

Regular Ketchikan City Council meeting was called to order by Mayor Kiffer at 7:00 p.m., November 22, 2021, with the following members present: Riley Gass, Janalee Gage (via WebEx), Mark Flora, Judy Zenge (via WebEx), Abby Bradberry, Jai Mahtani and Lalette Kistler.

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, City Attorney Seaver, Finance Director Johansen, Public Works Director/Acting Port and Harbors Director Hilson, Acting Police Chief Mattson, Museum Director Maxwell, Electric Division Manager Donato, Electric Division System Engineering Manager Bynum, Telecommunications Division Manager Cushing, Sales, Marketing and Customer Service Division Manager Simpson, KPU Telecommunications Network Engineer Schultz, Sr. System Administrator Combrink, Deputy Clerk Lee and City Clerk Stanker.

**PUBLIC HEARING – RESOLUTION NO. 21-2830 –
AMENDING THE 2021 GENERAL GOVERNMENT
OPERATING AND CAPITAL ANNUAL BUDGET TO
PROVIDE A SUPPLEMENTAL APPROPRIATION FOR
THE MUSEUM DEPARTMENT IN THE AMOUNT OF
\$18,900**

Mayor Kiffer called the public hearing on Resolution No. 21-2830 to order at 7:01 p.m. and requested public testimony.

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

COMMUNICATIONS

Mayor Kiffer indicated there were several items laid on the table, including; a request the City Council withdraw agenda items 7a(1) regarding the report on the Ketchikan Public Library 2018-2022 Strategic Plan, 7a(3) regarding the presentation by Steve Hayburn and additional information from the Finance Director regarding 7a(5) the Port discussion.

PERSONS TO BE HEARD

Jeremy Bynum, secretary and treasurer for Southeast Alaska Power Agency (SEAPA) provided an update to the Council on their recent activities. He explained they are currently developing a strategic plan to guide the organization for the future. He encouraged the Council to reach out to the utility to learn more about what the community needs are. Mr. Bynum then addressed the Council with an update from KPU electric regarding the island-wide power outage experienced today. He thanked the dedicated staff and crewmembers that worked to troubleshoot and restart the power for the community.

Christina Townsend stated her concerns regarding the lightbulbs currently being used on the third avenue bypass. She felt the use of LED lighting could potentially cause health problems in people and have a negative effect on the environment. She requested the City replace the bulbs with what was used previously.

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Norman Arriola referenced the agenda item of a presentation regarding the opioid epidemic and said this is nothing new except now people are getting rat poison that is killing them right away. He mentioned that the Police Department had a drug dog many years ago and felt it would be good to have one back. He suggested using funding from the marijuana sales tax to fund this. He stated his disappointment that Governor Dunleavy got rid of the Ocean Ranger program since the funding came from the head tax not from the State. He said the community should consider working together to build a detox center.

CONSENT AGENDA

Mayor Kiffer suggested moving several items to the Consent Agent, including; Councilmember Appointments to Boards and Commissions, Appointments to Boards and Commissions, Resolutions No. 21-2830 to provide a supplemental appropriation to the Museum Department. No objections were heard.

Approval of Minutes – Regular City Council Meeting of November 4, 2021 and the Special City Council Meeting of November 9, 2021

Moved by Flora, seconded by Bradberry for approval of minutes from the regular City Council meeting of November 4, 2021 and the Special City Council meeting of November 9, 2021.

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

One-Year Renewal of Contract No. 18-28 – 2018-2019 Agreement for Lobbying Services, Ray Matiashowski & Associates

Moved by Flora, seconded by Bradberry the City Council authorize the Acting City Manager to extend Contract No. 18-28, 2018-2019 Agreement for Lobbying Services, between the City of Ketchikan and Ray Matiashowski & Associates for the final twelve-month renewal option at a cost of \$48,000 per year; approve funding from the City Council's 2021 Management Consulting Services Account No. 640.04 and direct the Acting City Manager to execute the contract extension on behalf of the City Council.

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

Budget Transfer – Port and Harbors Travel Business Accounts

Moved by Flora, seconded by Bradberry the City Council authorize budget transfers in the amounts of \$941 from the Port Division's 2021 Contracted Building and Grounds Maintenance Services Account No. 635.06 to the Port Division's 2021 Travel – Business Account No. 600.01 and \$546 from the Harbors Division's 2021 Contracted Infrastructure Maintenance Services Account No. 635.08 to the Harbors Division's 2021 Travel – Business Account No. 600.01 to fund additional travel funds needed for in-person interviews.

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

**Liquor License Renewal Application – Ketchikan
Entertainment Center LLC d/b/a My Office**

Moved by Flora, seconded by Bradberry approve the renewal of liquor license: Beverage Dispensary –Ketchikan Entertainment Center, LLC d/b/a My Office, 2050 Sea Level Dr., Suite 103, Ketchikan, AK 99901.

