

Regular Ketchikan City Council meeting was called to order by Mayor Sivertsen at 7:00 p.m., January 21, 2021, with the following members present in the Ted Ferry Civic Center: Riley Gass, Janalee Gage, Mark Flora, David Kiffer, Abby Bradberry, Judy Zenge and Samuel Bergeron (via WebEx).

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, City Attorney Seaver, Acting Port & Harbors Director Hilson, Electric Division Manager Donato, Electric Division System Engineering Manager Bynum, Telecommunications Division Manager Cushing, Sales, Marketing and Customer Service Division Manager Simpson, Assistant Telecommunications Division Manager Lindgren, Water Division Manager Kleingger, Civic Center Manager Nelson, Deputy Clerk Lee and City Clerk Stanker.

**PUBLIC HEARING ON RESOLUTION NO. 21-2800 – AMENDING THE 2021 GENERAL GOVERNMENT OPERATING AND CAPITAL BUDGET TO PROVIDE A SUPPLEMENTAL APPROPRIATION FOR THE PUBLIC HEALTH DEPARTMENT IN THE AMOUNT OF \$651,516; DECREASE THE GENERAL FUND APPROPRIATED RESERVES IN THE AMOUNT OF \$651,516**

Mayor Sivertsen called the public hearing on Resolution No. 21-2800 to order at 7:01 p.m. and requested public testimony.

As there was no testimony, Mayor Sivertsen declared the public hearing closed at 7:01 p.m.

**COMMUNICATIONS**

**Mayoral Proclamation – Martin Luther King Jr. Day**

Mayor Sivertsen said there was a proclamation laid on the table recognizing Martin Luther King Jr. Day.

Mayor Sivertsen informed there were a couple items laid on the table, including; Notice from Royal Caribbean Group announcing the suspension of Quantum’s 2021 Alaska season; and the current job description for the City’s Port Director.

**PERSONS TO BE HEARD**

Robert Venables, Executive Director of Southeast Conference gave an update on several items including the Alaska Marine Highway; Alaska CARES programs; the 2021 conference; their five-year economic development strategy plan. He stated their intent on supporting the military and defense sector and Ketchikan’s interest in developing that sector. He applauded the City on their leadership installing the upgraded broadband to the community and as a regional asset. He thanked the Council for their time.

Sid Hartley spoke on behalf of the Alaska Native Sisterhood and Brotherhood Camp 14 in support of the agenda item regarding commissioning a totem pole in honor of Elizabeth Peratrovich and other indigenous women of Ketchikan. She stated this is an opportunity to recognize indigenous peoples and offer a beautiful gift on behalf of the City.

James Llanos with the Alaska Brotherhood Camp spoke in support of commissioning a native pole to honor Elizabeth Peratrovich. He stated she was a Ketchikan High School graduate and she experienced the inequality of schools back then. He felt this would be a way to pay her back for standing up for equality for natives and everybody. He offered support from his organization to assist the City with this endeavor.

Hans Antonsen said he is a 30-year active sea pilot with the Southeast Alaska Pilot Association and President of the Marine Exchange of Alaska. He spoke to the agenda item regarding the proposed letter to the State of Alaska Ocean Ranger Program. He gave a brief summary of an alternate plan to monitoring cruise ships dumping in Alaska waters. He answered questions from the Council.

Jai Mahtani said COVID has given us a respite so the Council can hold off on hiring a Port Director until they review the Port Director job description. He suggested separating the port from the harbors, as they are two different entities. He felt the Port Director should report directly to Council instead of to management.

Bruce Hattrick stated he is building a subdivision in the City and his concerns regarding new development within the community. He said he is having a hard time working with some of the manager's within the City regarding his development. He asked the City Council to review his request on his development.

Blane Ashcraft, representing Petro Marine Services, spoke to the agenda item regarding Petro Marine Services' purchase of Crowley Fuels, LLC. He passed out a handout to the Mayor and Council with answers to common questions regarding the purchase. He stated Petro Marine Services is a family business, has been operating since 1955, and have been in Ketchikan since 1995. He said Petro Marine Services is committed to the community and to their customers. He informed they have no intention to increase prices. He explained how prices are set by the world market and there is some fluctuation, but their pricing paradigm will not change. He answered questions from the Council.

