

Regular Ketchikan City Council meeting was called to order by Mayor Sivertsen at 7:00 p.m., January 7, 2021, with the following members present in the Ted Ferry Civic Center: Riley Gass, Janalee Gage, Mark Flora, David Kiffer, Abby Bradberry and Samuel Bergeron. Councilmember Zenge was absent.

The Pledge of Allegiance was given by all persons in the Ted Ferry Civic Center.

Mayor Sivertsen stated the Recital of Native Lands Acknowledgement.

Staff present were Manager Amylon, Assistant Manager Simpson, Finance Director Johansen, Police Chief White, Deputy Police Chief Mattson, Human Resources Manager Miller, City Attorney Seaver, Acting Port & Harbors Director Hilson, Project Manager Robinson, Civic Center Manager Nelson, Deputy Clerk Lee and City Clerk Stanker.

COMMUNICATIONS

Mayor Sivertsen informed there were several items laid on the table, including; Correspondence from Disney Cruise Lines regarding the upcoming cruise season; Resolution No. 2882 amended and adopted by the Ketchikan Gateway Borough regarding vaccination and recognizing the individual right of citizens to choose; A letter from First City Homeless Services; A request to withdraw the agenda item regarding the amendment to the professional services agreement of the Thomas Basin Promenade by PND Engineers, Inc.; An FYI regarding the cancellation of Alaska cruise sailings scheduled through May 15, 2021; The description for the City's Port & Harbors Direction position; Reports regarding the Ocean Ranger Program, including the 2019 annual compliance report regarding Cruise ship wastewater environmental compliance program.

PERSONS TO BE HEARD

Mary Stephenson cited her concerns regarding the Resource Committee and the Safeguard Ketchikan Community workgroup and felt they have not been transparent, although their minutes are posted on Facebook. She felt to ensure the community agrees that an area wide bubble is the communities best option, but Ketchikan still has to be approved by the sail mandates. She encouraged all persons involved to safeguard Ketchikan by setting a date for a community work session, so Ketchikan can be prepared for the 2021 cruise season.

Grant Echohawk stated his concerns regarding the nations recent events and the spread of untruths or inaccuracies which he felt can lead to violent actions. He also stated concerns that a member of this body would have issues executing and fulfilling their elected official duties because of their support for Trump and involvement with the group "Stop the Steal".

Councilmember Gass said he has never accused anyone of being a traitor, and that he we was only executing his first amendment right. He encourage all people of all political beliefs to do the same.

Chris Parks informed the Council of the recent updates with the cruise industry. He said it is looking more bleak for the 2021 cruise season and will continue until they satisfy the Canadian Government and the Center for Disease Control (CDC). He informed he was on the subcommittee of the Resource Committee, and they will be making recommendations soon. He suggested the vaccine be approved and administered to frontline dock and merchant workers. He stated his concerns regarding the current job description of the port director and felt the port director job should specifically focus on creating a relationship with the cruise industry to develop and cultivate a positive business relationship to maximize the return to the community and should report directly to the Council. He indicated this position and its role should be well thought out, and should be separate from the harbors, but felt the entire process will be long and arduous.

CONSENT AGENDA

Mayor Sivertsen suggested moving a couple items to the Consent Agenda, including: Appointments to Boards and Commissions; Change Order No. 1 regarding Bar Harbor North Ramp 3 and Electrical Floats 10 & 11 to Pool Engineering, Inc.; and no objections were heard.

Mayor Sivertsen asked for consensus to withdraw the item regarding professional agreement for a conceptual design of the Thomas Basin Promenade to PND Engineers per staff's laid on the table. Councilmember Bergeron indicated he would still like to have it left on as a discussion item.

Manager Amylon informed that the assistant manager, the acting port & harbors director and himself had the opportunity to participate in a meeting with other southeast port communities and various representative of the cruise lines. He indicated it became clear that the industry is also challenged in their response they have been given from the CDC, and he felt we will all be challenged in seeing a full season. He referenced direction given back in July by Council for a budget structured on a 50% cruise passenger basis, but felt the 2021 season will be far less. He stated we have debt service obligations on Berth III and lease obligations on Berth IV, and we may need to move carefully and possibly defer some of the programmed capital projects for 2021 further out.

