
Regular Ketchikan City Council meeting was called to order by Vice-Mayor Finnegan at 7:00 p.m., January 7, 2025, re-scheduled from January 2, 2025, with the following members present: Jai Mahtani, Judy Zenge, Lalette Kistler, Dick Coose, Riley Gass and Mark Flora. Mayor Sivertsen attended (via Webex).

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

Vice-Mayor Finnegan stated the Native Lands Acknowledgement.

Staff present were Manager Walsh (via Webex), Assistant Manager Simpson, Finance Director Johannsen (via Webex), City Attorney Seaver, Public Works Director Brakke, Information and Technology Director Hecla, Water Division Manager Kleinegger, Police Chief Mattson, Electric Division Manager Bynum, Port & Harbors Director Phillips, Harbors Coordinator Wilson, Deputy Clerk Lee and City Clerk Stanker.

COMMUNICATIONS

Vice-Mayor Finnegan said there were several items laid on the table, including a request to withdraw the executive session, additional information regarding the discussion on Charter amendments, and additional information relative to Ordinance No. 25-1996 regarding the electrical rate increase.

PERSONS TO BE HEARD

Jeremy Bynum said that he ran and won the State of Alaska House District One seat and will be sworn in on January 21, 2025. He highlighted some successes in the Electric Division over the last few years and discussed the needs of the division and the future improvements that are required to effectively and efficiently run. He thanked the Manager's office and staff and the Electric Division team for all their hard work and said it has been a pleasure working with them.

CONSENT AGENDA

Councilmember Mahtani asked to consider Purchase of Cortex XDR Licenses and Government Support Services – CompuNet, Inc, Purchase of Microsoft Office 365 Subscription Licenses and Support Services – Microsoft Corporation via SVAR CompuNet, Inc. and Purchase of Palo Alto Network Security Appliances with Five Years of Support – CompuNet, Inc. separately and no objections were heard.

Approval of Minutes – Special Budget Meetings of December 11 and 16, 2024 and the Regular Meeting of December 19, 2024

Moved by Flora, seconded by Mahtani the City Council approve the minutes from the special budget meetings of December 11 and 16, 2024, and the minutes from the regular meeting of December 19, 2024.

Motion passed with Flora, Finnegan, Coose, Kistler, Zenge, Gass and Mahtani voting yea.

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Change Order No. 1 (Final) to Contract No. 23-26, Schoenbar Culvert Rehabilitation – Dawson Construction, LLC

Moved by Flora, seconded by Mahtani the City Council approve Change Order № 1 to Contract № 23-26 Schoenbar Culvert Rehabilitation in the amount of \$451,544.65 bringing the final contract amount to \$3,711,164.65; authorize a budget transfer in the amount of \$125,545 from the Appropriated Reserves of the Public Works Sales Tax Fund to the Public Works Streets Transportation Infrastructure Capital Account to close the contract; and authorize the City Manager to execute the change order on behalf of the City Council.

Motion passed with Flora, Finnegan, Coose, Kistler, Zenge, Gass and Mahtani voting yea.

Change Order No. 2 (Final) to Contract No. 23-25, Tongass Sewer Force Main Rehabilitation Phase II – Dawson Construction, LLC

Moved by Flora, seconded by Mahtani the City Council approve Change Order № 2 to Contract № 23-25, Tongass Sewer Force Main Rehabilitation Phase II in the amount of \$143,340, bringing the final contract amount to \$1,571,916.45; and authorize the City Manager to execute the change order on behalf of the City Council.

Motion passed with Flora, Finnegan, Coose, Kistler, Zenge, Gass and Mahtani voting yea.

Amendment No. 2 to Contract No. 21-10, Programmable Logic Controller Upgrade – Adding Phase 4 PLC-CP Upgrade – Jacobs Engineering

Moved by Flora, seconded by Mahtani the City Council approve Amendment No. 2 to Contract No. 21-10, Programmable Logic Controller Upgrade – UV Disinfection Facility CP-100 Adding Phase 4 – PLC-CP-400 Upgrade in an amount not to exceed \$360,000, bringing the final contract amount to \$956,500; authorizing \$360,000 in funding from the 2024 Water Division's Capital Improvement Account No. 730.00; and directing the KPU General Manager to execute the contract documents on behalf of the City Council.

Motion passed with Flora, Finnegan, Coose, Kistler, Zenge, Gass and Mahtani voting yea.

Retail Marijuana Store License Renewal Application – The Stoney Moose

Moved by Flora, seconded by Mahtani the City Council approve the renewal application for: Retail Marijuana Store – License No. 10873 – The Stoney Moose, 127 Stedman St. Ketchikan, AK 99901.

Motion passed with Flora, Finnegan, Coose, Kistler, Zenge, Gass and Mahtani voting yea.

Purchase of Cortex XDR Licenses and Government Support Services – CompuNet, Inc.

Moved by Mahtani, seconded by Kistler pursuant to section 3.12.050(a)(6) of the Ketchikan Municipal Code, I move the City Council authorize the purchase of Cortex XDR licenses and government support services in the amount of \$20,000 from CompuNet, Inc.

IT Director Hecla answered questions from the Council.

Motion passed with Flora, Finnegan Mahtani, Gass, Coose, Zenge and Kistler voting yea.

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Purchase of Microsoft Office 365 Subscription Licenses and Support Services – Microsoft Corporation via SVAR CompuNet, Inc.

Moved by Mahtani, seconded by Kistler pursuant to section 3.12.050(a)(9) of the Ketchikan Municipal Code, the City Council authorize the procurement of Microsoft Office 365 subscription licenses and support services in the amount of \$140,000 from the Microsoft Corporation via SVAR CompuNet, Inc.

IT Director Hecla answered questions from the Council.

Motion passed with Coose, Zenge, Kistler, Flora, Finnegan, Gass and Mahtani voting yea.

Purchase of Palo Alto Network Security Appliances with Five Years of Support – CompuNet, Inc.

Moved by Mahtani, seconded by Kistler pursuant to section 3.12.050(a)(9) of the Ketchikan Municipal Code, the City Council authorize the procurement of Palo Alto network security appliances with five years of support in the amount of \$110,869.90 via NCPA,01-107 contract through CompuNet Inc., and direct the City Manager to execute the purchase on its behalf.

IT Director Hecla answered questions from the Council.

Motion passed with Zenge, Flora, Finnegan, Gass, Mahtani, Coose and Kistler voting yea.

UNFINISHED BUSINESS – None

NEW BUSINESS

Resolution No. 25-2950 – In Support of Amending Alaska State Statute Section 29.60.800 Raising the Maximum Available Alaska Department of Transportation Harbor Facility Grant to \$7,500,000 for Eligible Projects on an Annual Basis

Moved by Kistler, seconded by Flora the City Council approve Resolution No 25-2950 in Support of Amending Alaska State Statute Section 29.60.800 raising the maximum available Alaska Department of Transportation Harbor Facility Grant to \$7,500,000 for eligible projects on an annual basis.

Motion passed with Mahtani, Flora, Finnegan, Coose, Kistler, Zenge and Gass voting yea.

Resolution No. 25-2951 – Supporting Full Funding (\$5,740,408) for the State of Alaska Municipal Harbor Facility Grant Program in the FY2026 State Capital Budget

Moved by Kistler, seconded by Mahtani the City Council approve Resolution No. 25-2951 supporting full funding (\$5,740,408) for the State of Alaska Municipal Harbor Facility Grant Program in the FY2026 State Capital Budget.

Motion passed with Finnegan, Coose, Kistler, Zenge, Mahtani, Flora and Gass voting yea.

Direct Staff to Prepare Changes to the City Charter

Moved by Kistler, seconded by Coose the City Council direct staff to review the existing City Charter, prepare draft proposed Charter amendments as directed by the City Council for consideration and discussion at a future special meeting, and outline the public process.

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Manager Walsh stated the purpose of this item is for Council to provide a list of possible Charter changes for staff to research and provide information on ahead of the special meeting.

Councilmember Coose said four items have been identified, but he wondered when we would give the public an opportunity for their input. He felt they needed a way to participate in changes in addition to the ones that have been brought forward.