Licha Kelly-King Executive Director with Rendezvous Senior Day Services referenced her handout regarding their quarterly report and the State of Alaska bi-annual report. She informed Rendezvous provides daily socialization for seniors and person with different abilities and is currently the only senior day service operational in the State of Alaska. She stated they were able to stay open by following strict Center for Disease Control (CDC) guidelines, suggestions from the local EOC and from CARES Act funding from the City. She explained how hard the pandemic has been for seniors and people in this community, and thanked the Council for their time.

### **CONSENT AGENDA**

Mayor Sivertsen suggested moving several items to the Consent Agenda, including: Ordinance No 21-1921 amending the Ketchikan Municipal Code regarding the "Port and Harbors Advisory Board" in second reading; Appointments to Boards and Commissions; 2021 Police Department vehicle acquisition with Kendall Ford; A budget transfer request for financial assistance and City participation as an intervenor in the support of the Forest Service and State's Defense of the Alaska specific rulemaking that exempts the Tongass National Forest from the 2001 Roadless Rule; Ordinance No. 21-1922 amending Chapter 11.12 Telecommunications Service and Rates in first reading; A budget transfer exempting the procurement of Howell Bungler valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the competitive bidding/written quotation requirements with VAG Group. No objections were heard.

Councilmember Gage requested consideration of the item regarding the City participation as an intervenor be voted on separately, additionally Councilmember Bradberry asked if the 2021 Police Department vehicle acquisition could also be considered and voted on separately.

**Approval of Minutes – Regular City Council Meeting of January 7, 2021**

Moved by Kiffer, seconded by Gage approval of the regular City Council meeting of January 7, 2021.

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

**Resolution No. 21-2801 – Adopting an Alternative Allocation Method for the FY21 Shared Fisheries Business Tax Program and Certifying that this Allocation Method Fairly Represents the Distribution of Significant Effects of Fisheries Business Activity in the Fisheries Management Area 19: Southern Southeast**

Moved by Kiffer, seconded by Gage the City Council approve Resolution No. 21-2801 adopting an alternative allocation method for the FY21 Shared Fisheries Business Tax Program; certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Fisheries Management Area 19: Southern Southeast and establishing an effective date.

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

**Marijuana License Transfer Application – E&M Holdings, LLC d/b/a The Stoney Moose**

Moved by Kiffer, seconded by Gage the City Council approve the license transfer application for Marijuana Retail Store: License No. 10873 E&M Holdings, LLC d/b/a The Stoney Moose 127 Stedman Street, Ketchikan, AK 99901.

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

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

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

Moved by Kiffer, seconded by Gage the City Council approve in second 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.

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

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

Mayor Sivertsen recommended the appointments of Chet Hugo and Peter Stanton to the Museum Advisory Board.

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

**Exempting the Procurement of Email, Network Monitoring and Customer Support Services for the Telecommunications Division from Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – NeoNova**

Moved by Kiffer, seconded by Gage pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of email, network monitoring and customer support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to purchase such services for the Telecommunications Division from NeoNova at a cost not to exceed \$96,598; approve funding from the Telecommunications Division’s 2021 Technical Services Account No. 635.12; and direct the general manager to execute the contract documents on behalf of the City Council.

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

**Exempting the Procurement of Video Transport Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – GCI**

Moved by Kiffer, seconded by Gage pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of video transport services for the Telecommunications Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the general manager to enter into an agreement for such transport services with GCI in an amount not to exceed \$35,040; and approve funding from the Telecommunications Division’s 2021 Rents and Leases-Infrastructure Account No. 645.04.

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

**Exempting the Procurement of Additional Subsea Fiber Related Installation Services from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – CityWest Cable and Telephone**

Moved by Kiffer, seconded by Gage pursuant to Sections 3.12.030 and 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of additional subsea fiber related installation services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the procurement of such services from CityWest Cable and Telephone at a cost of \$44,550 (CAD); approve funding from the Telecommunications Division’s Internet Expansion Capital Account; and direct the general manager to execute the contract documents on behalf of the City Council.