Approval of Minutes – Special City Council Meetings of November 23 and 30, 2020, December 7 and 9, 2020 and Regular City Council Meeting of December 17, 2020

Moved by Kiffer, seconded by Gage approval of the minutes for the special City Council meetings of November 23 and 30, 2020, December 7 and 9, 2020 and the regular City Council meeting of December 17, 2020.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora and Bergeron voting yea; Zenge absent.

Consenting to and Approving Vacation of an Access and Utility Easement as Detailed in Ketchikan Gateway Borough Planning Commission/Platting Board Resolution No. 4280 A, Approving a Request for a Vacation of the Easement on Lot 12A-1 and the Preliminary Plat to Create Two Lots from Lot 14A, U.S. Survey 2635, According to Plat No. 99-23, K.R.D., Located at 1400 Block Ketchikan Lakes Road, City of Ketchikan (Case No. 20-067)

Moved by Kiffer, seconded by Gage the City Council consent to and approve the vacation of the access and utility easement on Lot 12A-1, as approved by the Ketchikan Gateway Borough Planning Commission/Platting Board through the approval of Resolution No. 4280 A at its meeting of November 10, 2020 (Case No. 20-067).

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora and Bergeron voting yea; Zenge absent.

Liquor License Renewal Application – Oceanview Restaurant, LLC d/b/a Oceanview Restaurant

Moved by Kiffer, seconded by Gage the City Council approve the liquor license renewal application for Beverage Dispensary: License No. 4536 – Oceanview Restaurant, LLC d/b/a Oceanview Restaurant 1831 Tongass Ave. Ketchikan, AK 99901.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora and Bergeron voting yea; Zenge absent.

Appointments to Boards and Commissions – Mayor Sivertsen

Mayor Sivertsen recommended the appointment of Licha Kelly-King to the Historic Commission; No objections where heard.

Change Order No. 1 to Contract No. 20-03 – Bar Harbor North Ramp 3 & Electrical Floats 10 & 11 – Pool Engineering, Inc.

Moved by Kiffer, seconded by Gage the City Council approve Change Order No. 1 to Contract No. 20-03, Bar Harbor North Ramp 3 & Electrical Floats 10 & 11, between the City and Pool Engineering, Inc. in the amount of \$14,100 with the addition of three days to the contract completion date, bringing the total contract cost to \$742,900; authorize funding from the Harbor Department’s Replacement of Bar Harbor North Ramp No. 3 and the electrical service on Floats 10 and 11 Capital Account; and direct the City Manager to execute the contract change order on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora and Bergeron voting yea; Zenge absent.

UNFINISHED BUSINESS

Moved to Consent Agenda.

NEW BUSINESS

Alaska Industrial Development and Export Authority (AIDEA) Presentation Regarding the Ketchikan Shipyard

Alan Weitzner, AIDEA Executive Director, Jesse Peterson, AIDEA Senior Manager Project Finance & Asset Management and Julie Sande, Board Member, provided an annual report on the Ketchikan Shipyard:

- Brief Overview;
- Public private partnership between AIDEA, City of Ketchikan, Ketchikan Gateway Borough and Virgor Industrial;
- Shipyard facilitates overview;
- Alaska Ship & Dry-dock overview;
- Shipyard’s economic capabilities;
- Ship building & Economic Benefits and financing structure;
- 2019 shipyard performance;
- 2020 status updates;
- Plans for expansion, development plan objectives including the repair / conversion Hall;
- 2020 COVID-19 impacts;
- 2021 plans and goals.

Councilmember Kiffer questioned what specific steps were in place moving forward to expand beyond the 80% reliance on the Alaska Marine Ferry System.

Mayor Sivertsen questioned how Ketchikan Shipyard is doing in comparison with other shipyards in the Pacific Northwest, and if the maintenance is keeping up with the revenues or do we have deferred maintenance that we are playing catch up on.

Councilmember Gass said a few years back he remembers a push to capture some of the tug boat business and questioned if that was successful.

Alan Weitzner, Jesse Peterson and Julie Sande answered questions from the Council.

Mayor Sivertsen thanked members from AIDEA for working within Alaska to help the economy grow, and for their presentation tonight.

