawden Street Apartments, the Alaska Duty Free Building, and the cost recovery process which includes the need to discuss subjects the knowledge of which would clearly have an adverse, immediate impact on the finances of the City and to discuss potential litigation strategies with legal counsel within the attorney-client privilege.

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

The Council recessed into executive session at 10:00 p.m. and reconvened at 10:05 p.m.

Mayor Williams said the Council has completed an executive session to discuss recovery of the City's costs for abatement of the Bawden Street Apartments, the Alaska Duty Free Building, and the cost recovery process, and no action would be taken tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 10:06 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk

FYI ITEMS INCLUDED

Unapproved Minutes of the January 11, 2013 Ketchikan Gateway Borough/City of Ketchikan
Lobbying Executive Committee Meeting

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Unapproved Minutes of the January 18, 2013 Ketchikan Gateway Borough/City of Ketchikan
Cooperative Relations Committee Meeting

Ketchikan Youth Court's Quarterly Activity and Financial Reports - October Through December
2012

Ketchikan Area Arts & Humanities Council's Quarterly Activity and Financial Reports - October
Through December 2012

Recognition of Solid Waste Division Staff

Alaska Legal Services Corporation's Quarterly Financial Reports - October Through December
2012

Southeast Alaska Independent Living (SAIL) Quarterly Activity Report – October Through
December 2012