

Regular Ketchikan City Council meeting was called to order by Mayor Williams at 7:00 p.m., September 20, 2012, 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, Police Chief Bengaard, Public Works Director Allen, Telecommunications Division Manager Cushing, Water Division Manager Kleinegger, Port and Harbors Director Corporon, Fire Chief Share, Electric Division Manager McConnell and Deputy City Clerk Stanker.



**PUBLIC HEARING ON ORDINANCE NO. 12-1704 –**  
**TELECOMMUNICATIONS SERVICE AND RATES**

Mayor Williams called the public hearing on Ordinance No. 12-1704 to order at 7:00 p.m. and requested public testimony.

As there was no testimony, Mayor Williams declared the public hearing closed at 7:01 p.m.



**COMMUNICATIONS**

Mayor Williams said there were several items laid on the table, including: a request to remove the item regarding the repair of the Whale Park Street Clock; a request for a letter of support for the Ketchikan Gateway Borough Round VI grant application wood heat pre-feasibility assessment for the Ketchikan International Airport; and a request for land exchange to be added as an agenda item for the next regular City Council meeting. No objections were heard relative to removing the item regarding the Whale Park Street Clock.

Mayor Williams asked if there were any objections to adding the request for a letter of support for the Ketchikan Gateway Borough to the next agenda, and none were heard.

**PERSONS TO BE HEARD**

Kathleen Light, Director of the Arts Council, indicated she would be here if the Council had questions regarding the proposed art for Ketchikan Creek. She also noted she had spoken with the Historic Creek Street Design and Review Board to get approval for the proposed art. She indicated they did not have problem with the materials or the piece itself.

Jason Custer, Development Coordinator for the City of Saxman and the Chairman for the Mahoney Lake Partnership, indicated the City of Saxman still supports the Executive Lobby Committees 2014 Community Priority Capital Project List as proposed. He went on to say together our unified voices are stronger and hoped the City would support the list as it currently stands. Mr. Custer handed out several documents for the Council regarding the Mahoney Lake Hydroelectric Project and included a letter of support by SE Conference.

## **CONSENT AGENDA**

### **Approval of Minutes**

Moved by Sivertsen, seconded by West approval of the minutes of the regular meeting of September 6, 2012.

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

### **Authorizing Budget Transfer – Exempting the Procurement of Wastewater Division Clarifier Tank Head Shaft Components From Amwell From Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code**

Moved by Sivertsen, seconded by West pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Wastewater Division clarifier tank head shaft components from Amwell of Aurora, Illinois at a cost of \$20,748; authorize a budget transfer of \$20,748 from the Wastewater Division's 2012 Maintenance Materials Account No. 37 to the 2012 Clarifier Tank Head Shaft Components Replacement Capital Account; and direct the city manager to execute the contract documents of behalf of the City Council.

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

### **Authorizing Memorandum of Agreement Providing for a Twelve-Month Extension of Contract No. 06-20 - Bayview Cemetery Maintenance and Operations, PM Landscaping**

Moved by Sivertsen, seconded by West the City Council authorize the city manager to execute the Memorandum of Agreement extending Contract No. 06-20, Bayview Cemetery Maintenance and Operations, between the City of Ketchikan and PM Landscaping for the 2012-2013 contract year.

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

**Approving Revocable and Limited Permit to Work On or Encroach Upon the Platted Right-of-Way to Provide Wheelchair Access – Mary Smith**

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 Mary Smith for the purpose of providing driveway wheelchair access adjacent to her residence at 640 Deermount Street and authorize the city manager to execute the permit on behalf of the City Council.

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

**Resolution No. 12-2475 – Extending the Ketchikan City Council/Ketchikan Gateway Borough Assembly Cooperative Relations Committee for an Additional Two-Year Period to November 1, 2014**

Moved by Sivertsen, seconded by West the City Council approve Resolution No. 12-2475 extending the Ketchikan City Council/Ketchikan Gateway Borough Assembly Cooperative Relations Committee for an additional two-year period to November 1, 2014; and establishing an effective date.