Federal Emergency Management Agency (FEMA) Floodplain Mapping Update – Ketchikan Gateway Borough Planning and Community Development Director Richard Harney

Planning Director Harney provided a presentation on the FEMA Risk Map Program for the City Council, which included:

- History of the Borough's involvement in the National Flood Insurance Program (NFIP) and the City and Borough joint resolutions adopting all required standard of the NFIP;
- 2013 - State of Alaska Department of Community and Economic Development (DCCED) identified the Ketchikan Gateway Borough as a priority for floodplain updates and the Risk Map program;
- 2016-2019 Draft Flood Insurance Risk Map period and appeal process;
- 2020 draft maps available for review: 117 structures added; 71 removed and 97 structures will remain the same;
- Timeline going forward; open house January to April 2021; appeal period May to August 2021; resolution with comments and appeals December 2021; Letter of final determination February 2022; maps become effective August 2022;
- Request to delay finalization due to COVID-19.

Mayor Sivertsen questioned if these designations will affect future construction along the waterfront.

Mr. Harney answered questions from the Council.

Ongoing Review and Discussion of Cruise Related Issues – Councilmember Bergeron

Mayor Sivertsen indicated that Manager Amylon has already informed of the cruise related issues with other communities in regards to how they are looking at the season. He echoed Manager Amylon as there is a certain amount of frustration in moving forward.

Councilmember Bergeron expressed his concerns that the CDC is not providing any guidelines or criteria for the cruise industry to work from. He indicated the clock is ticking every day and we are not getting any direction on what we need to do. He suggested a letter from the Council be written to the CDC encouraging them to open up the cruise industry, and give the communities the guidelines we need to get moving.

Councilmember Gage didn't feel the larger ships were coming, and encouraged staff to solicit the smaller lines into coming here and see what their plans are.

Councilmember Gass indicated everyone probably shares Councilmember Bergeron's points of frustration with the CDC. He said he was in support to send a letter to the CDC.

Councilmember Bergeron said he had some questions regarding the Thomas Basin Promenade. He indicated if we move forward with this project the federal entity and private individuals have a substantial amount to gain from our work and expense. He said with conversations he has had with the Mayor and others that he would like to see the other parties that will benefit to come forward and put in some funding at least on their property. He said he would like to find out what their involvement is going to be before we start expending funds on design on the City's dime.

Acting Port & Harbors Director Hilson said he agreed.

Ongoing Review and Discussion of State of Alaska COVID-19 Health Mandates – Councilmember Bergeron

No report on this item.

Continued Review and Discussion of City Council Direction for the Position of Port & Harbors Director – Councilmember Zenge

Mayor Sivertsen asked if there was any objections to defer this item to the meeting of January 21, 2021 due to Councilmember Zenge's absence. No objections were heard.

Manager Amylon clarified based on comments made by Mr. Parks regarding the job description of the Port Director that this is the existing job description without response or modifications from the Council.

Continued Review and Discussion of City Council Direction for the Make Up of the Resume Our Cruise Economy – Mayor Sivertsen

Patti Mackey President and CEO of the Ketchikan Visitors Bureau, Inc. referenced her letter in the packet which explained the context of what the Resource Steering Committee has been doing and their structure and concerns around the potential "bubble". She said they have come up against the same frustration as she has heard here tonight. She indicated all we have are the two documents that have been submitted and under consideration by everyone else:

- The Healthy Sail Panel recommendations put forward by Royal Caribbean and Norwegian that has been adopted by most of the cruise lines.
- CDC's – Conditional Sail Order and that is the response to the cruise lines to get their ships in order.

Ms. Mackey explained the Conditional Sail Order was the CDC's response to the Healthy Sail Panel, and everyone is waiting for the CDC to comment. She said there are no real answers out there. She said the Resource Steering Committee was put together at the request of the Council to look at the process and gather available information. She informed the Steering Committee created

sub-work groups to facilitate these discussions. She said they will meet for the first time this week and are putting together their plan of work, and have added additional members for representation, which included independent tour operators and merchants. She said the committee reviewed the Healthy Sail Panel recommendations and came to the conclusion that only nine out of the 74 recommendations could they actually have input on. She indicated with those nine recommendations the committee started working on how we get that information out, and who is going to be responsible for responding.

Councilmember Bradberry thanked Ms. Mackey for the information that is being put out there. She said there are still many folks out there that have concerns, and just want to be able to listen to the committee meetings.

