

TRANSMITTAL MEMORANDUM

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TO: The Honorable Mayor & City Council

FROM: Delilah A. Walsh, City Manager Initials: 

DATE: November 9, 2022 File #: MGR22-007

**RE: Change Order № 1 (FINAL) to Contract № 22-17 – Padmount Transformers, General Pacific Inc.**

In adopting the 2022 Ketchikan Public Utilities Operating & Capital budget, the City Council allocated \$90,000 to the Electric Division’s Transformer Purchase capital account. At its meeting of August 18, 2022, the City Council adopted a motion accepting the bid of General Pacific Inc. in the amount of \$84,426 for Contract № 22-17 for padmount transformers.

At the time of the purchase and approval, Electric Operations Manager Mark Adams detailed in his August 5, 2022 memorandum that the initial purchase price would ensure a build slot and an updated pricing change order would be provided when completed. This change order resolves that final price adjustment and completes the purchase.

The motion detailed below was prepared at the request of Mr. Adams, who asked that it be placed before the City Council for consideration at its November 17, 2022 meeting. If adopted, the motion provides for approving Change Order № 1 to Contract № 22-17 in the amount of \$3,309 bringing the final total cost to \$87,735. A short explanation for the change order is detailed in Mr. Adam’s memorandum and requires no further elaboration on the part of the City Manager’s office. I concur with his recommendation.

The Electric Division Manager will be attending the City Council meeting of November 17, 2022 in order to address any questions and/or concerns that Councilors may have.

A motion has been prepared for City Council consideration.

**RECOMMENDATION**

It is recommended the City Council adopt the motion approving Change Order № 1 to Contract № 22-17, Padmount Transformers between the City/KPU and General Pacific Inc. in the amount of \$3,309 bringing the total final contract cost to \$87,735; and directing the City Manager to execute the contract change order on behalf of the City Council.

**Recommended Motion:** I move the City Council approve Change Order № 1 to Contract № 22-17, Padmount Transformers between the City/KPU and General Pacific Inc. in the amount of \$3,309 bringing the total final contract cost to \$87,735; and directing the City Manager to execute the contract change order on behalf of the City Council.



Electric Division  
1065 Fair Street  
Ketchikan, AK 99901

Phone: (907) 225-5505  
Fax: (907) 247-0755

## Memorandum

**To:** Delilah A. Walsh, KPU General Manager

**From:** Mark Adams, Electric Operations Manager

**Date:** November 4, 2022

**Subject:** **Change Order 1, Contract 22-17 Padmount Transformers**

Ketchikan Public Utilities, Electric Division (KPU) requests authorization for Contract No. 22-17 Padmount Transformers Change Order 1 (Final) to General Pacific, Inc. in the amount of \$3,309, with funding coming from the Division's Transformer Capital Improvement account.

At the August 18, 2022 City Council meeting, General Pacific was awarded the \$84,426 contract to secure a factory build slot. A change order has been anticipated for final pricing before the transformers go into production in the first quarter of 2023.

### Recommendation:

It is recommended that the City Council authorize Contract No. 22-17 Padmount Transformers Change Order 1 to General Pacific, Inc. in the amount of \$3,309.

cc: Jeremy Bynum, PE, Acting Electric Division Manager

Attachments:  
Change Order 1  
CIP #18 Transformer Purchase



Electric Division  
 1065 Fair Street  
 Ketchikan, AK 99901

Phone: (907) 225-5505  
 Fax: (907) 247-0755

October 28, 2022

General Pacific, Inc.  
 PO Box 70  
 Fairview, Oregon 97024

**Re: Change Order 1: Contract 22-17, Padmount Transformers**

This change order modifies your original contract with the City of Ketchikan d/b/a Ketchikan Public Utilities to reflect additional work related to this project:

**Description**

1. Additional 15kVA Transformer Pricing: \$468
2. Additional 25kVA Transformer Pricing: \$1,491
3. Additional 50kVA Transformer Pricing: \$1,350

**Total Change Order No. 1 \$3,309**

Original Contract;	\$ 84,426.00	Previous Total	\$ 84,426.00
Previous Addition:	\$ -- 0 --	This Change Order	\$ 3,309.00
Previous Deduction:	\$ -- 0 --	New Total	\$ 87,735.00

This above amount covers all work in connection with this change. Your acceptance and the Owner's acceptance shall constitute and become a part of your contract with the City of Ketchikan d/b/a Ketchikan Public Utilities dated August 19, 2022. The above changes shall be subject to the same terms and conditions as contained in said contract.

**Contractor:**  
**GENERAL PACIFIC, INC.**

\_\_\_\_\_  
**PROJECT ADMINISTRATOR (KPU)**

By: \_\_\_\_\_

Note: All changes in work done on this contract must be reported to and accepted by the Owner before extras will be authorized.