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

**Authorizing Letter of Support for Ketchikan Gateway Borough Round VI Renewable Energy Grant Fund Application, Wood Heat Pre-Feasibility Assessment for the Ketchikan International Airport**

Moved by Sivertsen, seconded by West the City Council direct the general manager to write a letter of support for the Ketchikan Gateway Borough Round VI Renewable Energy Grant Fund application for a wood heat pre-feasibility assessment for the Ketchikan International Airport.

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

**Exempting the Procurement of Silvis Generator Replacement Collector Rings From Seattle Industrial Motor & Machine Co. From Competitive Bidding/Written**

**Quotation Requirements of the Ketchikan Municipal Code**

Moved by Sivertsen, seconded by West pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Silvis Lake generator collector rings from Seattle Industrial Motor & Machine Co. at a cost of \$16,800; authorize funding from the Electric Division's 2012 Silvis Lake Generator Collector Rings Replacement 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.

**UNFINISHED BUSINESS**

**Ordinance No. 12-1704 – Amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code – Second Reading**

Copies of Ordinance No. 12-1704 were available for all persons present.

Moved by Sivertsen, seconded by West the City Council approve in second reading Ordinance No. 12-1704 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

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

**NEW BUSINESS**

**2014 Community Priority Capital Project Requests for Transmittal to the Office of the Governor**

Moved by Sivertsen, seconded by Olsen the City Council direct the city manager to take such action regarding the 2014 community priority capital project requests as determined appropriate by the City Council.

Councilmember Sivertsen indicated it is unfortunate we are unable to get reconsideration for discussion of the list by the Executive Lobbying Committee, but he understands their position and is in favor of sending the current list as submitted.

Councilmember Coose felt the City and Borough need to work cooperatively and he did not feel it would be in the City's best interest to go Juneau alone. He went on to say he would not support the list as submitted.

Councilmember Bergeron felt the City and the Borough need to sit down for further discussion regarding the list. He indicated the list was not in the best interest of the people the Council represents. He said he would feel responsible if one of the top projects was chosen over the City's infrastructure project and would not support the list.

Manager Amylon indicated resolutions approved by both governments didn't give the committee the power to finalize the list; it was to be presented back for approval by each municipality. He went on to say we did not approve and were not given the courtesy of further discussion by the Borough Mayor.

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

Moved by Bergeron, seconded by Coose to reconvene the Executive Lobbying Committee to discuss the concerns of the City and to reconsider the 2014 Community Priority Request List.

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

**Ordinance No. 12-1705 Amending Sections 5.40.060 and 5.40.080 of the Ketchikan Municipal Code Concerning Renewal, Suspension or Revocation of Certificates for Public Vehicle Operations – First Reading**

Copies of Ordinance No. 12-1705 were available for all persons present.

Moved by Sivertsen, seconded by Olsen the City Council approve in first reading Ordinance No. 12-1705 amending Sections 5.40.060 and 5.40.080 of the Ketchikan Municipal Code concerning renewal, suspension or revocation of certificates for public vehicle operations; and establishing an effective date.

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

**Authorizing Demolition of 420/422 Water Street – Alaska Duty Free**

Moved by West, seconded by Olsen the City Council authorize the city manager to seek competitive bids for the demolition of 420/422 Water Street as a hazardous materials abatement project, the award of such contract to be submitted to the City Council for formal consideration and approval.

Councilmember Olsen voiced his concerns that public funds were continually being spent on property demolition due to lack of responsibility from the owner. He felt the City should consider amending the code regarding property owners' responsibilities and impose a fine structure.

Public Works Director Allen answered questions from Council regarding demolition and abatement costs.

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

**Resolution No. 12-2474 – Accepting a Grant From the State of Alaska Department of Fish and Game Through the Federal Aid Sport Fish Restoration Act for the Replacement of the City's Bar Harbor Launch Ramp**

Moved by Olsen, seconded by West the City Council approve Resolution No. 12-2474 accepting a grant from the State of Alaska Department of Fish and Game through the Federal Aid Sport Fish Restoration Act for the replacement of the City's Bar Harbor Launch Ramp; and establishing an effective date.