Ms. Mackey answered questions from the Council, but felt at this point there really isn't anything to discuss. She said as far as a public forum goes, in order to be effective you have to have something for people to comment on. She said she would be happy to answer any questions the Council may have.

Councilmember Kiffer echoed comments made by Councilmember Bradberry. He said if the process could be opened up where people could just listen it wouldn't be a bad idea for the long term.

Councilmember Gass said he agreed with both Councilmembers Kiffer and Bradberry. He thanked Ms. Mackey for listening to folks, and by adding more members to the committee.

Mayor Sivertsen informed the Council has invited some of the industry to come and provide us with a presentation at the next Council meeting of January 21, 2021.

Councilmember Flora clarified this is an ad hoc committee with a Councilmember on it, and not a function of the City or a City committee. He said this needs to be clear as not to be in violation of the City Charter.

Ordinance No. 21-1921 – Amending the Ketchikan Municipal Code Subsection (b) of Section 2.72.030 Entitled “Port and Harbors Advisory Board” – First Reading

Copies of Ordinance No. 21-1921 were available for all present.

Moved by Flora, seconded by Kiffer the City Council approve in first reading Ordinance No. 21-1921 amending the Ketchikan Municipal Code Subsection (b) of Section 2.72.030 entitled “Port and Harbors Advisory Board”; and establishing an effective date.

Councilmember Flora said these ordinance changes will allow the Port & Harbors Advisory Board to be flexible in regards to dates and times of their meetings.

City Attorney Seaver answered questions from the Council, indicating they would still be required to give reasonable public notice and be consistent.

Motion passed with Flora, Bergeron, Gass, Kiffer, Gage and Bradberry voting yea; Zenge absent.

Amendment No. 1 to the Professional Services Agreement for Conceptual Design of the Thomas Basin Promenade – PND Engineers, Inc.

This item was withdrawn from the agenda per staff. Councilmember Bergeron asked if the item could remain on the agenda for discussion. No objections were heard.

[Clerk's note: Councilmember Bergeron discussed this under "Discussion of Cruise Related Issues".]

Amendment No. 3 to Contract No. 19-02, Consulting Services for the Lease of the Ketchikan Medical Center – ECG Management Consultants

Moved by Flora, seconded by Kiffer the City Council approve Amendment No. 3 in the amount of \$85,000 to Contract No. 19-02, Consulting Services for the Lease of the Ketchikan Medical Center, between the City and ECG Management Consultants; establish \$12,750 for out-of-pocket project expenses, bringing the total contract amount to \$674,750; authorize \$97,750 from the Public Health Department's 2021 Health Care Operations' Management and Consulting Services Account No. 640.04; and direct the city manager to execute the amendment on behalf of the City Council.

Motion passed with Bradberry, Bergeron, Gass, Kiffer, Gage and Flora voting yea. Zenge absent.

One-Year Extension of the Collective Bargaining Agreement Between the City of Ketchikan and the International Association of Fire Fighters, Local 2761

Moved by Gass, seconded by Flora City Council approve the one-year extension of the Collective Bargaining Agreement between the City of Ketchikan, Alaska and the International Association of Fire Fighters, Local 2761 and directing the city manager to execute the extension on behalf of the City Council.

Motion passed with Gage, Flora, Bergeron, Bradberry, Kiffer and Gass voting yea; Zenge absent.

Disposition of CARES Act Funding

Moved by Flora, seconded by Bergeron the City Council direct staff to take such action regarding the disposition of CARES Act funding as determined appropriate by the City Council.

Councilmember Flora said he would like to have the discussion based on the placement of the excess amount of \$662,021 back into one of the City's previously established programs.

Manager Amylon indicated if there is interest in putting the excess funds back into a program for the community he would like the Council to remember the budget was structured based on the assumption of 50% cruise ship traffic in 2021. He felt that projection is up in the air if we are going to achieve that level of traffic for 2021.

Councilmember Kiffer said while he agrees with staff there are people who are going to be hurting come 2021, and he would like to see that money go back into some of the programs.

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Councilmember Gage questioned the average amount the housing program cost per month. She felt from what she has been hearing there is a need in the community for the housing program.

In answer to Councilmember Gage, Finance Director Johansen said the average monthly payout is approximately \$1,000 per person with a monthly expense of \$1 million.