Date: \_\_\_\_\_

**Accepted By:**  
**City of Ketchikan d/b/a Ketchikan Public Utilities, Owner**

By: \_\_\_\_\_

Date: \_\_\_\_\_

# ORDER ACKNOWLEDGEMENT

General Pacific, Inc.

P.O. Box. 70  
Fairview, OR 97024  
USA  
503-907-2900

Order Number	
1281747	
Order Date	Page
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**Bill To:**

Ketchikan Public Utilities  
334 Front St  
Ketchikan, AK 99901-6431  
US

**Ship To:**

Ketchikan Public Utilities  
1065 Fair St  
Ketchikan, AK 99901  
USA

1-907-225-5505

Attn: Accounts Payable

Ordered By: Mr. Mark Adams

Customer ID: 100758

<i>PO Number</i>	<i>Ship Route</i>	<i>Taker</i>
2022-00001488	ANY	SFRAHM

<i>Quantities</i>					<i>Item ID</i> <i>Item Description</i>	<i>Pricing UOM</i> <i>Unit Size</i>	<i>Unit Price</i>	<i>Extended Price</i>
<i>Ordered</i>	<i>Allocated</i>	<i>Remaining</i>	<i>UOM Unit Size</i>	<i>Disp.</i>				

**Delivery Instructions:** \* KETCHIKAN PRICE INCLUDES FRT TO DESTINATION - KETCHIKAN, AK . \*\*

3.0000	0.0000	3.0000	EA	D	ERM 15KVA 1-PH PADMOUNT W/POLYPAD Transformer, 12470GRDY/7200, 240/120V, LF STRADDLE TAPS STAINLESS STEEL TANK DOOR SILL ANSI 2 ERMCO QUOTE #656201	EA	6,161.0000	18,483.00
				1.0		1.0		
<b>Order Line Notes:</b> PROD SLOT 1-9-23								

7.0000	0.0000	7.0000	EA	D	ERM 25 KVA 1PH PAD XFMR 12470GY/7200, 240/120, 95 BIL 1 BU LF STRADDLE TAPS STAINLESS STEEL TANK DOOR SILL ANSI 2 ERMCO QUOTE # 656201	EA	6,558.0000	45,906.00
				1.0		1.0		
<b>Order Line Notes:</b> PROD SLOT 1-9-23								

3.0000	0.0000	3.0000	EA	D	ERM 50KVA 12470GRDY/7200; 240/120 Padmount Transformer LF STRADDLE TAPS STNLS STEEL TANK HOOD SILL ANSI 2 ERMCO QT # 656201	EA	7,782.0000	23,346.00
				1.0		1.0		
<b>Order Line Notes:</b> PROD SLOT 1-9-23								

# ORDER ACKNOWLEDGEMENT

General Pacific, Inc.

P.O. Box. 70  
 Fairview, OR 97024  
 USA  
 503-907-2900

Order Number	
1281747	
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<i>Quantities</i>					<i>Item ID</i>	<i>Pricing</i>		<i>Extended</i>
<i>Ordered</i>	<i>Allocated</i>	<i>Remaining</i>	<i>UOM</i>	<i>Disp.</i>	<i>Item Description</i>	<i>UOM</i>	<i>Unit Price</i>	<i>Price</i>
			<i>Unit Size</i>			<i>Unit Size</i>		

Total Lines: 3

**SUB-TOTAL:** 87,735.00  
**TAX:** 0.00  
**AMOUNT TENDERED :** 0.00  
**AMOUNT DUE:** 87,735.00  
 U.S. Dollars

<b>Division:</b> Electric	<b>Project Priority:</b> 18	<b>Project Number:</b>
<b>Project Title:</b> Transformer Purchase	<b>Start Date:</b> 01/22 <b>End Date:</b> 12/26	<b>Estimated Project Cost:</b>
<b>Description:</b> This capital account funds the routine and preventative replacement and upgrades of both pole mounted and pad mounted transformers throughout the system. Projected increases are anticipated due to the expected rise in the price of metals.		Design Land/Right-of-Way Construction Management Construction Equipment 500,000 Other Project Total 500,000

Source of Funds	Prior Years	Adopted 2022			Projected Requirements				Total Project
		Reappropriated	New Funding	Total	2023	2024	2025	2026	
Revenue Generating Fund			90,000	90,000	95,000	100,000	105,000	110,000	500,000
<b>Total</b>			90,000	90,000	95,000	100,000	105,000	110,000	500,000

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Regular City Council meeting was called to order by Mayor Kiffer at 7:01 p.m., August 18, 2022, with the following members present: Riley Gass, Janalee Gage, Jai Mahtani, Abby Bradberry, Judy Zenge, Mark Flora (via WebEx) and Lalette Kistler.

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, Finance Controller Hart, City Attorney Seaver, Public Works Director Hilson, Police Chief Walls, Fire Chief Hines, Library Director Tully, Electric Division Operations Manager Adams, Deputy Clerk Lee and City Clerk Stanker.

### **PUBLIC HEARING**

Mayor Kiffer called the public hearing on Ordinance No. 22-1949 to order at 7:02 p.m. and requested public testimony.

As there was no testimony, Mayor Kiffer declared the public hearing closed at 7:02 p.m.

### **COMMUNICATIONS**

Mayor Kiffer informed there a few items laid on the table, including; information regarding the Homelessness Needs Assessment public forum that is scheduled for Wednesday, August 24, 2022 at the Ted Ferry Civic Center and information on the effects of the ballot proposition to repeal the non-area wide library powers and associated mill rate if approved by voters at the October 4, 2022 election.

### **PERSONS TO BE HEARD**

Hunter Davis, Jeremiah Sullivan and Mike Weston with the American Legion spoke to issues and concerns regarding the First City Homeless Shelter, and asked for a meeting to discuss ways to help improve the situation.

Licha Kelley-King with Rendezvous Senior Day Center and thrift store asked for a reduction in their trash fees due to the fact people are dumping garbage at their facility that they have to dispose of.

Sheila Miller asked the Council to look into the mandatory use of masks at the library, especially for the children and teen events.

### **CONSENT AGENDA**

Mayor Kiffer suggested moving a few items to the Consent Agenda, including; Appointments to boards and commissions and a budget transfer for the award of Contract No. 22-17, Padmount Transformers, to General Pacific, Inc. No objections were heard.

### **Approval of Minutes – Regular City Council Meeting of August 4, 2022**

Moved by Bradberry, seconded by Zenge for approval of the minutes from the regular City Council meeting of August 4, 2022.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

August 18, 2022

**Ordinance No. 22-1951 – An Ordinance Regarding the Filing and Payment of Citations by Amending Subsection (a); and Adding a New Subsection (b) to That Section of the Ketchikan Municipal Code (KMC) 1.02.080 Entitled “Disposition”; Amending KMC Section 1.02.090 Entitled “Payment of Fine Without Court Appearance”; KMC Section 10.24.030 Entitled “Fine Schedule for Traffic Offenses in This Chapter”; KMC 10.12.050 Entitled “Traffic Fine Schedule -Adoption of State Bail Forfeiture Schedule by Reference” – First Reading**

Copies of Ordinance No. 22-1951 were available for those present.

Moved by Bradberry, seconded by Zenge the City Council approve in first reading Ordinance No. 22-1951 amending Subsection (a) and adding a new Subsection (b) to that Section of the Ketchikan Municipal Code (KMC) Section 1.02.080 entitled “Disposition”; amending KMC Section 1.02.090 entitled “Payment of Fine Without Court Appearance”; KMC Section 10.23.0202 entitled “Fine Schedule for Traffic Offenses in this Chapter”; KMC 10.12.050 entitled “traffic Fine Schedule-Adoption of State Bail Forfeiture Schedule by Reference”, and establishing an effective date.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

**Resolution No. 22-2857 – Appointing the Election Workers for the Regular Municipal Election to be Held on October 4, 2022; Approving the Appointment of Members of the Canvass Board as Authorized by the City Clerk**

Moved by Bradberry, seconded by Zenge the City Council approve Resolution No. 22-2857 appointing the election workers for the regular municipal election to be held on October 4, 2022; approving the appointment of members of the canvass board as authorized by the city clerk; and establishing an effective date.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

**Ordinance No. 22-1950 – Amending Section 1.08.490 Entitled “Canvass of Returns” and Section 1.08.530 Entitled “Certification of the Election Results” of the Ketchikan Municipal Code – First Reading**

Copies of Ordinance No. 22-1950 were available for those present.

Moved by Bradberry, seconded by Zenge the City Council approve in first reading Ordinance No. 22-1950 amending Ketchikan Municipal Code section 1.08.490 entitled “Canvass of Returns” and section 1.08.530 entitled “Certification of the Election Results”; and establishing an effective date.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

August 18, 2022

**Resolution No. 22-2845 – Naming the Waterfront Promenade the “Len Laurance Waterfront Promenade”**

Moved by Bradberry, seconded by Zenge the City Council approve Resolution No. 22-2845 naming the waterfront promenade the “Len Laurance Waterfront Promenade”; and establishing an effective date.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

**Resolution No. 22-2859 – Naming the Park Bordering Berth III “Eagle Park”**

Moved by Bradberry, seconded by Zenge the City Council approve Resolution No. 22-2859 naming the park bordering Berth III “Eagle Park”; and establishing an effective date.