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

**Exempting the Procurement of Programming Content for KPU TV from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – National Cable Television Cooperative and Vubiquity, Inc.**

Moved by Kiffer, seconded by Gage pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of 2021 KPU TV Programming Content from competitive bidding/written quotation requirements; authorize the general manager to purchase programming content from the National Cable Television Manager to purchase programming content from the National Cable Television Cooperative (NCTC) in an amount not to exceed \$1,100,000 and from Vubiquity, Inc. in an amount not to exceed \$55,000; and approve funding in an amount not to exceed \$1,155,000 from the 2021 Telecommunications Division’s licenses and Fees – Broadcast Content Fees Account No. 630.04.

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

**Ordinance No. 21-1922 – Amending Chapter 11.12, Telecommunications Service and Rates of the Ketchikan Municipal Code - First Reading**

Moved by Kiffer, seconded by Gage the City Council approve in first reading Ordinance No. 21-1922 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Copies of Ordinance No. 21-1922 were available for all present.

Assistant Telecommunications Division Manager Lindgren answered questions from the Council.

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

**Budget Transfer – Exempting the Procurement of Howell Bunger Valve Including Specialized Design, Parts, Valve Controls, Expedited Manufacturing and Shipping from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – VAG Group**

Moved by Kiffer, seconded by Gage pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a Howell Bunger Valve for the Silvis Lake Hydroelectric Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the Procurement of such a valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the VAG Group at a cot not to exceed \$120,000; approve a budget transfer in the amount of \$120,000 from the division’s 2021 Bailey Unit No. 1 Rehabilitation Capital Account.

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

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

The motion currently on the floor as deferred on January 7, 2021 is:

Moved by Gage, seconded by Kiffer that 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 summarized the financial impact the extension of the Emergency Family and Medical Leave Act, which was tied to the CARES Act funding that has been fully expended. She indicated staff's main reason for extending these benefits is because the vaccination availability for our employees remains to be seen. She said staff feels there is a benefit with the extension, so employees comply with work place and state policies. She indicated some employees have used this leave and others still have hours remaining on the books. She stated we would not be re-upping the hours, it would just allow employees that have hours available to continue to use them through 2021. She said originally each employee was given 80 additional hours of sick leave to be used for COVID related issues.

Councilmember Gass questioned if \$425,000 was a good estimate of what this extension would cost the City.

In answer to Councilmember Gass, Assistant Manager Simpson said a lot of employees have used their allotment and only a portion of the workforce have hours available, and staff is only recommending this extension through June 2021. She said the cost could be approximately half that amount. She indicated this number is hard to quantify at this point, and is purely conditional. She said we are trying to keep our workforce healthy, and we don't want them to feel pressured into coming to work sick.

Councilmember Kiffer stated his concerns regarding sick leave and relayed a story regarding a place he had worked in the past that offered sick leave but you were not able to use until you worked there for a year. He explained what happened was people came to work sick because they couldn't afford to stay home. He said he would support this as it is only for COVID-19 related issues.

Mayor Sivertsen questioned if there is another round of CARES Act funding, could this expense be reimbursable through that.

Manager Amylon stated that would depend on the details and stipulations in the funding authorization.

Councilmember Flora said he had misgivings regarding this because we have legitimate concerns about spending money on one police car, and now we are being asked to support an unquantified sum of money. He said the employees do have sick leave they can use, and as the Assistant Manager pointed out, they still would be paid. He said as stated by Councilmember Bradberry that times are tough and we don't have a lot of money. He said it was difficult for him to get behind this.

Councilmember Gass said the bottom line is this money is coming from the taxpayers, and didn't feel we have the leniency to expend this expense. He agreed with comments made by Councilmember Flora.

Assistant Manager Simpson explained we have paid employees and offer them sick leave and vacation benefits. She clarified this is simply adding to their sick leave benefit, and has no cost to the City in terms of expenditure.

Finance Director Johansen explained each employee received these benefits and their salary is already in the budget for 2021 so when they take leave there is no additional cost. She indicated with new CARES Act funding it is possible to submit for possible reimbursement. She said this is the tracking mechanism for leave benefits that was issued by the federal government to encourage people to stay home if they are sick.

Mayor Sivertsen said this leave was established for many reasons, including if your office is closed because the positivity rate has escalated, your day care or school is closed because of COVID-19 or you are told to quarantine because of close contact to an infected person. He felt this should be called leave due to COVID-19 impacts.

Councilmember Kiffer said in terms of sick leave unless you have to hire a person to come in on a long-term illness, there is no additional cost to the City.