Councilmember Gass said from what he is hearing there needs to be additional funding for the business community.

Councilmember Bradberry said she would like to see all of the funds go back into our community programs, not just the \$662,021. She didn't feel there were enough cuts made to the budget.

Councilmember Gage questioned if there would be new CARES Act funding for 2021 from the Federal Government.

In answer to Councilmember Gage, Manager Amylon said he had only heard if the Democrats took the Senate there could possibly be an additional \$2,000 payment made to individuals. He said he had not heard of other programs that have been directed to the States or Municipalities.

Mayor Sivertsen said he had a teleconference with the Governor today regarding new CARES Act monies and what it is going to cover, with no definitive answers.

Council Gage informed \$300 per week unemployment benefits were approved, but people were having issues getting into the system.

Moved by Bergeron to direct the \$1.2 million back into the CARES Act programs established by the City.

Manager Amylon clarified there was an additional \$662,021 above the \$1.2 million in CARES Act funding that the Council used for first responders. He informed if Council directs the \$1.2 million back into CARES Act programs essentially the 2021 budget will be short \$1.2 million.

Councilmember Bergeron withdrew his motion to continue Council discussion.

Moved by Bergeron, seconded by Kiffer to direct staff to place the surplus CARES Act funds in the amount of \$662,021 back into the Mortgage and Rental Assistance CARES Act Program.

Mayor Sivertsen clarified the \$1.2 million was directed by Council during the budget cycle to be used for public safety, and the excess of \$662,021 is to be directed back into City CARES Act programs.

Councilmember Bradberry said she does not support this motion, and felt the entire \$1.8 million should be directed back into the community.

Councilmember Flora stated the business program expressed by Councilmember Gass, is a Borough program and people should be directed to them for additional funding. He said when we talk about supporting the community that means everybody. He indicated that his goals during the budget cycle were preservation of jobs and uninterrupted services. He said we didn't lay anybody off, we have a status quo budget, deferred many of our capital projects and we should be able to keep the lights on. He informed that 1.3 million people were laid off in this country last year that

worked for municipalities, and the City of Ketchikan laid off zero. He felt that is community support and he will support the motion for distribution of the \$662,021. He said the Finance Department indicated that \$1.5 million will be needed in appropriated reserves in order to keep us solvent.

Councilmember Gass said he would support this motion, but based on the information received yesterday regarding the cruise industry we need to keep in mind that we are still in a tough financial situation for 2021.

Motion passed with Gass, Kiffer, Gage, Flora and Bergeron voting yea; Bradberry voting nay; Zenge absent.

2021 Agreement Between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc.

Moved by Flora, seconded by Kiffer the City Council approve the 2021 Community Agency Funding Agreement between the City of Ketchikan and the Ketchikan Visitors Bureau, Inc.; authorize funding in the amounts of \$142,143 and \$149,625 respectively from the 2021 Tourism & Economic Development Division and the Port Department's Marketing Services Account Nos. 635.13 and 635.13; and direct the city manager to execute the agreement on behalf of the City Council.

Patti Mackey President and CEO of the Ketchikan Visitors Bureau, Inc. answered questions from the Council.

Motion passed with Flora, Bergeron, Gass, Kiffer, Gage and Bradberry voting yea; Zenge absent.

Extension of Emergency Family and Medical Leave Expansion Act (EFMLA) and the Emergency Paid Sick Leave Act (EPSLA)

Moved by Gage, seconded by Kiffer the City Council direct the city manager to take such action regarding the continued use of Emergency Family and Medical Leave Expansion Act (EFMLA) and the Emergency Paid Sick Leave Act (EPSLA) benefits for the employees of the City and KPU as determined appropriate by the City Council.

Assistant Manager Simpson clarified for the Council that staff is suggesting extending this program to employees who have hours available, and allow them to use them for a designated period. She said this would not include adding new hours.

Councilmember Flora asked for clarification whether this is CARES Act or municipal money.

In answer to Councilmember Flora, Assistant Manager Simpson stated this was put into place before the extension and it is her understanding they would not be eligible for reimbursement after December 31, 2020.

Finance Director Johansen explained the funds were eligible, but the City expended all funds through sick leave and benefits. She said there are no additional funds for 2021, since the \$662,021 is going back to into the City's CARES Act housing and rental assistance program.