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

**Award of Contract No. 12-33 – Bar Harbor Boat Launch, Ketchikan Ready Mix & Quarry, Inc.**

Moved by Olsen, seconded by West the City Council accept the bid of Ketchikan Ready Mix & Quarry, Inc. in the amount of \$1,303,200 for Contract No. 12-33, Bar Harbor Launch Ramp; establish a ten percent (10%) contingency in the amount of \$130,320, bringing the total project cost to \$1,433,520; authorize funding the Small Boat Harbors Division's 2012 Bar Harbor Launch Ramp Replacement and Grid Repair Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

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

**Approving Ketchikan Area Arts & Humanities Council (KAAHC) and Ketchikan Public Art Works (KPAW) Proposals for Art for Placement at Ketchikan Creek**

Moved by West, seconded by Olsen the City Council approve Ketchikan Area Arts and Humanities Council and Ketchikan Public Arts Works' proposal for public art for placement at Ketchikan Creek as identified in the September 11, 2012 correspondence of

Kathleen Light and direct the city manager to negotiate such a contract as may be required to commission the project, said agreement to be submitted to the City Council for formal consideration by the City Council.

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

**Authorizing Change Order No. 7 (Final) to Contract No. 10-31, Construction Manager/General Contractor Construction Services for the Construction of a New Fire Station – Dawson Construction, Inc.**

Moved by Olsen, seconded by West the City Council approve Change Order No. 7 (Final) to Contract No. 10-31, Construction Manager/General Contractor Construction Services for the construction a new municipal fire station, between the City and Dawson Construction, Inc. providing a credit of \$124,364; and direct the city manager to execute the change order on behalf of the City Council.

Manager Amylon answered questions from Council.

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

Moved by Coose, seconded by Olsen the City Council authorize the city manager to procure fitness equipment for the new fire station in the amount of \$17,879 as detailed in the fire chief's memorandum dated September 11, 2012 and approve funding from the Fire Department's Main Street Fire Station Replacement Capital Account.

Manager Amylon and Fire Chief Share answered questions from Council.

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

Lengthy discussion was held regarding the purchase of public art for the fire station.

Moved by Coose, seconded by Sivertsen the City Council authorize the manager to work with the fire chief regarding a proposal for art in the fire station and submit back to City Council for final approval.

The motion was withdrawn with the consent of the second.

**Rejecting Bids for Contract No. 12-38 – City Hall Exterior and First Floor Interior Renovations Project**

Moved by Bergeron, seconded by Coose the City Council reject all bids for Contract No. 12-38, City Hall Exterior and First Floor Interior Renovations Project, and direct staff to release the bid bonds accordingly.

Contracts/Grants Administrator Morgan Barry, Manager Amylon and Attorney Seaver answered question from Council.

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

**Rejecting Bids for Contract No. 12-29 – Whitman Lake Hydroelectric Project General Construction**

Moved by Olsen, seconded by Sivertsen the City Council reject all bids for Contract No. 12-29, Whitman Lake Hydroelectric Project General Construction, and direct staff to release the bid bonds accordingly.

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

**VOUCHERS** - None

**CITY MANAGER’S REPORT**

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of September 6, 2012**

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 September 6, 2012.

**Contract No. 10-31 – (Construction Manager/General Contractor Construction Services for the Construction for a New Municipal Fire Station) Update – Minutes of Weekly Construction Progress Meeting No. 73**

Manager Amylon advised Weekly Construction Progress Meeting No. 73, was held in Ketchikan/Anchorage/Bellingham on August 28, 2012 for Contract No. 10-31, Construction Manager/General Contractor Construction Services for the construction of a New Municipal Fire Station. He provided copies of the minutes.

**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. 72, 73 and 74**

Manager Amylon provided minutes for the weekly design/construction progress meeting Nos. 72, 73 and 74 that was held in Ketchikan/Anchorage/Bellingham on August 28, September 4 and 11, 2012 for Contract No. 11-27, Construction Manager/General Contractor Services for the construction of a New Municipal Public Library.

**Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project – Preconstruction Meeting Minutes of August 31, 2012**

Manager Amylon copied the Council with the preconstruction meeting minutes for Contract No. 12-19, Phase II of Berths I and II Rehabilitation Project that was held on Friday, August 31, 2012.

**Section 10.56.065 of the Ketchikan Municipal Code – Parking of Non-Motorized Vehicles on Narrow Roadways, School Zones and Ball Field**

At the request of Mayor Williams, Manager Amylon provided Section 10.56.065 of the Ketchikan Municipal Code regarding parking of non-motorized vehicles.