Councilmember Flora said our employees do a great job, but felt income with no productivity is an expense to the City no matter how you look at it. He questioned if staff can track the hours used.

Finance Director Johansen stated it would be easier to track as it happens, rather than try and track it later.

Manager Amylon explained in this situation staff is trying to maintain as healthy of workplace and workforce as we can. He said we also have in the past few weeks had to direct employees to go home and quarantine, including an entire division due to close contact with an infected person. He indicated we are trying to come up with a mechanism for those employees who haven't used this type of leave, and until June when the vaccines are more widely distributed, staff is encouraging folks to continue to look after themselves and follow the COVID-19 protocols. He said this not a straightforward issue, and we are not out of this yet. He said rather than craft an alternate motion he suggested to either move forward and allow the carry over through June or vote it down.

Councilmember Gage said she would like to suggest we provide leave to those folks who still have it on the books and keep track of those who do use it, and if we do get additional CARES Act funding use that to reimburse the City. She said if one entire department is sent home because of one person coming to work sick, it will cost us a lot more. She felt keeping employees healthy and safe should be our main objective.

Councilmember Zenge agreed we need to keep our employees safe and healthy because it is not just the employees, it's the entire community. She felt now that it has been explained, she understands this encompasses more than just sick leave, and she will support it.

Mayor Sivertsen said he would like to leave this to the discretion of the city manager's office, because if someone takes a vacation and then has to quarantine for fourteen days, he didn't feel that should qualify.

Assistant Manager Simpson stated this leaves allows for and covers people to be in compliance with current state mandate travel orders, and these funds are incorporated into the 2021 budget. She stated this is a reimbursable cost to the City if more CARES Act funds are allocated.

Councilmember Gass felt there should be a level of personal responsibility.

Councilmember Flora had concerns that staff would be coming back to move funds from appropriated reserves to cover this later on.

Assistant Manager Simpson said no that would not happen as the money has already been appropriated. She indicated the budget the Council just approved incorporates this type of leave. She indicated it is a reimbursable cost and if we receive additional CARES Act funding you will see a budget amendment to increase the total appropriation for the year.

After further discussion direction given to staff was to permit employees with a remaining balance of Emergency Paid Sick Leave to continue use through June 2021.

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

## **NEW BUSINESS**

### **Presentation by the Royal Caribbean Group – Resumption of Cruise in Southeast Alaska**

Joshua Carroll Vice-President of destinations, Russell Benford Vice-President of Government Relations, Wendy Lindskoog AVP of Government Relations Alaska, Preston Carnahan, Director of destinations Alaska; and Ben Bartlett, Manager of Port Operations, Alaska representing Royal Caribbean Group (RCG) via WebEx video conferencing discussed the following:

- Royal Caribbean brand ships travelling in southeast Alaska includes: Royal Caribbean, Celebrity Cruises and Silver Sea and 60 ships globally.
- In partnership with Norwegian Cruise Lines (NCL) created the Healthy Sail Panel, where they walked a group of experts through their operation, from beginning to end. These experts evaluated all of the different criteria, actions and touchpoints within a cruise vacation and provided recommendations, which they used to formulate a plan that was submitted to the CDC.
- The CDC rescinded the No Sail Order in November and instituted the Conditional Sail Order.
- The prevalence of COVID-19 in communities has slowed down the return to the service.
- The vaccine will play a critical role in any form of return to service.
- The Bubble idea was originally designed for cruises taking place in Europe.
- RCG's ultimate goal is to work closely with local communities so that The Bubble, making visitors go only on specific tours, will not need to happen in the Alaska region and guests will be unencumbered when they go into ports and be able to go on whatever tours they want.
- It is difficult for RCG to make decisions today for community protocols without knowing the landscape of when the ships will resume sailing.
- RCG wants to establish a dialogue with the communities so that when the time comes they will be able to enact protocols required on landside and to share what they have done on the shipside to give the communities, crewmembers, and passenger's confidence to resume cruising.
- RCG will provide adequate time for port communities to prepare for required protocols for the resumption of cruise.

The RCG answered questions from the Council.

Mayor Sivertsen thanked the RCG for taking the time to answer questions from the Council and is looking forward to the 2021 season.

**Ongoing Review and Discussion of Cruise Related Issues – Councilmember Bergeron**

Mayor Sivertsen asked if there were any objections to defer to the meeting of February 4, 2021. No objections were heard.