Councilmember Flora indicated based on that explanation we are looking at a new budget expense that we had not taken into account during the budget cycle. He agreed with Councilmember Gass that we need to hold the line on expenses and would not support this.

Manager Amylon asked the Council if this item could be deferred to the meeting of January 21 2021. He indicated he would like to get additional clarification from the finance director and the assistant manager.

Moved by Flora, seconded by Kiffer the City Council defer consideration to the City Council meeting of January 21, 2021.

Assistant Manager Simpson pointed out we were federally obligated to offer these benefits prior to the end of 2020, but we are under no obligation to continue. She said since the pandemic is ongoing there is a need, and it does has some value worth considering.

Motion to defer passed with Flora, Gass, Kiffer, Gage, Bergeron and Bradberry voting yea; Zenge absent.

Discussion of the Elimination of the State of Alaska Ocean Ranger Program – Councilmember Bergeron and Councilmember Gass

Councilmember Gass indicated he was approached by a couple of people who were involved with this program and asked if he could bring it to the Council for consideration. He said he was not aware the City Council had discussed this back in February. He said he would like to see our lobbyist relay to the Governor that the City of Ketchikan is in full support of this program. He felt the \$4 per passenger head tax money was prudent to reinstate the program. He also would like to request more local hire from within the State of Alaska.

Councilmember Bergeron questioned how this program was funded and what it could be used for.

In answer to Councilmember Bergeron, Manager Amylon confirmed it was through the State Passenger Vessel Tax, and yes this program was funded by the \$4 when it was in effect.

Assistant Manager Simpson said that House Bill 74 was introduced last year. She said upon termination of the Ocean Ranger Program those funds would be used for and directed to on shore primarily municipal wastewater systems. She indicated this would address the problem from a different side rather than monitoring ships, but that bill never passed. She stated it may come back at this legislative session, but staff has no information at this time. She informed two letters were sent last year by the Mayor to the Governor, noting you can't support House Bill 74 not knowing what the implications are and the Ocean Ranger Program simultaneously.

Councilmember Bergeron asked since the program went away what was done with the funds.

Assistant Manager Simpson said since there was no cruise last year, there was no funding. It is a question without an answer as of yet.

Councilmember Gage said she would like to see this program reinstated, since it is obvious if there is not a program overseeing the cruise industry they tend to not follow the rules. She said she would not support the elimination of this program.

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Mayor Sivertsen said when the Ocean Ranger program was originally put into place there was a lot of manual operation of valves, but now this has been upgraded in the newer ships and it is all electronic. He said they can monitor ships through electronic monitoring plans, and ships are required to turn those plans into the State. He stated a large portion of the \$4 was to pay the ships back for the ranger's room and board while on the ships. He said the State felt there was a better use of this money by implementing infrastructure and wastewater programs to the communities. He thought the Governor had cut the program, and the funds are being considered at the legislative level to disperse funds through the Alaska Department of Environmental Conservation (ADEC) for water and wastewater projects within the State of Alaska.

Councilmember Kiffer asked for clarification on the Ocean Ranger Program, and if it had been approved by the voters.

In answer to Councilmember Kiffer, Manager Amylon explained the Ocean Ranger program was part of the original Commercial Passenger Vessel Tax Initiative that was approved by the voters.

Councilmember Gass said he was his understanding that this legislative review is the last shot at trying to save this program. He suggested our lobbyist write a letter to the legislature in support of the program on behalf of the City of Ketchikan.

Manager Amylon said with the direction of the Council he would suggest updating the letter that was sent in February, give instructions to the lobbyist and follow through on the letter.

Councilmember Bradberry questioned if other Southeast communities have been involved.

Councilmember Gage said that was done prior to sending the first letter in conjunction with the Alaska Municipal League. She believed these communities were still in favor of the program.

Manager Amylon felt the letter may be better directed to Senator Stedman and Representative Ortiz.

Councilmember Bradberry said having dealt with the ships and COVID they will not be allowing persons on board unless they are staying on for some time. She thought the rangers were switched out routinely.

Councilmember Gass addressed Councilmember Bradberry comment by indicating the reinstatement of this program would be for future sailings.

Mayor Sivertsen asked for a show of hands in favor of updating and sending the letter to Senator Stedman and Representative Ortiz, and at least four hands were shown.