**Resolution No. 12-2445 – Schoenbar Road Reconstruction Project Design; Resolution No. 12-2446 – Park Avenue & Harris Street Reconstruction Project Design; and Resolution No. 12-2447 – Water Street Trestle No. 1 Replacement Design**

Manager Amylon included a letter from the Denali Commission regarding the funding status on the above projects.

**Public Works Department Project Status Report – August 2012**

Manager Amylon provided the project status report of the Public Works Department for the month of August 2012.

**Police Department Canine Activity Report – August 2012**

Manager Amylon transmitted the August 2012 report of Police Department canine activities.

**Contract No. 12-40 – Ketchikan Public Library Art “A Trip to the Library,” Evon Zerbetz and Rich Stage**

Manager Amylon provided Council with correspondence from the Ketchikan Area Arts and Humanities Council regarding the relocation of the above art to the library's entry way alcove.

### **2012 Cruise Ship Passenger Traffic Update**

Manager Amylon included a memorandum from Finance Director Newell detailing cruise ship passenger counts through the week ending September 9, 2012. Mr. Newell's memorandum noted the passenger traffic through this time period increased by 33,086 or 4.3% from last year's level.

### **2013 Building Code Adoption**

Manager Amylon advised Council that the City will need to adopt either the 2009 or 2012 edition of the building codes during the 2013 calendar year.

### **K.P.U. MANAGER'S REPORT**

#### **Project Status Reports of the KPU Operating Divisions – August 2012**

Manager Amylon included project status reports for the KPU operating divisions for the month of August 2012.

#### **CITY CLERK'S FILE** – None

#### **CITY ATTORNEY'S FILE**

Attorney Seaver reported on the more significant developments in his office during the month of August 2012. He noted it does not address all of the activities of the office during that time period.

### **FUTURE AGENDA ITEMS**

As requested, a request for land exchange near Bear Valley Mini Storage would be on the next agenda.

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Coose urged the Borough Assembly and Mayor Kiffer to consider reconvening the Executive Lobbying Committee for discussion of the proposed 2014 Capital Priority List.

Councilmember Bergeron echoed Councilmember Coose's comment.

Councilmember Karlson echoed Councilmember Coose as well.

Councilmember Olsen thanked Manager Amylon for the resolutions regarding the Lobbying Executive Committee, he indicated there were eight members and it would be nice to have an odd number with the possibility of amending the membership to include an additional Councilmember from Saxman so there would be three representatives from each Municipality.

Councilmember Sivertsen indicated he recently attended a SEAPA meeting and there could possibly be a future agenda item to discuss SEAPA proposals. He noted he would provide Manager Amylon information at a later date. He also stated it was a good meeting and very productive.

Councilmember West indicated she has a meeting tomorrow and Monday to discuss plans from companies regarding proposals for an energy conservation program.

**OTHER NEW BUSINESS** – None

### **EXECUTIVE SESSIONS**

#### **Request for Executive Session – Discussion of Lawsuit Filed by Miller Construction Co., Ltd. Regarding Termination of Contract No. 11-21, Jackson/Monroe Streets & 4<sup>th</sup>/7<sup>th</sup> Avenues Reconstruction Project**

Moved by Bergeron, seconded by Olsen the City Council declare it is in the best interest of the City to go into executive session in accordance with KMC 2.04.025(a)(1) and AS 44.62.310(c)(1) and (3) to discuss Miller Construction Co., Ltd.'s lawsuit regarding termination of Contract No. 11-21, Jackson/Monroe Streets & 4<sup>th</sup>/7<sup>th</sup> Avenues Reconstruction Project, as set forth in the company's complaint dated August 22, 2012, which includes the need to discuss subjects the knowledge of which could have an adverse impact upon the finances of the City and to discuss potential litigation strategies with legal counsel within the attorney-client privilege.

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

Council took a short break and 8:15 p.m.

The Council recessed into executive session at 8:20 p.m. and reconvened at 8:36 p.m.

Mayor Williams said the Council has completed an executive session, has given direction and no further action would be taken tonight.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 8:37 p.m.

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Lew Williams III, Mayor

ATTEST:

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Kim Stanker  
Deputy City Clerk

**FYI ITEMS INCLUDED**

Lake Levels and System Generation report for the Month of August 2012