



City Manager  
334 Front Street  
Ketchikan, AK 99901

Phone (907) 228-5603  
Fax (907) 225-5075

## TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: April 19, 2021

RE: **Approving Amendment No. 3 to Alaska Marine Highway System Winter Layup Agreement No. 2520S008 for the Use of Berth III**

The motion detailed below was prepared at the request of Acting Port & Harbors Director Mark Hilson, who asked that it be placed before the City Council for consideration at its meeting of May 6, 2021. If adopted, the motion provides for approving Amendment No. 3 to Alaska Marine Highway System Winter Layup Agreement No. 2520S008 for the use of Berth III. The purpose of the amendment is to modify the agreement to reflect the increase in dockage charges as established by Ordinance No. 19-1902, which was adopted by the City Council at its meeting of September 25, 2019 with an effective date of April 1, 2021. Mr. Hilson's transmittal memorandum is attached and requires no elaboration on the part of my office. I concur with the Acting Port & Harbors Director's recommendation.

Mr. Hilson will be attending the City Council meeting of May 6, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

### **RECOMMENDATION**

It is recommended that the City Council adopt the motion approving Amendment No. 3 to Alaska Marine Highway System Winter Layup Agreement No. 2520S008 for the use of Berth III and authorizing the City Manager and Acting Port & Harbors Director to execute the amendment on behalf of the City Council.

**Recommended Motion:** I move the City Council approve Amendment No. 3 to Alaska Marine Highway System Winter Layup Agreement No. 2520S008 for the use of Berth III and authorize the City Manager and Acting Port & Harbors Director to execute the amendment on behalf of the City Council.



2933 Tongass Avenue  
Ketchikan, Alaska 99901  
Phone (907) 228-5632  
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## **MEMORANDUM**

**To:** Karl Amylon, City Manager  
Lacey Simpson, Assistant City Manager  
**From:** Mark Hilson P.E., Port & Harbors Director  
**Date:** April 15, 2021  
**Re:** **AMHS Winter Layup Agreement, MOA No. 2520S008, Amendment Three**

The City of Ketchikan and The Alaska Department of Transportation and Public Facilities Alaska Marine Highways System (AMHS) entered into Memorandum of Agreement (MOA) Number 2520S008 for off season as needed berthing on July 30<sup>th</sup>, 2019. Among other things the MOA requires AMHS compensate the City for moorage at Berth III in accordance with the rate schedule established in the City of Ketchikan Municipal Code Section 13.08.100 and in effect at the time of moorage for non-passenger vessels staying 15 days or longer. This MOA has been amended twice since that time.

Attached is proposed Amendment Three, effective April 1, 2021, which reflects the increases in charges for port use as established by Ordinance 19-1902. This Ordinance was approved in second reading at the September 25, 2019 regular City Council meeting with an effective date of April 1, 2021. Currently, the AMHS M/V Hubbard is moored at Berth III and will remain moored there beyond April 1, 2021. According to Mr. Tom Mayer, a Procurement Specialist for the Alaska Department of Transportation, it is the State's intent to sign after they receive the signed Amendment from the City of Ketchikan.

I recommend the City Council authorize the Manager and the interim Port and Harbors Director to sign Amendment Three to MOA No. 2520S008.

**Recommended Motion:** I move the City Council approve amendment three to Memorandum of Agreement No. 2520S008 between the City of Ketchikan and the Alaska Marine Highway System for Berth III off-season berthing and direct the City Manager and Port & Harbors Director to execute the agreement on behalf of the City Council.

**Attachments:**

MOA No. 2520S008

Draft Amendment Three MOA No. 2520S008

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**MEMORANDUM OF AGREEMENT**

**BETWEEN THE**

**ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES**

**ALASKA MARINE HIGHWAY SYSTEM**

**AND**

**THE CITY OF KETCHIKAN**

**FOR**

**AS NEEDED VESSEL MOORAGE AT KETCHIKAN CITY BERTH III**

**PURPOSE:**

The purpose of this amendment to the Memorandum of Agreement between the Alaska Department of Transportation & Public Facilities, Alaska Marine Highways System, hereafter referred to as "DOT&PF/AMHS" and the City of Ketchikan is to formally recognize the current rate structure in effect as of January 1, 2020 for each vessel as seen in the vessel rate schedule below.

As of April 1, 2021, the following per foot rate shall apply in the event AMHS utilizes Ketchikan City Berth III:

Vessel	Length of Vessel	Per Foot Rate	Rate per Day	Vessel	Length of Vessel	Per Foot Rate	Rate Per Day
Hubbard	280	\$1.08	\$302.40	Columbia	418	\$1.77	\$739.86
Tazlina	280	\$1.08	\$302.40	LeConte	235	\$1.08	\$253.80
Matanuska	408	\$1.77	\$722.16	Aurora	235	\$1.08	\$253.80
Malaspina	408	\$1.77	\$722.16	Kennicott	382	\$1.38	\$527.16
Tustumena	296	\$1.08	\$319.68	Lituya	181	\$0.85	\$153.85

The parties hereto execute this Amendment:

\_\_\_\_\_  
Karl Amylon  
City of Ketchikan, City Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mark Hilson, P.E.  
City of Ketchikan, Port & Harbors, Interim Director

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cisco Flores  
AMHS Marine Engineering Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tom Mayer  
DOT&PF, Procurement Specialist V

\_\_\_\_\_  
Date



**Budget Transfer – Wartsila Generator – Bailey Generator No. 4 (BAG4) Parts and Repairs**

Moved by Williams, seconded by Flora the City Council authorize budget transfers in the amounts of \$50,000, \$50,000 and \$32,000 respectively from the Electric Division's 2019 Electric System Modernization Program, Diesel Generation Modernization and the Additional Project Capital Accounts to the Wartsila Generator Parts and Repairs Capital Account to cover the cost of procuring new and/or refurbished cylinder heads for Bailey Generator No. 4 (BAG 4).

Motion Passed with Coose, Gage, Zenge, Williams, Bergeron and Flora voting yea; Kiffer absent.

**Exempting the Extreme Networks (Core Network Infrastructure) Annual Maintenance and Support Services from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – CDW-G**

Moved by Williams, seconded by Flora pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of Extreme Networks (Core Network Infrastructure) annual maintenance and support services from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for the acquisition of such annual maintenance and support services with CDW-G in an amount not to exceed \$45,641.13; and approve funding from the Telecommunications Division' 2019 Software & Equipment Maintenance Services Account No. 635.04

Motion Passed with Coose, Gage, Zenge, Williams, Bergeron and Flora voting yea; Kiffer absent.

**UNFINISHED BUSINESS**

**Ordinance No. 19-1902 – Amending the Ketchikan Municipal Code Section 13.08.100; Subsections 13.08.125(b) and 13.08.155(a); Sections 13.08.185 and 13.10.030 to Increase Charges for Port Use; and Repealing Sections 13.08.101; 13.08.110; 13.08.120 and Subsection 13.08.125(e) – Second Reading**

Copies of Ordinance No. 19-1902 were available for all persons present.

Moved by Flora, seconded by Williams the City Council approve in second reading Ordinance No. 19-1902 amending Ketchikan Municipal Code Section 13.08.100; Subsections 13.08.125(b) and 13.08.155(a); Sections 13.08.185 and 13.10.030 to Increase Charges for Port Use; and Repealing Sections 13.08.101; 13.08.110; 13.08.120 and Subsection 13.08.125(e); and establishing an effective date.

Councilmember Coose said he supported the Port rate increases. He said he would like to see a requirement with the issuance of the Port and Public Vehicles permits that the applicant commit to the "Tourism Best Practice Management" in order to get their permit and if violated a penalty be imposed.

September 25, 2019

Councilmember Flora said he supports these increases as written, but would like to see an additional ordinance put in place with annual increases to keep pace with inflation.

Councilmember Gage questioned if the meetings were open to the public regarding the “Tourism Best Practice Management”.

In answer to Councilmember Gage’s question regarding “Tourism Best Practice Management”, Councilmember Coose informed the Ketchikan Visitors Bureau has had the meetings and as far as he knew they were open to the public. He indicated the City should receive a copy before it is finalized.

Manager Amylon said he would need to consult with the City Attorney as to whether or not the City can make that a condition of the issuance of the Port and Public Vehicle permits.

Motion Passed with Gage, Zenge, Williams, Flora, Bergeron and Coose voting yea; Kiffer absent.

**Ordinance No. 19-1901 – Amending Section 3.04.010 and Subsection 3.04.100(q) of the Ketchikan Municipal Code; Regarding Sales Tax Exemptions for Single Unit Sales and Periodic Rentals – Second Reading**

Copies of Ordinance No. 19-1901 were available for all persons present.

Moved by Williams, seconded by Zenge the City Council approve in second reading Ordinance No. 19-1901 amending sections 3.04.010 and Subsection 3.04.100(q) of the Ketchikan Municipal Code; regarding sales tax exemptions for single unit sales and periodic rentals; and establishing an effective date.

Councilmember Bergeron said he would not be voting in the affirmative on this. He said with an effective date of January 1, 2020 it didn’t seem fair to the downtown merchants this time of year. He didn’t feel it was beneficial to the people they serve, and was not an incentive to shop locally.

Councilmember Gage indicated she would be voting in the affirmative since it has been 40 years since the sales tax cap was increased. She cited the labor statics from that time moving forward and noted \$1,000 isn’t worth today what it was back then.

Councilmember Bergeron said the State senior property tax exemption of \$150,000 hasn’t changed since it was implemented, and with inflation there isn’t a house you can buy for that anymore, and felt it was bad policy to increase the sales tax cap.

Manager Amylon said the ordinance has been adopted by the Borough Assembly and if the City doesn’t follow suit the merchants will have to set their registers for two separate sales transactions.



**As-Needed Vessel Moorage – Ketchikan City Berth III**

**Memorandum of Agreement**

**No. 2520S008**

**Between**

**The State of Alaska,**

**Department of Transportation & Public Facilities,**

**Alaska Marine Highway System**

**And**

**City of Ketchikan**

This agreement for off season berthing is entered into, by and between the Parties identified immediately below:

State of Alaska (the "State" or the "AMHS")  
Department of Transportation & Public Facilities  
Alaska Marine Highway System  
7559 N. Tongass Highway  
Ketchikan, Alaska 99901

And

City of Ketchikan (the "City")  
334 Front Street  
Ketchikan, AK 99901

**TERM**

The approximate term of this as-needed agreement is for three years, from date of final execution through August 31, 2022. This agreement may be terminated by either the City or AMHS with a ninety (90) day written notice.

**PURPOSE**

The purpose of this agreement is to define the services and requirements for off-season berthing of AMHS vessels at City Berth III.

The State desires to ensure maximum feasible protection for its vessels from physical damage and degradation during the berthing period.

**VESSEL CHARACTERISTICS**

<b><u>Hubbard</u></b>	<b><u>Specification</u></b>	<b><u>Tazlina</u></b>	<b><u>Specification</u></b>
Overall Length	280.0 feet	Overall Length	280.0 Feet
Beam	67.0 Feet	Beam	67.0 Feet
Draft	12.6 Feet	Draft	12.6 Feet
Displacement Tonnage	2,100 Long Tons	Displacement Tonnage	2,100 Long Tons
<b><u>Matanuska</u></b>	<b><u>Specification</u></b>	<b><u>Malaspina</u></b>	<b><u>Specification</u></b>
Overall Length	408.0 feet	Overall Length	408.0 Feet
Beam	74.0 Feet	Beam	74.0 Feet
Draft	17.0 Feet	Draft	17.0 Feet
Displacement Tonnage	5,569 Long Tons	Displacement Tonnage	5,552 Long Tons
<b><u>Tustumena</u></b>	<b><u>Specification</u></b>	<b><u>Columbia</u></b>	<b><u>Specification</u></b>
Overall Length	296.0 feet	Overall Length	418.0 Feet
Beam	59.0 Feet	Beam	85.0 Feet
Draft	14.5 Feet	Draft	17.6 Feet
Displacement Tonnage	3,067 Long Tons	Displacement Tonnage	7,683 Long Tons
<b><u>LeConte</u></b>	<b><u>Specification</u></b>	<b><u>Aurora</u></b>	<b><u>Specification</u></b>
Overall Length	235.0 feet	Overall Length	235.0 Feet
Beam	57.0 Feet	Beam	57.0 Feet
Draft	14.0 Feet	Draft	14.0 Feet
Displacement Tonnage	2,132 Long Tons	Displacement Tonnage	2,132 Long Tons
<b><u>Kennicott</u></b>	<b><u>Specification</u></b>	<b><u>Lituya</u></b>	<b><u>Specification</u></b>
Overall Length	382.0 feet	Overall Length	181.0 Feet
Beam	85.0 Feet	Beam	50.0 Feet
Draft	17.6 Feet	Draft	10.6 Feet
Displacement Tonnage	7,503 Long Tons	Displacement Tonnage	647 Long Tons

**AGREEMENT**

The City of Ketchikan will provide AMHS a mooring facility at City Berth III during the off-season.

The AMHS will contract with local stevedoring services for a gangway that is adequately sized, self-adjusting, lighted and certified for foot traffic, including line-handling services for vessel arrivals and departures.

The AMHS will provide and manage an adequate vessel marine fender system between the dock and vessel for the term of this agreement, including installation on arrival and removal on departure.

The AMHS will be responsible for the safety of its vessel 24-hours a day, 7-days a week while moored at City Berth III. The intent of these safety measures are, but not limited to:

- Prevent the general public and unauthorized personnel gaining entry to the vessel at any time.
- Allow AMHS crew and emergency services to immediately access the vessel.
- Record all crew, contractor, visitor, and vehicle access to the vessel and berthing facility; the access log will be maintained by AMHS personnel.
- Provide snow plowing and removal activities in a timely manner during inclement weather conditions for the purpose of emergency service vehicle access and AMHS crew access from the gate to the vessel.

The City will furnish 480 volt, 600 amp, 3 phase, A.C. electrical power to shore power box(s) with one installed meter to monitor electrical usage by the vessel. AMHS will be responsible for payment of metered electrical usage to the City on a monthly basis with the charges provided as a separate line item on the monthly invoice for moorage. AMHS will be responsible for arranging the connection and disconnection of electrical services.

The City shall ensure that fire fighting water supply is available at all times to ensure the vessel's fixed fire extinguishing systems are ready for immediate use, and provide two (2) charged fire mains with water @ min 80 lb/in<sup>2</sup>, 4" line connected to the vessel's fire main and sprinkler system shore connections. The connection valve between shore and vessel shall remain dry with the valve closed at the shore hydrant, unless fire fighting water is required aboard the vessel. The City will arrange for connection and disconnection of water services.

The City shall provide Fire, Emergency and Medical services to the vessel. It is understood that the City of Ketchikan Fire Department will provide this service. A 'fee for service' shall form the basis of billing for the emergency services. These costs shall be billed to AMHS at cost (no markup) on a monthly basis.

A planning conference and walk-through with City of Ketchikan Port & Harbors department and City Fire department representatives and vessels' crew shall occur within one week of a vessels' arrival at City Berth III. Incident pre-planning and response scenarios shall be part of this meeting.

During the initial berthing period, AMHS will maintain a partial crew onboard that will engage in maintenance activities and preparations for winter lay-up. AMHS personnel will remove all food and linens, cover exhaust stacks, drain freezable liquids from various systems, and perform other housekeeping activities. At its discretion, AMHS may assign additional crew members or outside contractors to accomplish specific tasks. AMHS will furnish a list of assigned employees and contractors to the City.

Near the end of the berthing period, as advised by AMHS, vessel crew will report onboard to start-up electrical, heating, and other normal services. This phase of the lay-up period will initially involve non-resident crew, progressing to crew living aboard as hotel services are re-established, and the vessel will eventually generate its own power. City will provide AMHS with designated parking for approximately 12 vehicles on or near the concrete dock adjacent to the ramp leading to City Berth III. Requests for



additional parking will be handled on a case by case basis depending on the number of spaces requested, time of year and availability of adequate spaces.

### **INDEMNITY AND INSURANCE**

#### **Article 1. Indemnification**

The City shall indemnify, hold harmless, and defend the State from and against any claim of, or liability for error, omission or negligent act of the City under this agreement. The City shall not be required to indemnify the State for a claim of, or liability for, the independent negligence of the State. If there is a claim of, or liability for, the joint negligent error or omission of the City and the independent negligence of the Contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "City" and "Contracting agency", as used within this and the following article, include the employees, agents and other Contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the Contracting agency's selection, administration, monitoring, or controlling of the City and in approving or accepting the City's work.

#### **Article 2. Insurance**

Without limiting City's indemnification, it is agreed that City shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the City's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits. Certificates of Insurance must be furnished to the Contracting Officer prior to beginning work and must provide for a 30-day prior notice of cancellation, nonrenewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the City's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

**2.1 Workers' Compensation Insurance:** The City shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the State.

**2.2 Commercial General Liability Insurance:** covering all business premises and operations used by the City in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

**2.3 Commercial Automobile Liability Insurance:** covering all vehicles used by the City in the performance of services under this agreement with minimum coverage limits of \$300,000 combined single limit per occurrence.

### **RATE SCHEDULE and PAYMENT**

It is mutually agreed and understood by and between the parties that AMHS shall compensate the City for moorage at Berth III in accordance with the rate schedule established in the City of Ketchikan Municipal Code and in effect at the time of moorage for non-passenger vessels staying 15 days or

longer. As of August, 2019, the respective rates for each vessel for the remainder of 2019 are expected to be the following:

Vessel	Rate per Day	Vessel	Rate Per Day
Hubbard	\$156.80	Columbia	\$384.56
Tazlina	\$156.80	LeConte	\$131.60
Matanuska	\$375.36	Aurora	\$131.60
Malaspina	\$375.36	Kennicott	\$275.04
Tustumena	\$165.76	Lituya	\$79.64

#### **BILLING**

Billing shall be on a monthly basis with invoices being sent to the following:

Alaska Marine Highway System  
Attn: Julia Scarzella, Accounts Payable  
7559 N. Tongass, Ketchikan, AK 99901

#### **POINTS OF CONTACT**

The following officials are designated to act for the City of Ketchikan and the State.

**For the City of Ketchikan:**


Karl Amylon  
City Manager  
Phone: (907) 228-5603  
  
Steve Corporon  
Director, Port & Harbors  
Phone: (907) 228-6049, Cell: (907) 617-3680  
Email: stevec1@city.ketchikan.ak.us

**For the State:**

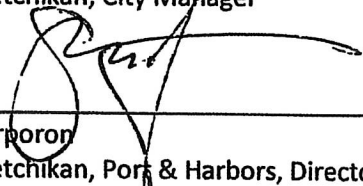
John Falvey  
AMHS, General Manager  
Phone: (907) 228-7250  
  
Cisco Flores  
AMHS, Marine Engineering Manager  
Phone: (907) 225-7285, Cell: (907) 254-2905  
  
Tom Mayer  
DOT&PF, Procurement Specialist Officer  
Phone: (907) 465-8855  
Email: tom.mayer@alaska.gov

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The parties hereto execute this Agreement:

  
Karl Amylon  
City of Ketchikan, City Manager

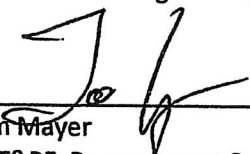
7.19.19  
Date

  
Steve Corporon  
City of Ketchikan, Port & Harbors, Director

7/19/19  
Date

  
Cisco Flores  
AMHS Marine Engineering Manager

7-30-19  
Date

  
Tom Mayer  
DOT&PF, Procurement Specialists

7/30/19  
Date