VOUCHERS

Moved by Flora seconded by Bergeron the City Council approved vouchers to Parnassus Books in the amount of \$71.78.

Motion passed with Gass, Gage, Bradberry, Flora and Bergeron voting yea; Kiffer abstain; Zenge absent.

CITY MANAGER'S REPORT

Manager Amylon informed Royal Caribbean group would be giving a presentation at the meeting of January 21, 2021. He indicated he has also been contacted by Vigor to make a presentation on February 18, 2021. He reiterated the laid on the table regarding the late sailings of Princess and Holland America.

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of December 17, 2020

In his report, Manager Amylon 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 December 17, 2020.

Public Works Director's Project Status Report – December 2020

Manager Amylon included for Council review a project status report from the Public Works Director for the month of December 2020.

Stedman Street Restroom Site and Design Status

Manager Amylon provided the Council a memorandum from the Acting Port & Harbors Director Mark Hilson which included updates regarding the Stedman Street restroom site and design Welsh Whiteley Architects, LLC of Ketchikan, Alaska. He informed if the Council wishes to follow through on its direction provided during budget deliberations, a new design contract will be necessary once an alternative site is selected. He said in order to proceed further, the Acting Port & Harbors Director and his staff wish to confirm the Council's earlier direction and/or decision to place the project on hold for a year. No objections were heard.

FCS Group Rate Study Update for the Water and Wastewater Utilities

Manager Amylon included a memorandum for Council review a copy of a February 22, 2017 memorandum from then Finance Director Bob Newell and his office that provides a detailed history of the Council's utility rate deliberations including the FCS Group's December 5, 2016 presentation to the City Council.

Beginning Construction for Contract No. 20-16 – Ketchikan Police Station Re-Siding – Island Contractors, Inc.

Manager Amylon informed the Council that beginning construction for the Ketchikan Police Station re-siding by Island Contractors, Inc. will begin on January 7, 2021 and completed by approximately February 14, 2021, noting that several parking spaces adjacent to the Police Station off Pioneer Alley as well as in the Main Street parking lot will be blocked off for materials staging and storage beginning January 4, 2021 and will remain inaccessible for parking during much of the construction period.

K.P.U. MANAGER'S REPORT

2020 Record for Local Hydroelectric Generation

General Manager Amylon attached for Council review a memorandum from Electric Division Manager Donato regarding a new record for local hydroelectric generation set in 2020 by the Electric Division. He said this is a real tribute to the Electric Division staff.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE - None

FUTURE AGENDA ITEMS

Councilmember Flora said the ordinances for the utility rate increases that was passed in the budget cycle will be on the agenda for Council consideration on regular meeting of February 4, 2021. He indicated we hear a lot of comments from the public that the rates go up every year. He referenced his laid on the table regarding a request for a report to coalesce on historic rates increases, an overview of the state of our infrastructure and what needs to be done to keep the lights on, water running and the wastewater going in the right direction in order for Council to make the right decision. He said he is looking for four hands to give direction to staff. He knows no one likes to see rate increases, but this report might help in the decision making process or an alternative conclusion be brought forth.

Manager Amylon said if Council direction is given we can do that, but if the intent is to justify the rate increases he felt this information already existed. He said he had documents he can share tonight, and explained the Electric and Water Divisions are consistently operating in the red, noting SEAPA is going to raise their rates. He indicated if we don't raise rates we will continue to operate in the red per the last two transmittal reports giving the Council a ten-year perspective of the profit and loss of each of these utilities. He indicated under normal circumstances he would not have concerns putting this together, but with staff changes and shortages, COVID-19 and trying to put a plan together for the resumption of cruise will put a strain on staff.

Councilmember Flora withdrew his request.

Councilmember Bradberry agreed with Councilmember Flora to have this information available to the Council and the public without the overview on the infrastructure. She felt rate increases are a big decision right now, and we need to have all the information.

Mayor Sivertsen said this information was provided to us in the budget transmittals shows rates, taxes and the reality is we are a service oriented entity and everything around us is going up. He said the City is all about providing services and with these three utilities we have been providing these services at a loss. He said since he has been on the Council this conversation comes up every year.