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

Mayor Sivertsen asked if there were any objections to defer to the meeting of February 4, 2021. No objections were heard.

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

Mayor Sivertsen asked if there were any objections to defer to the meeting of February 4, 2021. No objections were heard.

**Discussion of Commissioning a Totem Pole in Honor of Elizabeth Peratrovich – Councilmember Gage**

Councilmember Gage cited the many accomplishments of Elizabeth Peratrovich, which included the first anti-discrimination in public places laws, her activism for Alaskan natives, her contribution to push the passage of the first Anti-Discrimination Act. She stressed the importance of knowing your history, no matter how uncomfortable it may be. She stated Ms. Peratrovich was a beacon of change, hope and resilience, and asked the City of Ketchikan to reach out to the native community to commission a totem pole in her honor. She stated there are possible grants available that would be instrumental in this project.

Mayor Sivertsen said from his experience the City would not have the revenue to fund a project like this. He felt this should be a community project because she did not just represent the native population, she helped everybody. He indicated because of that this is a State and Federal issue so there needs to be participation in kind by all groups. He said there also needs to be discussion regarding the placement of the pole as well.

Councilmember Kiffer suggested reaching out to Sealaska Corporation and others. He agreed we need to get things moving and we can't do it alone. He felt this was overdue and we should take a vote to at least get the process moving.

Mayor Sivertsen asked for a show of hands to give direction to staff to get the conversation started with other groups and entities, and at least four hands were shown.

Councilmember Gass questioned if it was placed in the downtown area the possibility of funding from the Commercial Passenger Vessel Tax (CPV) monies.

Mayor Sivertsen said that might be a possibility in a robust working economy and possibly have input from the cruise industry. He informed for now, reaching out to various groups in the community is a good start.

**2021 Police Department Vehicle Acquisition – Kendall Ford**

Moved by Flora, seconded by Kiffer pursuant to Section 3.12.050(a)(9) of the Ketchikan Municipal Code, the City Council authorize the purchase of one vehicle for the Police Department under State Contract No. CA2217-20 from Kendall Ford of Anchorage, Alaska at a cost not to exceed \$36,845; approve funding from the Police Department's 2021 Vehicle Replacement Capital Account; and direct the city manager to execute the contract documents on behalf of the City Council.

Councilmember Gass said he appreciates the information provided by Police Chief White, but we need to be looking at ways to save money, and he understands there were no new acquisitions last year. He said in his opinion we have plenty of working vehicles, and would not support this motion because of fiscal responsibility.

Police Chief White indicated this was discussed during the budget deliberations and yes, this is an item we may be able to do without, but this would be the second year and may be an issue for 2022. He said this money was carried over and eventually we will have to replace four at time instead of one. He explained the vehicles officers take home last a lot longer than a vehicle once it becomes a station vehicle. He indicated there are not enough vehicles for each officer to take home.

Mayor Sivertsen stated his concerns in playing catchup later on down the road, and we should take this opportunity to work on this gradually.

Councilmember Bradberry said realistically there may not be the revenue we are counting on for 2021, and we need to hold down spending. She felt she would rather see this money used to make sure to keep staff employed.

Councilmember Flora said he understands the points made by Councilmember Bradberry, but once you start to defer, you are looking at playing catchup and soon we are perpetuating four vehicles cycles.

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

**Discussion of City Council Representation/Participation in Upcoming Negotiations for Successor Collective Bargaining Agreements – Councilmember Gass**

Mayor Sivertsen asked if there were any objections to defer to the meeting of February 4, 2021. No objections were heard.

**Authorizing Letter Regarding the Proposed Changes to State of  
Alaska Ocean Ranger Program**

Randy Bates, Director of the Water Division and Laura Achee, Legislative Liaison, both representing the Department of Environmental Conservation (ADEC) presented to the Council via WebEx video conferencing:

- ADEC is committed to ensuring the cruise industry follows laws that protect Alaska water and air quality, and has broad statutory jurisdiction over Alaskan waters to help prevent and abate the pollution of water in the State.
- In 2001 and 2006 there were amendments made to the statutes that provided specificity to the management of commercial passenger vessels such as: discharge, record keeping, reporting requirements, fees and creation of Ocean Ranger program.
- After evaluating cost and compliance with the existing oversight and it was determined that overall improvements could be made to the way the State manages oversight and compliance of berth fees of cruise ships in Alaska by:
  - o Adjusting the compliance and monitoring program of cruise ships operating in Alaska waters.
  - o Providing a funding program as an opportunity for wastewater treatment facility additions and improvements in port communities.
- Starting this summer ADEC will have 100% early season inspections of all cruise ships coming into Alaska waters performed by ADEC staff and short-term contracts with marine engineers, as well as with the assistance of the U.S. Coast Guard in scheduled and unscheduled checks of cruise ships.
- ADEC believes this approach will be more effective in preventing unauthorized emissions and discharges in Alaska water.
- Port community's wastewater facilities were not setup to accommodate the large number of people coming through every year and treatments are not at the same level as onboard the ships, which could have impact on local waters.
- ADEC wants to help communities therefore, they are creating legislation to create a grant and loan program to assist communities with their wastewater facility improvements.
- The Ocean Ranger program costs \$3.4 million dollars seasonally and over the 12 years, the program has been in existence over \$40 million dollars.
- ADEC's data show that the Ocean Ranger program was less effective at identifying unauthorized emissions and discharges than other forms of oversight they can offer.
- The governor introduced legislation last year and will again this year in support of eliminating outdated costly initiatives with more effective programs.

Representatives from ADEC answered questions from the Council.

Mayor Sivertsen thanked the ADEC representatives for their time and answering questions.

It was the consensus of the Council to wait and review the governor's legislation before sending a letter regarding the Ocean Ranger Program to Representative Ortiz and Senator Stedman.

**Resolution No. 21-2800 – Amending the 2021 General Government Operating and Capital Budget to Provide a Supplemental Appropriation for the Public Health Department in the Amount of \$651,516; Decreasing the General Fund Appropriated Reserves in the Amount of \$651,516**

Moved by Bergeron, seconded by Kiffer the City Council approve Resolution No. 21-2800 amending the 2021 General Government Operating and Capital Budget to increase 2021 intergovernmental revenues of the CARES Act Fund and to provide a supplemental appropriation for the Public Health Department in the amount of \$651,516; decreasing the Appropriated Reserves of the General Fund in the amount of \$651,516; and establishing an effective date.

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

**Budget Transfer – Request for Financial Assistance and City Participation as an Intervenor in Support of the Forest Service and State’s Defense of the Alaska Specific Rulemaking that Exempts the Tongass National Forest from the 2001 Roadless Rule Against the Complaint Filed in Federal District Court for the District of Alaska by the Southeast Alaska Conservation Council (SEACC)**

Moved by Gass, seconded by Bergeron the City Council authorize the city manager to transfer \$5,000 from Appropriated Reserves of the General Fund to the City Council’s 2021 Community Promotion Account No. 610.01 for payment to Robertson, Monagle and Eastaugh in support of continued legal intervention associated with defense of the Alaska specific rulemaking that exempts the Tongass National Forest from the 2001 Roadless Rule; and direct the city manager to take such actions as necessary for the City to intervene in the case.

Councilmember Gass felt this is an important issue because there is not a lot of other industry in our region at this time, and this may be a way to bring back something to help diversify our economy.

Councilmember Gage said she would not support this motion and cited her concerns with regards to another incident where the Forest Service dismissed community members who came to the table to have this conversation in good faith, and now they are coming back for financial support.

Mayor Sivertsen clarified we need to remember this also supports not only timber, but mining, tourism, hydroelectric projects, access roads to commercial lands and involves a lot of different industries. He said a number of groups established by the State that went through the process who then contacted other communities to get their input. He indicated a vote for the full exemption which passed. He stated this is a request for the City to continue to intervene in this respect.

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

**Petro Marine Services Purchase of Crowley Fuels, LLC**

Acting Port & Harbors Director Hilson said he appreciates Petro Marine Services presence in our community and the work they do. He indicated they also hire locally, and with that said he would advise the Council to consider the statements made by Mr. Ashcraft tonight. He informed their prices are different than Crowley Fuels, LLC, and we have a fuel contract with them that is due to expire the end of this year. He felt Petro Marine Services isn’t guaranteeing to stick to their pricing

paradigm, and pricing will eventually change because of the loss of competition. He went on to say in regards to vehicle fuel a lack of competition will lead to higher prices. He said over his career he has seen many times people say they don't intend to raise prices, but they do because they have to. He informed the fuel contract that expires the end of this year does have a two-year option to extend, which requires mutual consent of both parties.

Mayor Sivertsen asked if there was any other avenue for the community to take.

In answer to Mayor Sivertsen, Acting Port & Harbors Director Hilson felt this would be a consumer complaint directed to the attorney general's office with the State of Alaska. He said there may be nothing this community can do, but he felt there was still value in filing a complaint. He said they may gain a better understanding of what it is like to live in an isolated area with limited choices when they make these decisions, and there may be potential to provide incentive for someone to start up a new operation. He said by informing the attorney general of the local governments position on this and how it affects the people, they may keep a close watch on this moving forward. He said it was his understanding as part of their operation, they do review investigations from time to time. He didn't feel for us to just sit back and do nothing will get us the attention we deserve.

Councilmember Bradberry asked if we have ever previously filed a letter of complaint with the attorney general's office.

Manager Amylon said he didn't think so.

Councilmember Kiffer informed Samson was supposed to come in to be in competition with AML, but that didn't happen.

Mayor Sivertsen reiterated this is nothing against the company itself, it is a concern that Acting Port & Harbors Director Hilson is raising for the community, because we have seen it happen to an extent in the past. He felt as a Council it would be worth our while to communicate with Petro Marine Services to see if they would honor the contract we currently have with Crowley Fuels, LLC.

Moved by Bradberry, seconded by Gage the City Council direct the city manager to begin price negotiations with Petro Marine Services in regards to the option for the two year extension under the current agreement, Contract No. 19-39 for the 2020-2021 Vehicle Fuel supply which expires on December 31, 2021.

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

Mayor Sivertsen asked the Council if there was any direction for staff at this time to pursue a letter of complaint or inquiry to the attorney general's office.

Councilmember Flora said he didn't know what our role is as a City, and he didn't see what influence the City would have in this matter. He felt with this type of buyout, and along with all their attorneys, they are probably compliant with all the state regulatory requirements.

Councilmember Gass said while the fuel issue with the City is of concern, he felt another concern is for the fishing and small tour industry. He said he agreed with Councilmember Flora's comments, and asked if someone can inform him of what that complaint would look like.

Councilmember Bradberry said if we file a complaint against Petro Marine Services, she would like to include AML to see if we can their draw attention on what is happening in our community.

Acting Port & Harbors Director Hilson answered questions from the Council.

Manager Amylon clarified the City would be filing an inquiry with the attorney general office to determine if the transaction was in the best interest of the residents in this community. He said he agreed with Councilmember Bradberry that you should state in the complaint what has happened with AML. He said you need to be subject specific and tie in other monopolies that have happened, and what the down sides are.

Councilmember Flora said he agrees with the concerns that have been made, but he would like to have the city attorney explain what our role is in interceding with two private companies, and what remedy we as a City can take.

City Attorney Seaver said as a consumer we have an interest and some level of standing to raise these concerns. He said he didn't know the status of the transaction between Petro Marine Services and Crowley Fuels, LLC is at this point. He explained with the Council's policy decision then it would be appropriate for the manager to bring this to the attention of the attorney general's office, and to include particular facts that affect us locally. He stated there is a level of review in some circumstances that the attorney general's office is supposed to do to make sure laws of monopolies are being observed.

Councilmember Flora asked Mr. Ashcraft representing Petro Marine Services if he knew when this transaction would close.

Mr. Ashcraft stated originally the date was set for February 17, 2021, but has since been pushed out to February 28, 2021. He said the transaction has been reviewed by the attorney general's office and approved. He also informed that there has been no discussion at any level of changing the pricing paradigm.

Mayor Sivertsen asked for a show of hands to direct staff to request information from the attorney general office on where they stand with this transaction, and provide them a list of concerns of why we are requesting this information, and at least four hands were shown.

### **VOUCHERS**

Moved by Flora seconded by Bradberry the City Council approved vouchers to Parnassus Books in the amount of \$15.99.

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

### **CITY MANAGER'S REPORT**

#### **"Alaska Cruise Tourism Proposed Task Force" – CLIA Alaska/Norwegian Cruise Line Holdings and Royal Caribbean Group**

In his report, Manager Amylon attached for Council review a copy of the presentation that he had referenced at the January 7, 2021 Council meeting. He said the Southeast Alaska port communities and industry representatives are scheduled to meet again on January 20, 2021. He said unless the Council directs otherwise, he believed the Mayor, himself along with Mr. Hilson and Ms. Simpson should continue to meet as the City's representatives for the Southeast Alaska port communities proposed task force.

**2020 "Shop with a Cop"**

Manager Amylon included for Council review a memorandum from Police Chief White that summarized the department's 2020 "Shop with a Cop" program. He congratulated all who were in involved in making this program a resounding success.

**Slope Stabilization Projects – Alaska Department of Transportation and Public Facilities**

Manager Amylon provided the Council a memorandum from Acting Port & Harbors Director Hilson regarding Councilmembers concerns regarding rock cut slope conditions along the Tongass Highway. He informed Mr. Hilson will be attending the City Council meeting to address any questions and/or concerns that Councilmembers may have.

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

Telecommunications Division Cushing summarized a power outage they had this morning between 1 a.m. and 5 a.m. in the Telecommunications Division, which involved 3,000 residential customers. He indicated they worked all night and into the morning restoring service with only 16 trouble calls. He said even though most customers slept through the outage, staff felt it was a significant enough that Council needs to be aware it happened.

Manager Amylon indicated it was a severe outage, but the fact the Telecommunications Division was able to recover service the way they did shows a real tribute not only to Mr. Cushing, but to the talented people he has working for him. He stated we are very fortunate as a community to have a telecom company like this.

**Project Status Reports of the KPU Division Managers – December 2020**

General Manager Amylon provided for Council review the project status reports of the KPU division managers for the month of December 2020.

**2021 Broadcast Surcharge Fee Increase**

General Manager Amylon attached for Council review a memorandum from the Telecommunications Division Manager Ed Cushing that KPU intends to increase the broadband surcharge fee from \$18.47 to \$21.73 per month, effective February 1, 2021.

**Request for Staff Report Regarding Utility Rate Increases in 2021 – Councilmember Flora**

General Manager Amylon attached for Council review an informational report that was requested by Councilmember Flora in regards to the utility rate increases projected in 2021. He indicated this may aide the Council in its deliberations of the proposed rate increases.

**Reports of December 1, 2, 15 and 25, 2020 Power Outages**

General Manager Amylon provided for Council review a memoranda from Electric System Engineering Manager Jeremy Bynum regarding the power outages of December 1, 2, 15 and 25, 2020.

**CITY CLERK'S FILE**

City Clerk Stanker informed the Council that the ordinance for the Council Tourism Committee was near completion, and she would like to meet with Councilmember Kiffer for input regarding the purpose, powers and objectives of the committee. No objection was heard.

**CITY ATTORNEY'S FILE**

Report of Significant Activities for the Month of December 2020 – Office of the City Attorney

**FUTURE AGENDA ITEMS** - None

**MAYOR AND COUNCIL COMMENTS**

Councilmember Gass said he felt bad scrutinize the budget, but when he ran for office he said his goal was to ease the burden on the taxpayer all he could.

Councilmember Kiffer thanked staff for following up on the concerns regarding the hillside along the Tongass Highway near Wolf Point, and with talking to the Department of Transportation (DOT). He said we need to make sure this remains an issue, and it is repaired in the next year or so before it collapses on us.

Mayor Sivertsen thanked the Council for their endurance tonight.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS** - None

**ADJOURNMENT**

As there was no further business, the Council adjourned at 10:50 p.m.

---

Robert Sivertsen, Mayor

ATTEST:

---

Kim Stanker, MMC  
City Clerk

**FYI ITEMS INCLUDED**

Love In Action 2020 Annual Activity and Financial Reports

First City Players' Quarterly Activity & Financial Reports – October through December 2020

Quarterly Statistical Report of Ketchikan Public Library Utilization – October Through December 2020

Ketchikan Committee for the Homeless' Quarterly Financial Report – October Through December 2020

Boys & Girls Club of Ketchikan Quarterly Activity & Financial Reports – October Through December 2020

Lake Levels and System Generation Report for the Month of December 2020

Water Utilization Study Report – December 2020