Motion passed with Gass, Gage, Zenge, Bradberry, Mahtani, Flora and Kistler voting yea.

**Appointments to Boards and Commissions – Mayor Kiffer**

Mayor Kiffer submitted the names of Zoe Sobel as a member at large and Mia Simon as a student representative to the Library Advisory Board. No objections were heard.

**Budget Transfer – Award of Contract No. 22-17 – Padmount Transformers – General Pacific, Inc.**

Moved by Bradberry, seconded by Zenge the City Council award Contract No. 22-17, Padmount Transformers, to General Pacific, Inc. in the amount of \$84,426; authorize a budget transfer in the amount of \$80,000 from the Electric Division's 2022 Technical Services Account No. 635.12 to the Electric Division's 2022 Transformer Purchase Capital Account; authorize funding in the amount of \$84,426 from the Electric Division's 2022 Transformer Purchase Capital Account; and direct the Acting General Manager to execute the contract documents on behalf of the City Council.

Motion passed with Gage, Gass, Kistler, Mahtani, Flora, Bradberry and Zenge voting yea.

**UNFINISHED BUSINESS**

**Ordinance No. 22-1949 – Amending Subsection (A) of Section 3.04.020 of the Ketchikan Municipal Code Entitled “Levy of Tax” To Provide For An Additional One Percent Consumer Sales Tax During the Period of April 1 Through September 30; Amending Subsection (B) of Section 3.04.040 of the Ketchikan Municipal Code Entitled “Tax Added To Sales Price”; Amending Subsection (D) of Section 3.04.130 Entitled “Use of Proceeds of Sales Tax – Second Reading**

Copies of Ordinance No. 22-1949 were available for all present.

Moved by Gage, seconded by Zenge the City Council approve in second reading Ordinance No. 22-1949 amending Subsection (A) of Section 3.04.020 of the Ketchikan Municipal Code entitled “Levy of Tax” to provide for a three percent consumer sales tax during the period of October 1 through March 31 and a five and one-half percent consumer sales tax during the period of April 1 through September 30; amending Subsection (B) of Section 3.04.040 of the Ketchikan Municipal Code entitled “Tax Added To Sales Price”; amending Subsection (C) and (D) of Section 3.04.130 entitled “Use Of Proceeds Of Sales Tax”; and establishing an effective date.

August 18, 2022

Councilmember Kistler expressed her concerns and potential problems for certain service-type businesses and rent collection they are going to have by collecting a split tax depending on when a job ends or when a person's rent is paid, and suggested they should be able to opt-out and pay an average tax rate all year around.

Acting City Manager answered questions from the Council.

Councilmember Gage said there were communities that have been doing this for years, and felt we are creating a bigger problem by trying to split some services out. She stated this Council didn't opt to increase the mill rate a while back to cover other increases, and we need to raise the revenue in order to provide the community services that people need and want.

City Attorney Seaver answered questions from the Council in regards to implementing several different tax structures.

Councilmember Bradberry stated everyone had four weeks to bring forth all these different scenarios and to get a legal opinion or input from the Borough, and none were submitted before tonight, and stated she is in support of moving forward with this as is.

Councilmember Zenge said she was expecting negative feedback after the first reading, but she had more people contact her with positive input. She felt by in large people are excited that the Council is finally doing something they understand, and stated she will support this motion as is.

Councilmember Gass said he had heard from folks in the community and felt there will be issues that will come with this tax change. He said at least with this option the community will get more from our summer visitors. He said he didn't support any tax increase and what he is hearing from the community is to reduce government and find ways to not increase taxes.

Councilmember Mahtani said he has heard the same issues that other Councilmembers have described. He informed the comments he has received just came in the last few days. He said overall this is the best proposal, but questioned if a few of these things could be worked out before the Council considers this in second reading.

Mayor Kiffer stated part of the challenge is this has to be approved by the Council who spent the money, and it is not fair to force a future Council to approve a sales tax increase. He questioned staff about the consequences of postponing until the next Council meeting.

Acting City Manager Simpson said this has already been amended, and echoed comments made by Mayor Kiffer that the Council is running out of time with this particular issue relative to finding a revenue stream to support prior actions taken. She said this does not preclude the Council from making future adjustments or looking into other remedies in the future.

Councilmember Flora agreed with comments made, but there is no sales tax option that does not impact locals financially. He said he also heard from a business owner who expressed a lot of these same concerns, and stated he would support this motion.

Motion as passed with Kistler, Flora, Bradberry, Zenge and Gage voting yea; Gass and Mahtani voting nay.

**NEW BUSINESS**

**Establishing October 1, 2022 as a Sales Tax Holiday**

Moved by Zenge, seconded by Kistler pursuant to Section 3.04.035 of the Ketchikan Municipal Code, the City Council declare a Sales Tax Holiday on Saturday, October 1, 2022 and suspend the collection of sales tax on goods and services during the Sales Tax Holiday, pursuant to similar action to be taken by the Ketchikan Gateway Borough Assembly.

Acting City Manager Simpson answered questions from the Council.

Moved by Bradberry, seconded by Gass to amend the motion to add a second tax-free holiday on April 1, 2023 with the concurrence of the Borough Assembly.

A lengthy discussion ensued, and Councilmember Bradberry withdrew her motion with the consent of the seconder.

Moved by Bradberry, seconded by Mahtani to amend the main motion by adding a second tax-free holiday on March 25, 2023 with the concurrence of the Borough Assembly taking similar action.

Acting City Manager Simpson thought the last sales tax holiday equated to about a \$35,000 reduction in city sales tax revenues.

Motion to amend passed with Flora, Zenge, Gass, Kistler, Bradberry, Gage and Mahtani voting yea.

Main Motion as amended passed with Gage, Zenge, Bradberry, Flora, Mahtani, Gass and Kistler voting yea.

**Budget Transfer – Water Street Trestle No. 1 Reconstruction –  
Alaska Department of Transportation & Public Facilities  
(ADOT&PF)**

Moved by Bradberry, seconded by Gage the City Council authorize a budget transfer in the amount of \$215,527 from Appropriated Reserves of the Public Works Sales Tax Fund to the Public Works-Streets Division's 2022 Water Street Trestle No. 1 Reconstruction Capital Account for the required local match to the State of Alaska Department of Transportation & Public Facilities (ADOT & PF) to fund this project.

Motion passed with Mahtani, Kistler, Gass, Zenge, Bradberry, Gage and Flora voting yea.

**Supplemental Emergency Medical Transport (SEMT) Program  
Funding**

Moved by Kistler, seconded by Bradberry the City Council take such action as determined appropriate regarding the use and allocation of the Supplemental Emergency Medical Transport program funds.

Fire Chief Hines informed the City was able to obtain this money by the State because of his administrative assistant and two other employees in the Finance Department. He explained the three different options provided to the Council in the manager's report. He said there are many things we can use this money for that would greatly benefit our community; like pairing our paramedics with mental health professionals, which some other communities are already doing.

August 18, 2022

Acting City Manager Simpson said a SEMT fund needs to be created so staff can track their expenditures and have that fund be established for uses the Finance Director outlined in her memo. She said her preference initially would be for 100 percent of the funds to go into the newly created SEMT fund as we need to be able to demonstrate that the funds are being used properly for staff, training and reinvesting in people.

Moved by Bradberry, seconded by Gage to amend the main motion to direct staff to create an SEMT fund and (100%) one hundred percent of the funds received from the State be placed into that account.

Fire Chief Hines answered questions from the Council.

Motion to amend passed with Gass, Mahtani, Gage, Bradberry, Kistler, Flora, and Zenge voting yea.

Mayor Kiffer ruled the adopted amendment would substitute for the main motion.

### **Budget Transfer – Fire Department**

Moved by Bradberry, seconded by Mahtani the City Council authorize the Acting City Manager to transfer \$90,000 from appropriated reserves of the General Fund to the Fire Department’s 2022 travel-Training Account No. 600.02 in the amount of \$44,500; Travel and Education Account No. 600.02 in the amount of \$25,500; Uniforms/Badges/Clothing Account No. 535.04 in the amount of \$2,000; and Special Protective Clothing Account No. 535.05 in the amount of \$18,000 for the purpose of funding necessary travel, training and associated expenditures for the new Fire Fighter/EMT personnel.

Acting City Manager Simpson answered questions from the Council.

Motion passed with Zenge, Flora, Kistler, Bradberry, Mahtani, Gass and Gage voting yea.

**APPROVAL OF VOUCHERS** - None

### **CITY MANAGER’S REPORT**

Acting City Manager Simpson informed the Mayor, Port & Harbors Director Verfaillie and herself met with representatives of the Cruise Lines International Association (CLIA) to continue conversations on how the City and CLIA can work together to find common ground, and move forward on shared initiatives. She said at this time staff is hoping CLIA will give a presentation to the Council on their ten-year outlook. She reminded the Homelessness Needs Assessment public forum is scheduled for next Wednesday, August 24<sup>th</sup> at the Ted Ferry Civic Center starting at 6:00 p.m., and the community is welcome to attend.

Councilmember Bradberry questioned the status of the open department head positions.

Acting City Manager Simpson indicated at this time they are doing in-house interviews for the Information Technology Director and the Telecommunication Divisions Manager. She said they are re-advertising for the Electric Division Manager at the current salary to see if things have shifted in the market.

August 18, 2022

Mayor Kiffer questioned what the status was regarding some of the downtown stores serving alcohol to their customers.

Police Chief Walls said we can go down and talk to them, but apparently, some of the businesses have applied for a permit, and there is not much of a fine for this. He said the Bureau of Alcohol, Tobacco Firearms and Explosives (ATF) would be the primary party to enforce it. He said they would give the party a warning and have them apply for a permit.

Clerk Stanker said her office could contact the State Office of Alcohol & Marijuana Control Office (AMCO) to see what the regulations are and what permits can be obtained.

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of August 4, 2022**

Acting City Manager Simpson attached for Council review a schedule of the current balance of Appropriated Reserves of the various funds of General Government and KPU through the City Council meeting of August 4, 2022.

**Conclusion of Contract No. 22-03 – Totem Heritage Center Ramp Replacement – Dawson Construction, Inc.**

Acting City Manager Simpson attached for Council review an informational memorandum from Public Works Engineering Project Manager Robinson regarding the conclusion of Contract No. 22-03, Totem Heritage Center Ramp Replacement awarded to Dawson Construction, Inc.

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

**Project Status Reports of the KPU Division Managers – July 2022**

Acting General Manager Simpson provided for Council review the project status reports of the KPU Division Managers for the month of July 2022.

**Report of July 17, 2022 Power Outage**

Acting General Manager Simpson provided the Council a memorandum from Acting Electric Division Manager Bynum regarding the power outage of July 17, 2022.

**CITY CLERK'S FILE**

City Clerk Stanker reminded the City Council Candidacy period for the two three-year Council seats and the one one-year seat closes on August 25, 2022 at 5:00 p.m. She indicated applications can be obtained from the City of Ketchikan's website or in the Clerk's office at City Hall. She said to please let the Clerk's office know if you plan on attending Southeast Conference so we can register you. She said this year's conference will be hosted in Ketchikan.

**CITY ATTORNEY'S FILE**

Acting City Manager Simpson supplied the Council with a copy of the report of significant activities for the office of the City Attorney for the Month of July 2022

**FUTURE AGENDA ITEMS**

Councilmember Gass said he would like staff to convene the Cooperative Relations Committee with the Ketchikan Gateway Borough, to partner with them to turn the lot on Bawden Street into a basketball court. He stated there is enough room for a basketball court and a few parking spaces. He informed he would like a report from the Police Chief on what our enforcement policy is regarding open container and disorderly conduct laws. Lastly, he asked for an ordinance to reduce Mayor and Council pay by \$100 for regular meetings.

Mayor Kiffer asked for a show of hands to ask staff for the report from the Police Chief and an ordinance to reduce Mayor and Council compensation, and at least four hands were shown.

Councilmember Bradberry questioned if we could create a non-profit trash bin fee that would offer a slight discount for non-profits. She said she would like to see an analysis, and if it is feasible, to offer that. Secondly, she would like to establish an email communication policy in regards to communication amongst the Council and staff to avoid the potential breach of the Open Meetings Act.

Clerk Stanker said she would work with Councilmember Bradberry to review and create an email policy.

Councilmember Mahtani said he would like to have the First City Homeless Shelter staff present what policies and procedures they have in place to help control the issues occurring outside of their building.

Acting City Manager Simpson said she has met with two of the First City Homeless Shelter (FCHS) board members, and said with the Council's permission, she would like representatives of FCHS to attend the next City Council meeting to verbally give an update and answer questions.

Councilmember Kistler said she would like a discussion relative to simplifying the issues between going from one tax rate to another.

Councilmember Gage said several years ago there was discussion on building a parking garage across the street from City Hall up to Edmonds Street, and would like to reconsider doing that, with the possibility of finding funding for the project.

**MAYOR AND COUNCIL COMMENTS**

Councilmember Mahtani thanked staff. He felt they had a good discussion tonight and concluded all of the issues went well.

Councilmember Gass stated he was really impressed with the work from the Fire Department for getting that funding. He said regarding the homeless shelter, there is some validity to the issues the Council has heard about. He said the Council needs to start looking at some options or revisit the funding policy the City has with that organization. He informed he has heard a lot of comments regarding the facility being open 24-hours and maybe the hours need to be reduced going forward. He continued, he drives past the shelter driving to and from work every day and it is total anarchy, and the Council is going to have to make some tough decisions.

August 18, 2022

Councilmember Bradberry said over the last week she crossed paths with many City staff and everyone was phenomenal. She informed she is currently attending the Alaska Power Association convention as a SEAPA board of director, and is hearing of some great potential opportunities for our community. She said there are people attending this convention from all over the state, and she heard from many of them about how great our utility department is, and complimented the Electric Department and City management staff on its continued growth. She continued hopefully in the future we will be able to find opportunities to help offset our carbon footprint. She informed she has had mixed feelings about the homeless shelter since being on the grants committee, and we have never talked about security or safety concerns. She said we need to look into how we can move forward with this to come up with a cost effective, best solution for everyone. She extended her prayers and thoughts to the folks that were involved in the stabbing incidents this week.

Councilmember Zenge congratulated the Fire Department, this speaks very well to the chief and how he empowers his employees, which is what we want to see in the City. She spoke to the issues regarding homeless shelter and said this is not acceptable. If we have a shelter that is not functioning properly, that is putting our citizens at risk then we should shut it down until they can get their act together. She said something bad is going to happen and we are responsible for everyone in the community. She informed the board has great people, but if they need assistance on how to run it, then they need to go get it or shut it down until they can figure out how to solve the problem of running it. She indicated they need security, proper training and an executive director that knows what they are doing, and has experience running shelters.

Councilmember Kistler agreed that something needs to be done at the shelter, and questioned if having it be operating 24-hours a day might make it worse since they are always there. She suggested maybe the day shelter and the overnight shelter be in different locations. She said they definitely need more oversight there. She congratulated the Fire Department on the funding and said it is very exciting.

Councilmember Gage congratulated the Fire Department staff. She echoed comments made by Councilmember Zenge regarding the homeless shelter. She informed it used to be that once people entered for the evening they were not allowed to leave until a certain time in the morning. She said she was under the impression that they would have training and staff that would work with people, but right now it sounds like a free for all. She stated this shelter was created for people to go to have a safe space, especially when the weather is bad, but this could end up being a liability.

Mayor Kiffer stated the reality is that the shelter has outgrown its ability to handle the situation. He said it's all well and good to be able to get grants from all over the place, but it is up to us to keep an eye on it and make sure things are going in the right direction. It is clear that because their clientele is different than the other shelter in that area, which is a dry facility, which is why it is run so well. He stated we created the overnight warm shelter idea because there were people dying on the streets. He would like to hear from staff whether First City Homeless Shelter is meeting the benchmarks that we set. He said we have to be aware of the law of unintended consequences, and by allowing that expansion and growth, in that process we were not paying attention to the unintended consequences. He thought Councilmember Gass' suggestion for a basketball court in the Bawden Street parking lot is interesting, however, the Council needs to consider the best of that property for the long term. He said keep in mind that the reason the federal funding for the new PATH shelter was lost was because we took the steps of not attaching a site to that proposal, which killed it.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS**

**Request for Executive Session – Appointment Term of the Acting City Manager/General Manager**

Moved by Zenge, seconded by Mahtani the City Council declare that consistent with the Acting City Manager's report dated August 8, 2022, it is in the best interest of the City Council to go into executive session in accordance with Ketchikan Municipal Code 2.04.025(a)(1) and (2) for the purpose of discussing the continued appointment of the Acting City Manager/KPU General Manager, which may involve discussion of subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion and to discuss subjects the knowledge of which could have an immediate adverse impact on the finances of the City of Ketchikan.

Motion passed with Bradberry, Flora, Mahtani, Kistler, Gass, Zenge and Gage voting yea.

The Council took a short break at 9:32 p.m. and recessed into executive session at 9:40 p.m. and reconvened into regular session at 10:10 p.m.

Mayor Kiffer said the Council has completed its executive session to discuss the continued appointment of the Acting City Manager/KPU General Manager, and direction was given to staff.

**Request for Executive Session – City Attorney Contract Evaluation**

Moved by Kistler, seconded by Mahtani the City Council recess into executive session in accordance with Ketchikan Municipal Code 2.04.025(a)(2) for the purpose of conducting an evaluation of the contract performance of Ziegler Law Firm under its City Attorney Services Contract, which involve discussion of subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion.

Motion passed with Bradberry, Flora, Mahtani, Kistler, Gass, Zenge and Gage voting yea.

The Council recessed into executive session at 10:13 p.m. and reconvened into regular session at 11:11 p.m.

Mayor Kiffer said the Council has completed its executive session to conduct an evaluation of the contract performance of Ziegler Law Firm under its City Attorney Services Contract, and direction was given to staff.

**Request for Executive Session – Discussion of Strategies Relative to Negotiation of a New Collective Bargaining Agreement Between the City of Ketchikan and the Public Safety Employees Association to Replace the Existing Contract that Expired June 30, 2022**

Moved by Kistler, seconded by Bradberry the City Council declare that consistent with the Acting City Manager's memorandum dated August 10, 2022 it is in the best interest of the City to discuss strategies relative to negotiation of a new collective bargaining agreement between the City of Ketchikan and the Public Safety Employees Association to replace the existing contract that expired June 30, 2022 in executive session; in accordance with that finding, the City Council go

August 18, 2022

into executive session in accordance with the Ketchikan Municipal Code 2.04.025(a)(1) to discuss said negotiations and the auxiliary items described in the Acting City Manager's memorandum which matters include the need to discuss subjects the knowledge of which would have an adverse impact upon the finances of the City and upon the City's ability to negotiate favorable labor agreements.

Motion passed with Bradberry, Flora, Mahtani, Kistler, Gass, Zenge and Gage voting yea.

The Council recessed into executive session at 11:15 p.m. and reconvened into regular session at 11:25 p.m.

Mayor Kiffer said the Council has completed its executive session to discuss strategies relative to negotiation of a new collective bargaining agreement between the City of Ketchikan and the Public Safety Employees Association to replace the existing contract that expired June 30, 2022, and direction was given to staff.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 11:27 p.m.

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Dave Kiffer, Mayor

ATTEST:

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Kim Stanker, MMC  
City Clerk

**FYI ITEMS INCLUDED**

Love in Action, Newsletter, August 2022  
Southeast Senior Services' Quarterly Activity Report – April Through June 2022  
Water Utilization Study Report – July 2022



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## Memorandum

**To:** Lacey G. Simpson, Acting KPU General Manager

**From:** Mark Adams, Electric Operations Manager

**Date:** August 5, 2022

**Subject:** **Budget Transfer & Award of Contract 22-17 Padmount Transformers**

Ketchikan Public Utilities, Electric Division (KPU) requests authorization to award Contract No. 22-17 Padmount Transformers to General Pacific, Inc. in the amount of \$84,426, and authorize a \$80,000 budget transfer from Technical Services (Account #635-12). Funds are available from Technical Services due to no bids being received for 2022's Utility Tree Pruning contracts. Please note that General Pacific's ERMCO bid amount is to secure a build slot for the transformers in the 1<sup>st</sup> quarter of 2023. A change order to secure final pricing will be presented for City Council approval in late 2022 or early 2023. KPU has found that ERMCO transformers are frequently the most affordable units, and this bid is most advantageous to the utility.

A Request for Bids (RFB) was issued on June 30, 2022, with received bids being publicly opened at the City Clerk's office on July 28, 2022. The bids are as follows:

- General Pacific, ERMCO Transformers: \$84,426 to secure build slot; 1<sup>st</sup> quarter 2023
- General Pacific, Howard Transformers: \$168,970; 1<sup>st</sup> quarter 2023
- Integrated Power Systems, Larson Electronics Transformers: \$187,204; 4<sup>th</sup> quarter 2023
- Wesco Distribution, Power Partners Transformers: Non-Responsive (polemount transformers, not padmounted transformers; \$138,000; manufacturer's quote expired; freight charges incomplete
- Wesco Distribution, T&R Electric Transformers: Non-Responsive (reconditioned transformers, not new; polemount and padmount); no price provided; 1<sup>st</sup> quarter 2024

A Notice of Intent to Award was sent to the respective bidders on August 5, 2022.

### Background

KPU budgeted \$90,000 in 2022's Capital Improvement Project #18 Transformer Purchase account. As of August 1, 2022, only \$28,900 remained. Due to high demand and nationwide supply chain challenges, 2022 has seen an unprecedented rise in transformer costs and delivery

lead times. Prices have dramatically surpassed KPU's traditional means of acquiring transformers via competitive bids as allowed by Ketchikan Municipal Code (KMC) 3.12.040 (b).

In June, 2022, KPU issued an RFB for transformers (both padmount and polemount transformers), with zero (0) bids received. The RFB documents were revised to split padmount and polemount transformers into separate contracts, respectively, and to allow for an extra week of open bidding time.

KPU must ensure an adequate inventory of transformers as critical spares for existing units installed in the system, and to meet the needs of new and upgraded electrical loads throughout the community. The additional amount being requested under the budget transfer is intended to provide funding to allow KPU to make small scale unforeseen transformer purchases for the remainder of the year, and also to provide the basis for the expected change order.

**Recommendation:**

It is recommended that the City Council award Contract No. 22-17 Padmount Transformers to General Pacific, Inc. in the amount of \$84,426; and authorize a \$80,000 budget transfer from Technical Services (Account 635-12) to the Electric Division's Transformer Purchase Capital Improvement Project account.

cc: Jeremy Bynum, PE, Acting Electric Division Manager

Attachments:  
General Pacific ERMCO Bid  
CIP #18 Transformer Purchase