Councilmember Kiffer agreed with the points made by Mayor Sivertsen, and we have gotten into trouble with these utilities because generations of Councils have continued to kick this can down the road and decided not raise rates. He said he agreed the rates need to be raised incrementally, and it would be nice to have all the information on the table when we talk about it. He felt there is a medium ground here to get some information here without completely taxing staff, and maybe Councilmember Flora could revise his request.

Councilmember Flora said no one will go through nine years of budgets, but the social media platform will be buzzing with all kinds of questions why the rates are going up. He said he would like the people we serve to understand our rationale. He stated he had no problem condensing this into something more manageable. He left it up to staff on what to include in this report.

Manager Amylon indicated staff would put the request together.

MAYOR AND COUNCIL COMMENTS

Councilmember Gass said he would like to put on record that he has changed his mind and now feels it would be advantageous to have a couple Councilmembers sit in on union negotiations.

Councilmember Gage spoke in regards to the crosswalk incident and the continued issue at the crosswalk down at A & P, and thanked Acting Port & Harbors Director for putting up the lights down there. She said the fact that we have lost another community member down there breaks her heart. She again voiced her concerns with the Department of Transportation (DOT), and they should be held to task for this incident. She encouraged everyone to write a letter to the DOT and express their concerns regarding this crosswalk area. She felt there should be ADA lights and requirements and/or mechanism for sound and vision at this intersection, She said the City should not have to fight for these things with the DOT.

Councilmember Kiffer echoed comments made by Councilmember Gage regarding the DOT. He stated we should not have to have a fatality in order to get the DOT to come down and install the proper crosswalk lighting and ADA mechanism. He thanked all the people who are putting in their time on the Resource/Bubble Committee. He said they have put forth a great amount of effort and all they get is grief from a large portion of the community. He commended the Borough for fighting FEMA regarding the flood maps. He said he would like to correct a statement he made at the last Council meeting about an incident involving a private citizen and the Police Department in which he said certain facts in the case were not in dispute and they are clearly in dispute. He keeps hearing from folks that we should not have put all our eggs in one basket with the cruise industry and if you go back far enough in history, we put all our eggs in one basket with the timber industry, the canning fish industry, the mining industry, and we have survived all of those industries where most other towns have gone belly up, and yes, Ketchikan will survive this one too.

Councilmember Bergeron said speaking of all our eggs in one basket, we need get off the dime with the folks who are in control of our destiny and have them give us the criteria we need to get our economy going. He said we can't afford to sit around and wait for someone to do something. He thanked Councilmember Flora and everyone else for their hard work on the Resource Committee.

Councilmember Bradberry echoed everyone's comments made tonight. She said you got to love those state and federal agencies we have to work with.

Councilmember Flora said between the crosswalks and the ones we have to beg for with the DOT, and the joke of a proposed plan for Tongass Avenue because everyone should have a bike lane that is a half mile long that empties back into the traffic lanes. He said at this point when it comes to our communities highway and crosswalks the DOT is nothing more inept. He stated we make comments and suggestions and they blow us off. He said he has made this comment before, but at some point you ask for forgiveness instead of permissions, and just put the lights up at the crosswalks. He voiced his concerns regarding national events that have taken place of the past year, and felt we need to find a way to work together on everything or we are in deep trouble. He said he remembered a time when you could disagree with someone and still work together with a fruitful outcome.

Mayor Sivertsen thanked the Council for all their comments made tonight, and hoped for a better 2021, or at least one where we have better knowledge and control of. He informed of recent conversations he has had with other communities, noting the cruise lines want to come back to Alaska and work with us. He said the decision will be made by the Council for a ship to come to our town based on the CDC guidelines. He said what we are looking for is recommendations from the committee that we can follow, and once something breaks loose with the CDC we will be ready to move forward. He indicated we still have a hurdle with Canada and the Port of Seattle. He said there are lots of things that have to happen before we can return to cruise, but rest assured the industry is doing everything they can and we will do what we can. He informed we will also continue to work with Southeast communities and the cruise lines during this time.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for Executive Session – Negotiations of Lease and Operating Agreement for PeaceHealth Ketchikan Medical Center

This request for executive session was not held.

Request for Executive Session – One-Year Extension of the Collective Bargaining Agreement Between the City of Ketchikan and the International Association of Fire Fighters, Local 2761

This request for executive session was not held.

ADJOURNMENT

As there was no further business, the Council adjourned at 10:00 p.m.

Robert Sivertsen, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED - None