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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, City Manager

DATE: June 14, 2019

RE: **Unapproved Minutes of the June 12, 2019 Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee Meeting**

Attached for City Council review is a copy of the unapproved minutes of the Ketchikan Gateway Borough/City of Ketchikan Cooperative Relations Committee meeting of June 12, 2019. Should Councilmembers have questions and/or concerns regarding the minutes, staff can attempt to respond accordingly.

KETCHIKAN GATEWAY BOROUGH CITY OF KETCHIKAN

Cooperative Relations Committee Meeting

June 12, 2019

Assembly Chambers, White Cliff

Call to Order

The meeting was called to order by Chair Pierce at 12:00 p.m.

Present at the meeting:

City of Ketchikan

Member Coose

Member Flora

Manager Amylon

Assistant Manager Simpson

Ketchikan Gateway Borough

Member McQuerry

Member Pierce, Co-Chair

Member Westergard

Manager Duran

Finance Director Gubatayao

Planning Director Harney

Assistant Manager Thomas

Administrative Assistant Hanis

Deputy Clerk Fox

Clerk Paxton

Members not in attendance: City Council Member Bergeron (Co-Chair)

Citizen Comments

Terrence Robbins, citizen of the Borough, discussed the Tobacco 21 proposal. He referenced a policy on Tobacco 21, which he said, was the model for the Anchorage policy. He provided statistics on the impacts of tobacco use and deaths due to tobacco-related diseases. He emphasized the program worked by raising the tobacco use age to 21, and opined that 19-year-olds would not be purchasing for younger youth. He reported that, due to implementation of the tobacco excise tax in Ketchikan, between January 2017 and January 2018, adult smoking rates dropped 21.4 percent. Mr. Robbins explained that lobbyists in Juneau had been urging the Legislature to pass a statewide Tobacco 21 law with certain exemptions. He emphasized that a local Tobacco 21 law would prevent most kids from having access to tobacco products.

Unfinished Business

There was no unfinished business.

New Business

Community Tourism Strategy and Request for Joint Funding – Borough Planning Director

Richard Harney, Planning Director, provided a presentation on the proposed Community Tourism Strategy project, for which he said \$80,000 was appropriated in the FY 2020 Borough budget. He provided the elements of the strategy:

- Partnership between governments and citizens;

- Cruise tourism is large part of economic development; requires well-trained tourism workforce;
- Tourism area life cycle: destinations follow process of development including exploration, involvement, development, consolidation, stagnation; then provides opportunity for rejuvenation or decline;
- Tourism sustainability – proper management and planning ensures destination maintains its environmental integrity and the resources and character that made it attractive in the first place;
- Need policy for tourism management to address:
 - How does decision affect the visitors?
 - What are implications for the industry?
 - How does tourism affect residents and community?
 - Impacts to destination and culture.
- Scope of work not yet developed, but initial goals are to analyze circumstances and set objectives; includes residents, chamber, municipalities, Ketchikan Visitors Bureau, businesses, tour operators, cruise lines, and other independents;
- Borough Assembly allocated \$80,000 to lead community in tourism strategy process;
- Strategy includes development of neighborhood plans, such as Herring Cove, Clam Cove, Mountain Point area, trails, parks, etc.;
- Goal is to reduce conflicts between tourism and residents;
- Requesting financial support and commitment to participate from City of Ketchikan.

M/S MCQUERRY/COOSE to request the City members to take the item to the City Council and request joint funding for the tourism strategy

Member Flora agreed there was a need to work together to mitigate future impacts and supported forwarding the request to participate to the Council. However, he said he would not support the City making a financial investment due to the level of Commercial Passenger Vessel (CPV) infrastructure projects already funded by the City and the current financial burden due to the port project. Member Flora opined that the Borough had no structural obligation for CPV projects and should fund the tourism strategy project. Member Coose agreed with the need for a common-sense tourism plan and for participation in the plan by the City. In response to questions raised, Manager Amylon stated that City residents were also Borough residents, and as such, a request for City funding in addition to the Borough funding would ask the City residents to take on a disproportionate amount of the cost. He emphasized the project was part of a Borough planning project. He said if the plan moved forward, City staff would participate in the process.

M/S WESTERGARD/FLORA to amend to “participation and funding”

Member Westergard clarified that the amendment would allow for the City Council to participate in the planning process even if it did not want to participate in funding.

Upon roll call the vote on the AMENDMENT to “request the City members to take the item to the City Council and request joint participation and funding for the tourism strategy” was:

YES: MCQUERRY, WESTERGARD, COOSE, FLORA, PIERCE

AMENDMENT DECLARED CARRIED. MAIN MOTION DECLARED CARRIED BY AMENDMENT.

Tobacco 21 Initiative – referred by City Council

Member Flora spoke in support of moving forward with the proposal. Member McQuerry commented that City police did not participate in enforcement, so it could become a burden on City police. Conversely, she said, the Borough would be dependent on State troopers. She voiced concern about enacting more laws that could not be enforced. Manager Amylon said based on discussions with the City Police Chief, if the Borough and City were to adopt the law, the State would not enforce the 21 age limit, but would still enforce it at 19. To be effective, he said, both jurisdictions would need to go forward.

Mr. Robbins responded to questions raised by committee members and urged the Borough to move forward to consider the proposal. He said that the City and Borough of Sitka had passed the tobacco age limit to 21.

M/S MCQUERRY/FLORA to forward the Tobacco 21 Initiative to the Borough Assembly

Upon roll call the vote on the MOTION was:

YES: FLORA, COOSE, MCQUERRY, PIERCE

NO: WESTERGARD

MOTION DECLARED CARRIED

Reports of Officers or Staff

Report on Online Sales Tax Collection – Borough Finance Director

Finance Director Gubatayao provided a summary of the recent State online sales tax meeting she attended:

- Definitions may be problematic as the code could not have a separate set of definitions for online sales tax;
- The Borough currently received remittance from half a dozen online retail companies;
- The overall vision was a statewide sales tax administrator as an arm of AML similar to the Alaska Municipal League Joint Insurance Association (AMLJIA);
- Eventually, once administrator and software in place, Borough and City would separately consider whether to opt in to statewide collection while still collecting locally;
- Program would include an administration fee, send checks to two bodies;
- Consideration should be given to the fact that citizens may interpret it as a new tax;
- Two committees were formed: 1) Definitions; and 2) Establishing an administrator; volunteered for both committees, and inviting Borough Attorney to participate.

Report on Request for Community Flag – City Mayor

Bob Sivertsen, City Mayor, reported a request for a community flag was presented to the City and forwarded to the committee. Kathleen Light, KAAHC Director, presented the current City of Ketchikan flag depicting a salmon on a green background. She recommended moving slowly on the project to include community input, and suggested it could start at the Blueberry Arts Festival with a comment box. She said the Arts Council was willing to participate and build the process and budget for the committee to consider.

After a discussion, consensus was reached to forward the request to the Assembly and Council.

Review of Issue List and Selection of Topics for Discussion at Next Meeting:

The consensus of the committee was to schedule the following topic for the next committee meeting:

- Increase to the Single Unit Sales Tax Cap

Confirmation of Next Meeting Date and Location:

The next meeting was scheduled for Wednesday, August 7, 2019, at noon in Borough Assembly Chambers.

Committee Member Comments

There were no comments.

Adjourn

The meeting adjourned at 1:10 p.m.

Submitted by Kacie Paxton, Borough Clerk