Vice-Mayor Finnegan felt as long as the meeting is properly noticed there is ample lead time on the meeting set for January 30, 2025, so folks can respond to the Council by phone call or email.

Manager Walsh said staff could do something similar that was done for the harbor rates and other public input items by providing a special link to our website and social media asking for public input ahead of the special meeting.

Councilmember Zenge said it was her understanding the Council would review and discuss the entire Charter at the special meeting and the public can weigh in during public comment, by email or calling to provide their input.

Councilmember Kistler understood staff just wanted information ahead of the meeting, so we aren't guessing.

Councilmember Mahtani agreed with comments made by Councilmembers Coose and Zenge and suggested a town hall meeting or an open house at Ted Ferry Civic Center. He felt we should not be limited to the four items staff has provided and we should be looking for input from the public.

Manager Walsh said all of these suggestions are doable, but staff tonight was just looking for any additional items that need to be researched in order to be better prepared.

Assistant Manager Simpson asked for clarification if the Council is still intent on holding a special meeting on January 30th or a town hall meeting. She stated at this point in time she cannot guarantee the availability of the Civic Center.

Vice-Mayor Finnegan said depending on public turn out comments under persons to be heard may be sufficient.

Councilmember Gass stated he is concerned to make changes to our Charter as it would be to the Constitution and suggested we really consider and vet any possible changes.

Councilmember Flora questioned if we decide to do a town hall prior to convening into a special meeting how quickly we could know if the Civic Center is available. He said he agrees with comments made by other Councilmembers that we should make every effort to have a venue that allows for participation from the public.

In answer to Councilmember Flora, Assistant Manager Simpson said she would contact the Ted Ferry Civic Center tomorrow to find out what their availability is. She said she would also look at the possibility of a secondary special meeting to discuss the matters from the town hall meeting.

Mayor Sivertsen agreed having a public meeting on the 30th of January sounds reasonable and questioned the timeframe the Clerk's office would need to hold a special election.

City Clerk Stanker stated her office would need a minimum of 60 days in order to hold a special election.

Moved by Mahtani, seconded by Flora the City Council will be allowed to add additional Charter revisions to the original four items provided by staff.

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Motion to amend passed with Flora, Finnegan, Mahtani, Gass, Coose, Zenge and Kistler voting yea.

Main Motion as amended passed with Zenge, Mahtani, Flora, Finnegan, Coose and Kistler voting yea; Gass voting nay.

Ordinance No. 25-1996 – Increasing Electrical per Kilowatt-hour (kWh) Rates by One and One-half Cents (\$.015) and all Other Rates by Twelve and One-half Percent (12.5%) – First Reading

Ordinance No. 25-1996 was available for all present.

Moved by Kistler, seconded by Coose the City Council approve Ordinance № 25-1996 in first reading, increasing electrical per kilowatt-hour (kWh) rates by one and one-half cents (\$.015) and all other rates by twelve and one-half percent (12.5%); establishing a date for public hearing; and providing an effective date.

Moved by Flora, seconded by Mahtani to amend the motion to read the electrical per kilowatt-hour (kWh) and all other rates be increased to 6%.

Councilmember Flora stated he brought this back for Council consideration for the following reasons:

- 6% is the increase staff had originally proposed, which will cover the CBA and the Bond Convenance.
- Regardless of the rate increase, it won't fix the problem.
- Capital projects still will not be accomplished.
- 12.5% is unsustainable by the community.

Electric Division Manager Bynum answered questions from the Council, stating that three 6% increases over three years will not fix the structural deficiency of over five million dollars. He said rate inflation for electric utilities is well over 20% in the last three years and we are not doing anything to address it. He said we have personnel and commodity costs and every year that we do nothing to address commodity costs our ratepayers are being harmed because we are not taking appropriate measures for capital and personnel investments. He informed that Councilmember Flora is correct that we have not had rate increases for several years, and that was in error and not in line with our Charter requirements. He said this is a problem that will need to be addressed over the next five to six years as it will be a continuous issue and will put pressure on our ratepayers. He said we will still have the lowest rate in Alaska and the Country.

A lengthy discussion ensued.

Manager Walsh informed assuming we got all of our capital projects done we will be out of cash/ reserves for all of KPU by the end of 2026. She said we are where we are today due to a lack of action taken in the past.

Motion to amend failed with Finnegan, Coose, Zenge and Kistler voting nay; Flora, Gass and Mahtani voting yea.

Main Motion passed with Finnegan, Coose, Kistler and Zenge voting yea; Flora, Gass and Mahtani voting nay.

APPROVAL OF VOUCHERS – None

MANAGER’S REPORT

Manager’s Report to Council

Manager Walsh provided, in addition to her Manager’s report, an update on:

- Water Project in CAPSIS.
- Information on shortened motions.
- Correction of Council Action regarding a budget transfer for the Fire Department to complete the purchase of the Lion Bulls Eye Digital Simulation Panel Package.

Schedule of General Government and KPU Appropriated Reserves Through December 19, 2024

Manager Walsh provided for Council review a schedule of General Government and KPU Appropriated Reserves through December 19, 2024.

Public Works Director’s Project Status Report – December 2024

Manager Walsh provided for Council review the December 2024 project status report from the Public Works Director.

Overtime Calculation for Temporary Employees

Manager Walsh provided the City Council with a report regarding overtime calculations for temporary employees.

COUNCIL COMMITTEE REPORTS

Councilmember Kistler provided the Council with the KVB Executive/Finance Committee report of December 17, 2024.

Councilmember Kistler provided the Council with the Emergency Planning Committee minutes report of November 13, and December 11, 2024.

CITY CLERK’S FILE- None

CITY ATTORNEY’S FILE

City Manager Walsh provided the Council with a copy of the report of significant activities from the City Attorney for the month of November 2024.

FUTURE AGENDA ITEMS – None

MAYOR AND COUNCIL COMMENTS

Councilmember Gass said he hopes the Council will soon start applying the same level of concern and scrutiny that we are applying to the KPU budget to our spending in the General Government budget.

Councilmember Coose commented on the Public Works Director’s report of the Alaska Department of Transportation’s (DOT) intent to install a light at Berth IV and stated his strong objection to this placement.

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Public Works Director Brakke informed that the DOT is planning a road project for that area, but the DOT still has to go through a process that includes requesting public comments, holding public meetings, and collecting information.

Councilmember Coose said he feels the best thing they can do for that area is to keep crossing guards in that area.

Assistant Manager Simpson said there was a small stakeholder meeting held with the DOT today, and there was overwhelming support in favor of having a light there. She stated that if the Council decides as this process goes on, there will be an opportunity for public comment. She asks for the Public Works Director to keep us informed so that at the right time, the Council can formulate their position on that light and potentially have a conversation with the DOT.

Councilmember Mahtani thanked staff for putting the meeting together and the Council for participating. He wished Mr. Bynum well and urged him to represent Ketchikan very well and thanked him for what he has done for the utility.

Councilmember Flora wished Mr. Bynum happy trails.

Councilmember Zenge said she looks forward to speaking with Mr. Bynum in the future and it has been a pleasure learning about the utility through him.

Councilmember Kistler wished him good luck in his new role.

Vice-Mayor Finnegan thanked City staff and crew for showing up on Friday morning in the face of a rather heavy and dense snowstorm in his neighborhood for scraping and taking care of the roads.

Mayor Sivertsen thanked Vice-Mayor Finnegan for filling in tonight. He also thanked the Council for their thoughts and opinions, as they are all important and represent a certain part of our community as we do this. He thanked Mr. Bynum for his dedication to the community through all of his endeavors in Ketchikan. He wished him luck and said that if there is anything that we can do from our end as a Council, please do not hesitate to call.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for an Executive Session – Collective Bargaining Agreement Between the City of Ketchikan and the International Brotherhood of Electrical Workers – Local 1547

Staff asked if there were any objections to withdraw this executive session and no objections were heard.

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

Jack Finnegan, Vice-Mayor

ATTEST:

Kim Stanker, City Clerk, MMC