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

**Restaurant Designation Permit Application – Good Fortune
Restaurant and Creek Street Cabaret**

Moved by Flora, seconded by Bradberry the City Council approve the restaurant designation permit applications for Good Fortune Restaurant at #4 Creek Street and Creek Street Cabaret at 123 Stedman Street and authorize the city clerk to sign the applications on behalf of the City Council.

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

Appointments to Boards and Commissions – Mayor Kiffer

Mayor Kiffer presented the name of Patricia Tully as an appointment to the Ketchikan Historic Commission as a community member (term expires 10/2023). No objections were heard. He also assigned Councilmembers to the following boards and commissions:

<u>POSITIONS</u>	<u>APPOINTMENT</u>
Ketchikan Historic Commission	Maxwell (Council Designee)
Library Advisory Board	Mahtani
Museum Advisory Board	Gage
Port & Harbors Advisory Board	Flora
Ketchikan Visitors Bureau	Mahtani
Public Facility Naming Committee (2)	Flora, Zenge, Kiffer
SEAPA 2 voting – 2 non-voting	Voting Bradberry (alt Gage); Voting Sivertsen (alt Donato)
Hospital Governing Board	Open
Community Grant Committee	Flora, Gass, Bradberry and Acting Police Chief Mattson
Lobbying Executive Committee	Flora, Kiffer
Cooperative Relations Committee	Gage, Gass, Zenge
Local Emergency Planning Committee (2)	Gass, one open seat
Planning Commission Code & Planning Subcommittee	Gass
Hospital Advisory Board (HAC)	Zenge
University of Alaska	Open

Resolution No. 21-2830 – Amending the 2021 General Government Operating and Capital Annual Budget to Provide a Supplemental Appropriation for the Museum Department in the Amount of \$18,900

Moved by Flora, seconded by Bradberry the City Council approve Resolution No. 21-2830 amending the 2021 General Government Operating and Capital Budget to provide a supplemental appropriation for the Museum Department in the amount of \$18,900; and establishing an effective date.

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

Exempting the Procurement of SCADA Equipment for the Electric Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – NovaTech, LLC

Moved by Flora, seconded by Bradberry pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of SCADA equipment from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to enter into an agreement for the purchase of such equipment with NovaTech, LLC in an amount not to exceed \$38,856.75 and approve funding from the Electric Division's 2021 Operating Equipment Capital Account.

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

UNFINISHED BUSINESS

Items were moved to the Consent Agenda

NEW BUSINESS

Report on the Implementation of the Ketchikan Public Library 2018-2022 Strategic Plan

By report, staff withdrew this agenda item and indicated it would be brought back at the Council meeting of December 16, 2021.

Proposed Topics for PeaceHealth Ketchikan Medical Center Quarterly Presentation to the City Council at its Meeting of December 16, 2021

Moved by Flora, seconded by Bradberry the City Council direct the Acting City Manager to advise PeaceHealth Ketchikan Medical Center of the City Council's acceptance and/or modification of the proposed topics of discussion for the quarterly update of December 16, 2021 and to submit requests for additional information as determined appropriate by the City Council.

From discussion of the Council the following additional items were requested to be included in the next quarterly presentation by PeaceHealth:

- Update of COVID cases.
- Update on a detox center with approximate implementation dates.
- A report on issues with the nursing staff or staff in general.
- Status report on the Health Advisory Committee (HAC).

Acting City Manager Simpson updated the Council on the status of the HAC.

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

Presentation by Steve Hayburn – Ketchikan Opioid Epidemic

By report, staff withdrew this agenda item and indicated it would be brought back at the Council meeting of December 2, 2021.

Discussion of Future Port Operations – Councilmember Flora

Councilmember Flora said at a previous meeting there was discussion regarding the lack of progress that this body has had in the last year regarding the future of the Port operations. He indicated we have a couple new Councilmembers, and felt this is a good time to revisit this topic and establish a new base line. He stated a list of items/questions that he would like to see addressed:

- Where do we want to go with the Port
- What are the things we want to keep that works well for the entire community.
- What things need to be improved upon.
- How do we fashion a model that serves the folks in tourism, works hand-in-hand with the industry, and the general public.
- Continue operating at the status quo, meaning what we have done for the preceding past decades is the way to go, and requires zero modification.

He said we will honor our debt obligations, Berth IV lease and agreements we have in place. He thanked staff for providing additional information.

He opened the discussion up to the Council for their input. A lengthy discussion ensued and the following suggestions were made:

- Hire a tourism manager that focuses on how we want to run the Port. This position would report to the manager and works with or independent of the Port & Harbors Director.
- Develop a strategic plan with both short and long term goals, and figure out our game plan for 2022.
- Work with the Borough to help with completing Port projects through a CPV loan, specifically the dolphin at Berth III that is shovel ready minus increased cost.
- Convene the Cooperative Relations Committee to discuss joint Port project funding.
- Direct staff and some members of the Council to begin working with the individual cruise lines partners and Southeast Stevedoring to see how we can in the short-term alleviate the maintenance issues we are facing.
- Engage Patti Mackey with the Ketchikan Visitors Bureau (KVB) as they are knowledgeable in this industry.

- Initiate conversations with our partners at the end of the season regarding the financial needs of the community.
- Change in the use of the CPV funds to benefit the community in regards to infrastructure.
- Strategic conversations in Executive Sessions on how to approach our partners.
- A fee structure for small increased head tax and moorage fees for long term to plan accordingly.

Acting City Manager Simpson said yes a tourism manager has a unique skillset which is not expressly written out in the current Port & Harbors Director job description. She indicated we can divide the position or add a supplementary position. She informed neither of the two candidates we are currently looking at have a background with tourism. She said she had a conversation with Patti Mackey of the (KVB) who indicated the KVB is very interested in playing a role in marketing the Port, and would welcome a discussion with the City Council on what the KVB could do in terms of fulfilling that role. She informed that Juneau has developed a tourism manager for their community. She indicated that position might not live within the Port & Harbors Department, but in the Tourism and Economic Development budget.

Councilmember Gass questioned the status of staff reaching out to Ketchikan Dock Company for support. He felt it was too late to start a plan for the 2022 season.

In response to Councilmember Gass, Acting City Manager Simpson said she and the Acting Port & Harbors Director had an initial conversation with Ketchikan Dock Company to learn what they would be interested in offering the City in terms of relief for the Berth IV Lease. She said based on tonight's discussion there are different ideas on how to approach our partners, and she recommended a separate discussion on how to strategically approach those conversations in an executive session.

Councilmember Zenge felt we need to look into a tourism manager that reports directly to the Port & Harbors Director and the City Manager, and to start focusing on our economy. She said if we are worried about our partners, maybe it is because we are not addressing them in a way that we should be. She indicated there are people out there locally with those skills that aren't Councilmembers or KVB that can do this work for us. She stated we need to get serious about this and get the right people in place, or we are going to be left behind if we're not careful.

Councilmember Mahtani suggested we sit down with the KVB and see what they would offer in terms of how they would enhance marketing of the Port.

Councilmember Gage felt a strategic plan is a good idea as well as a tourism manager. She said the passengers off these ships impact our water, sewer and garbage, and this community is picking up the tab. She informed other communities collect fees for these services. She indicated we also need to consider the traffic flow, and the best options for dispersing visitors coming from Ward Cove into town.

Councilmember Flora agreed with Councilmember Gass as the short-term plan for 2022 is already set. He asked the Council when considering the longer strategic plan to keep in mind the community outside of the Port. He said the Port is the community's biggest infrastructure and economic driver. He informed we had to defer \$4.5 million dollars for the Berth III dolphins, which has now increased to \$5 million, as well as defer the cathodic protection. He suggested when the Council talks about the longer-term strategic plan that it be reasonable for us as a community who owns the Port to have a say and include a financial model.

Councilmember Bradberry asked for a show of hands to have staff bring back a job description, salary and process of hiring of a tourism manager position, and at least four hands were shown.

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Councilmember Bradberry asked for a show of hands to direct the Acting City Manager to schedule meetings with individual cruise lines partners to discuss the monetary needs of the community through the pandemic and after, and what the long term plan is for the cruise lines in regards to Ketchikan itinerary. She said the team for the City should consist of Acting City Manager, Port & Harbors Director, the Mayor and one Councilmember, and at least four hands were shown.

Councilmember Flora informed that sales tax is not a revenue of the Port. He said what we have seen in the past 25 years is increased bonded debt and the degradation of the communities infrastructure. He questioned if there were mechanisms that fell outside the tonnage clause that we can work with individual cruise lines to agree on something that works for them and for the community.

Mayor Kiffer stated if we are seriously looking for money from the cruise lines the tradeoff will be giving up the Berths as they will want control. He said that is something we have heard in all our negotiations. He indicated staff should still have a conversation with our partners.

Financial and Compliance Audit for the Year Ending December 31, 2021

Moved by Flora, seconded by Bradberry the City Council authorize the Finance Director to negotiate a contract with Teuscher Walpole, LLC for the financial and compliance audit for the City of Ketchikan for the year ending December 31, 2021, said contract to be submitted to the City Council for formal consideration and approval.

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

Change Order No. 2 (FINAL) to Contract No. 20-20 – W.I.S.H. Domestic Violence Shelter Renovations – BAM, LLC

Moved by Bradberry seconded by Flora the City Council approve Change Order No. 2 (FINAL) to Contract No. 20-20, W.I.S.H. Domestic Violence Shelter Renovation, between the City and BAM, LLC in the amount of \$102,639.50 with the addition of 45 days to the contract completion date, bringing the total contract cost to \$1,636,797; authorize funding from the Public Works Department's 2020 Domestic Violence Shelter Capital Account; and direct the Acting City Manager to execute the contract change order on behalf of the City Council.

Public Works Director Hilson answered questions from the Council.

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

Insurance Services and Brokerage Agreement

Moved by Bradberry, seconded by Mahtani the City Council authorize the Acting City Manager to negotiate a three-year insurance brokerage agreement with Davies-Barry/Alliant Insurance Services.

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

**Award of Contract No. 21-18 – Ketchikan Generator No. 4
Rotor & Stator Rewind – Delta Electric Motors**

Moved by Kistler, seconded by Mahtani the City Council accept the bid of Delta Electric Motors in the amount of \$363,500 for Contract No. 21-18, Ketchikan Generator No. 4 Rotor & Stator Rewind; approve the creation of a 2021 Electric Division Capital Account titled Ketchikan Generator No. 4 Rotor and Stator Rewind; establish a ten percent contingency in the amount of \$36,350 and Factory Acceptance Testing in the amount of \$15,000 bringing the total project cost to \$414,850; approve budget transfers in the amounts of \$252,000 from the Electric Division's 2021 Bailey Unit No. 1 Rehabilitation Capital Account and \$162,850 from the Electric Division's 2021 Beaver Falls Switchgear Replacement Capital Account to the newly created Ketchikan Generator No. 4 Rotor and Stator Rewind Capital Account; authorize funding in the amount of \$414,850 from the Ketchikan Generator No. 4 Rotor and Stator Rewind Capital Account; and authorize the Acting General Manager to execute the contract documents on behalf of the City Council.

Electric Division Manager Donato and Electric Division System Engineering Manager Bynum answered questions from the Council.

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

VOUCHERS – None

CITY MANAGER'S REPORT

**Schedule of General Government and KPU Appropriated
Reserves Through the City Council Meeting of November 4,
2021**

In her report, Acting City Manager Simpson attached for Council review a schedule of the current balance of Appropriated Reserves of the various funds of General Government and KPU through the City Council meeting of November 4, 2021.

Report of Federal Lobbyist

Acting City Manager Simpson included for Council review a copy of the November 8, 2021 report of the City's Federal Lobbyist, Steve Silver.

**Status of Recruitment Efforts for Vacant Department
Head/Division Manager Positions**

Acting City Manager Simpson provided for Council consideration a summary of the recruitment efforts for the five management level positions currently vacant within General Government and Ketchikan Public Utilities and the status of each as of November 12, 2021. She informed the Port & Harbors Director and the Police Chief should be filled in the next few weeks, but would keep the Council informed of the progress.

K.P.U. MANAGER'S REPORT

Project Status Reports of the KPU Division Managers – October 2021

Acting General Manager Simpson attached for Council review the project status reports of the KPU division managers for the month of October 2021.

Report of October 22, 2021 Power Outage

Acting General Manager Simpson provided the Council a memorandum from Electric Systems Engineering Manager Jeremy Bynum regarding the power outage of October 22, 2021.

Ketchikan Public Utilities Policies for Disconnect for Non-Payment

Acting General Manager Simpson provided the Council a memorandum prepared by KPU Sales, Marketing & Customer Service Division Manager Kim Simpson regarding information Councilmember Gage had requested on Ketchikan Public Utilities' payments and disconnect policies.

Councilmember Gage felt we need to review and restructure the current ordinance. She said based on the number of calls per day, do we have the staff to be able to properly handle them.

Sales, Marketing and Customer Service Division Manager Simpson answered questions from the Council regarding disconnect and reconnect charges. She gave details from her attached report on how they handle disconnects and late payments notices. She said they are also looking into other programs like a text messaging service and a kiosk that integrates with electrical for past due notices to customers.

Termination of Verizon Wireless Agent Agreement and Closure of the Verizon Agent Store

Acting General Manager Simpson attached for Council review a memorandum from Telecommunication Divisions Manager Ed Cushing regarding Verizon's decision to terminate the wireless agent sales agreement with KPU effective May 2022. She stated Verizon has elected at a corporate level to terminate a number of agreements that they have with rural agents. She felt this will impact the community by those folks who do carry Verizon service. She stated after that date our customer service agents will no longer be able to sell or assist customers with anything having to do with Verizon.

CITY CLERK'S FILE – None

CITY ATTORNEY'S FILE – None

FUTURE AGENDA ITEMS

Councilmember Gass said he would like an executive session scheduled for an update regarding discussions Acting City Manager Simpson has had with Ketchikan Dock Company and any other organization.

Councilmember Bradberry said she would like a discussion item to discuss a strategic plan for KPU and what direction the Council wants to see the City go.

Councilmember Kistler said she would like to see some numbers regarding sales tax cap.

Councilmember Bradberry said she would like a future agenda item to be brought up in January to discuss grant writing. She informed one of the prominent things brought up during Alaska Municipal League (AML) was the importance of having grant writers on staff now before the infrastructure bill is launched. She said Acting City Manager Simpson forwarded her some useful information that would be beneficial for the rest of the Council to review.

Councilmember Gage said she would like to add what we can do regarding billing and maybe boost it for example online payment, and getting a better understanding of the ordinance and making it more doable for community members.

In response to Councilmember Gage 's request regarding KPU billing ordinance, Mayor Kiffer said this item will be on the agenda for the second meeting in January.

MAYOR AND COUNCIL COMMENTS

Councilmember Gass said with the higher up positions within the City being vacated, he hoped there is an emphasis within each department on training folks up to move into those positions. He suggested we look at our valuable employees that do such a great job for us to train and move them up.

Councilmember Gage gave an update from the AML conference and said we need to reconsider looking outside for our grant writing with all of the money that will be coming into the communities. She informed she has links for some of the statewide organizations, but they will probably be inundated with the smaller regional villages that will need their assistance. She said the power outage in Canada affected our dear friends in Hyder, Alaska who have been without power and cell service for several days. She informed she is looking forward to the southeast region group forming to discuss and address funding for the ferry system. She informed there were 36 new cases of COVID reported tonight and is curious what our mitigation plan will be because our hospital is filling up.

Councilmember Zenge said there are 37 new cases of COVID. She informed with budget coming up and with those big binders and the very small worktable that she will be calling in for some of those meetings.

Councilmember Bradberry stated AML was amazing. She said she has a lot to learn but is excited to be on the SEAPA board. She thanked all of the employees that helped with the outage this morning.

Councilmember Kistler thanked the people in the Electric Division for working through the night to get the lights on. She informed her 91-year old mother is staying with her right now and she was concerned about her finding her way around.

Councilmember Flora thanked KPU for keeping the lights on and the heat going.

Mayor Kiffer questioned given our space limitations in the Council Chambers, as we go into budget, if any of the Councilmembers would like to participate remotely.

In response to Mayor Kiffer's request, Councilmember Gage and Councilmember Zenge informed they would like to participate via WebEx.

Mayor Kiffer informed budget process will be done a little bit differently this year by having department heads give a short presentation, and we will not be going page by page through the budget. He said this will require Councilmembers to have their questions ready in advance.

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Councilmember Gage asked Clerk Stanker if she will forward information on what the Council will be going over for each budget session.

Clerk Stanker explained historically the first budget meeting will go through the Information Technology Department. She said this will give the Council a better idea on how fast we are moving through each department so the Council will know how to prepare for the second budget meeting on December 1st 2021.

Mayor Kiffer said he received a letter from the Southern Southeast Regional Aquaculture Association (SSRAA) asking if any Councilmember was interested in sitting on their board. He said if anyone is interested, please submit a brief bio to the Clerk's office by December 3, 2021. He informed he had attended the AML conference in Anchorage, and he was able to sit down with other Mayors from Southeast and throughout the Coastal areas, and they also had concerns regarding the recent increased shipping costs with Alaska Marine Lines (AML). He stated moving forward they will be in touch to see what each community is doing about it. He said there was also talk about reforming what was called the Coastal Coalition.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS - None

ADJOURNMENT

As there was no further business, the Council adjourned at 9:25 p.m.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED

First City Homeless Services Quarterly Activity Report, July through September 2021
Southeast Alaska Independent Living (SAIL) Annual Activity Report – July through September 2021
Love in Action Newsletter for the Month of November 2021
Lake Levels and System Generation Report for the Month of October 2021
Water Utilization Study Report – October 2021

Regular Ketchikan City Council meeting was called to order by Mayor Kiffer at 7:00 p.m., December 2, 2021, with the following members present: Riley Gass, Janalee Gage (via WebEx), Mark Flora, Judy Zenge (via WebEx), Abby Bradberry, Jai Mahtani and Lallette Kistler.

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, City Attorney Seaver (via WebEx), Finance Director Johansen, Public Works Director/Acting Port and Harbors Director Hilson, Acting Police Chief Mattson, Museum Manager Maxwell, Telecommunications Division Manager Cushing, Deputy Clerk Lee and City Clerk Stanker.

**RESOLUTION NO. 21-2831 – AMENDING THE 2021
GENERAL GOVERNMENT OPERATING AND CAPITAL
BUDGET TO PROVIDE A SUPPLEMENTAL
APPROPRIATIONS FOR THE MAYOR AND COUNCIL
DEPARTMENT IN THE AMOUNT OF \$2,000; THE POLICE
DEPARTMENT IN THE AMOUNT OF \$3,000**

Mayor Kiffer called the public hearing on Resolution No. 21-2831 to order at 7:02 p.m. and requested public testimony.

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

COMMUNICATIONS

Mayor Kiffer indicated there was a request to withdraw the presentation by Steve Hayburn and reschedule it to the meeting of December 16, 2021.

PERSONS TO BE HEARD

Lloyd Ruaro informed he is one of eight wastewater operators for the City and an International Brotherhood of Electrical Workers (I.B.E.W.) member. He feels the infrastructure of the City is not the roads, bridges and pipes, but it is the employees. He said his morale right now is low. He stated when the union goes through a negotiation it always seems to take two or three years after a contract is up. He said people are not replaceable, and you can't buy experience. He asked the Council, what does infrastructure mean to you. He thanked the Council for their time.

John Holstrom said, as we enter another round of union negotiations he wants the Council to understand what the non-management employees are up against. He informed he has worked as a City mechanic for 19-years. He said previous generations that worked for the City received promotions and good retirement benefits. He discussed the retirement accrual rates over the years. He stated there is perception that the City retirement benefits are good, which was true 20-years ago. He said to address this issue the first step is to remove the dollar cap on retirement contributions that has not been adjusted for inflation for many years. He discussed the roadblock employees' face for advancement and promotions. He thanked the Council for their time.

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Deidra Holum said she lives on Park Avenue, which is an area that is impacted by the Salmon Walk development project. She stated the neighborhood has concerns regarding the Salmon Walk's proposal to add signage in certain areas, which would require relocation of a crosswalk that would eliminate two parking spots. She informed there are only ten parking spots in that neighborhood as it is. She explained concerns they have regarding the potential flow of pedestrians and cars if the crosswalk is relocated. She said they are asking to work with, and have input with the City regarding this proposal. She answered questions from the Council.

Mayor Kiffer stated at the Alaska Municipal League conference last month in Anchorage, former City Manager Karl Amylon was honored with the Vic Fisher Local Government Leadership Award. He said if you know anything about local government in Alaska, this is a very big deal, because Vic Fisher is the sole remaining person of the constitutional convention. He informed Mr. Fisher was a major force in our state for decades. He stated Mr. Amylon in memoriam received this award for lifetime service to significant contributions to improving local government and communities in Alaska. He said as a City we are very honored by this, and it reminds us what a great individual we had helping lead our City for 26-years. He informed the average stay for a manager in Alaska is three to five years, and for us to have a manager helping us make Ketchikan a better place for as long as we did is spectacular.

In response to questions asked by Mayor Kiffer, Acting Manager Simpson informed former Mayor Sivertsen put together a naming committee to name City Hall after Mr. Amylon in which case the award can be displayed here or it can go to his family.

CONSENT AGENDA

Mayor Kiffer suggested moving several items to the Consent Agenda, including: Appointments to Board and Commissions, A budget transfer exempting procurement of Voice Recording System for the 911 Communications Center, Resolution No. 21-2831 to provide supplemental appropriations for the Mayor and Council Department and Amendment No. 7 to the LTE in Rural American Master Agreement, and no objections were heard.

Approval of Minutes – Regular City Council Meeting of November 17, 2021

Moved by Flora, seconded by Bradberry for approval of minutes from the Special City Council meeting of November 17, 2021.

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

Appointments to Boards and Commissions – Mayor Kiffer

Mayor Kiffer Removed recently appointed Councilmember Mahtani and Appointed Councilmember Kistler to the Ketchikan Visitors Bureau and the University of Alaska, and Councilmember Mahtani to the Local Emergency Planning. No objections were heard.

Budget Transfer – Exempting the Procurement of a Voice Recording System for the 911 Communications Center from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – ProComm Alaska LLC

Moved by Flora, seconded by Bradberry pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a voice recording system for the Police Department's 911 Communications Center from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize a budget transfer in the amount of \$52,000 from the Police Department Police Operations Division's 2021 Personnel Services and Wages – Overtime Account No. 501.01 to the E911 Central Communications Division's 2021 Machinery and Equipment Account No. 790.25; authorize funding in the amount of \$51,224 from the Police Department's E911 Central Communication Division's 2021 Machinery and Equipment Account No. 790.25; and direct the Acting City Manager to purchase such recording system from ProComm Alaska LLC at a cost not to exceed \$51,224.

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

Resolution No. 21-2831 – Amending the 2021 General Government Operating and Capital Budget to Provide Supplemental Appropriations for the Mayor and Council Department in the Amount of \$2,000; the Police Department in the Amount of \$3,000

Moved by Flora, seconded by Bradberry the City Council approve Resolution No. 21-2831 amending the 2021 General Government Operating and Capital Budget to provide supplemental appropriations for the Mayor and Council Department in the amount of \$2,000; the Police Department in the amount of \$3,000; and establishing an effective date.

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

Exempting the Procurement of the Annual Billing Software Maintenance and Support for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – CommSoft

Moved by Flora, seconded by Bradberry pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of the annual billing software maintenance and support for the Telecommunications Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to enter into an agreement for the annual billing software maintenance and support with CommSoft in an amount not to exceed \$107,128.93; and approve funding from the Telecommunications Division's 2022 Software Maintenance Services Account No. 635.04.

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

Exempting the Procurement of Annual Verimatrix Encryption Support and Maintenance Services for the Telecommunications Division from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Dascom Systems Group

Moved by Flora, seconded by Bradberry pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, I move the City Council exempt the procurement of annual Verimatrix encryption maintenance and support services for the Telecommunications Division from the competitive bidding and written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to enter into an agreement for such maintenance and support services with the Dascom Systems Group in an amount not to exceed \$16,200; and approve funding from the Telecommunications Division's 2022 Software Maintenance Services Account No. 635.04.

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

Amendment No. 7 to LTE in Rural American Master Agreement Between the City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless

Moved by Flora, seconded by Bradberry the City Council approve Amendment No. 7 to the LTE in Rural America Master Agreement between City of Ketchikan d/b/a Ketchikan Public Utilities and Cellco Partnership d/b/a Verizon Wireless and authorize the Acting General Manager to execute the amendment on behalf of the City Council.

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

UNFINISHED BUSINESS

This item was moved to the Consent Agenda

NEW BUSINESS

Presentation by Steve Hayburn – Ketchikan Opioid Epidemic

By report, staff withdrew this agenda item and indicated it would be brought back at the Council meeting of December 16, 2021.

Providing Direction on Draft Ordinance No. 21-1938 – Amending Subsections (A) and (B) of Ketchikan Municipal Code Section 3.16.040 Entitled “Lease Terms” Concerning Tidelands Leases

Moved by Bradberry, seconded by Mahtani the City Council take such action as determined appropriate regarding the presented draft of Ordinance No. 21-1938 – Amending Subsection (A) and (B) of Ketchikan Municipal Code Section 3.16.040 Entitled “Lease Terms” Concerning Tidelands Leases, such changes to Ordinance No. 21-1938 to be presented to the City Council for consideration in first reading at a subsequent City Council meeting.

Acting Manager Simpson explained this ordinance that staff is proposing would modify tideland leases that are currently under City management. She informed the City inherited these leases from the state and currently how the rent value is assessed has no rhyme or reason. She stated each tideland lease is different so this ordinance will create some equity and structure on how to apply

a rent to each going forward. She said what they are proposing is that the rent value be at 2.5% of an appraised or tax assessed value of the property, which is in line with what the borough currently does with their tideland leases. She continued if the Council is in agreeance, staff will bring back an ordinance in first reading that incorporates the 2.5%.

Acting Manager Simpson answered questions from the Council.

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

Sponsorship of the Ketchikan Salmon Walk – Royal Caribbean Group

Moved by Kistler, seconded by Bradberry the City Council accept the sponsorship of Royal Caribbean Group in the amount of \$160,000 towards the proposed 2022 Tourism and Economic Development Department's Salmon Walk and Salmon Ladder Enhancements Capital Project and direct the Acting City Manager to execute sponsorship documents on behalf of the City Council.

Councilmember Gass said this is a great idea and appreciates the support from Royal Caribbean. He reiterated comments made by Ms. Holum regarding parking on Park Avenue and disagreed with moving the crosswalk with the cost of losing two parking spots in that area.

Public Works Director Hilson explained when they received concerns about relocating the crosswalk and loss of parking they took it seriously so as to not negatively affect the neighborhood. He informed this project is meant to bolster and enhance the neighborhood not to make it more difficult for the residents. He said they put the relocation of the crosswalk on a permanent hold and explained why they had originally planned to move it. He informed they are working on trying to get one off-street parking spot in that area. He stated they are looking at what they can do with that crosswalk to meet ADA compliance.

Mayor Kiffer requested if the draft plan is to move the crosswalk, to please bring it back before the Council for consideration.

Councilmember Flora felt this project looks like the kind of project that will help the City compete with Ward Cove. He said it looks like there are many enhancements that are well thought out and the outside funding is beneficial. He questioned when the City does project like these, is there a public comment period.

Public Works Director Hilson said they did one with the rollout of the promenade and the Stedman Street restrooms. He explained Public Works, in advance of a project, will try to go out and knock on doors and make personal contact. He said we encourage our employees to talk with residents when working on a project. He explained there has been a variety of public outreach depending on the project.

Councilmember Flora said he would like staff to consider mailing out information to the neighborhoods so that people in the area that are impacted will have an opportunity to speak to it.

Councilmember Gage said she likes the project but said she would like to understand the Charter rules of putting out advertisements for the cruise industry. She appreciates Royal Caribbean sponsoring this but her understanding is that the City is not allowed to advertise anything on City property.

Acting Manager Simpson said the City has accepted private donations in the past and we have always given some level of verbal acknowledgement of their sponsorship, which is primarily what is on the example interpretive panel and wasn't sure if this would qualify as advertising.

City Attorney Seaver said he would have to look into this.

Acting Manager Simpson recommended that if the Council has concerns about the use of logo or language, to have staff sort it out. She said Royal Caribbean's expectation of sponsoring this project will include language as presented and their logo. She said Royal Caribbean needs to allocate those funds this year so we will have until the next meeting, which is the last meeting of the year.

Moved by Gage, seconded by Flora to defer until the meeting of December 16, 2021.

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

Amendment No. 2 to Professional Services Agreement for Consulting Services Related to Expansion Joint Water Intrusion – Ketchikan Medical Center, Wiss, Janey, Elstner Associates, Inc.

Moved by Flora seconded by Mahtani the City Council approve Amendment No. 2 in the amount of \$89,750 to the professional services agreement between the City and Wiss, Janey, Elstner Associates, Inc. for consulting services related to expansion joint water intrusion at the Ketchikan Medical Center, bringing the project total to \$167,750; authorize funding from the Public Health Department's 2021 Ketchikan Medical Center Expansion Capital Account; and direct the Acting City Manager to execute the amendment on behalf of the City Council.

Councilmember Mahtani asked if this amendment passes, would the City have to pay the contractor more money as well.

In response to Councilmember Mahtani's question, Public Works Director Hilson said we are not paying the contractor anymore for this work. He stated the City has withheld money from the contract pay applications in order to ensure we can hold them accountable to do this work.

Councilmember Flora questioned if we have any recourse for the additional \$89,750 for the professional services agreement.

City Attorney Seaver explained a past Council gave direction to close out the entire project and there were some trade-offs considering litigation risk. He informed this would have been close to being finalized if this new leak had not materialized. He said we are paying for our experts and on the other hand the joint venture is giving up certain assertions and recoveries that they may otherwise have.

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

Discussion Regarding Opiate-Overdose Issues – Mayor Kiffer

Mayor Kiffer said it is his goal to have this item appear every few months to find out what is going on. A lengthy discussion ensued and the following was discussed:

- Detailed PeaceHealth Medical Center is offering a detox service.
- The need for treatment facilities in Ketchikan and throughout Alaska.
- Money the State will receive from the national opiate settlements.
- Interdiction reinforcement.
- Organizations currently operating in Ketchikan and what they are doing such as a needle disposal program.
- Education, signage, skills, word tracks and public service announcements.
- City potentially working with the Ketchikan Wellness Coalition to assist with public service announcements.
- Additional Police Officers.

VOUCHERS – None

CITY MANAGER'S REPORT

Mayor Kiffer stated at the last meeting we learned that the landfill takes glass so he asked about 40 people if they were aware of that and all of them said no. He asked if there is a way to make people aware of this.

Councilmember Bradberry said she spoke with Public Works Director Hilson today that many businesses use glass and did not realize it could be sorted out and used to help the landfill. She felt we should reach out to local businesses, because if they started sorting out their glass it could really help with our costs.

Councilmember Flora stated a few years back there were cardboard collection points around town, and asked if there is a viable way to have glass collection points around town.

Public Works Director Hilson informed putting a glass container out you risk having shards of glass being scattered around too. He said we did have some cardboard collection points but we were constantly pulling garbage out, picking up garbage, picking up construction debris and it got unmanageable so we had to pull it out. He stated the landfill does take a lot of other recyclables and he spoke with the Solid Waste Supervisor and agreed they could provide more public information. He informed our percentages of recycling that we do are extremely high for this facility.

Councilmember Gass asked for an update regarding conversations with our cruise partners or Ketchikan Dock Group.

Acting City Manager Simpson informed there will be an executive session at the regularly scheduled meeting of December 16, 2021 with an update. She stated that along with herself, the Acting Port & Harbors Director Hilson and Councilmember Flora had a brief end of season wrap with Cruise Lines International Association (CLIA) staff who were curious to know how the 2021 season went, what could be improved upon and what the concerns are. She reiterated, at the meeting of December 16 she will provide a full summary of where all of those different conversations.

In answer to comments made by Councilmember Bradberry, Acting City Manager Simpson said a discussion regarding the tourism manager position will be scheduled for the December 16, 2021 meeting.

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of November 22, 2021

In her report, Acting City Manager Simpson attached for Council review a schedule of the current balance of Appropriated Reserves of the various funds of General Government and KPU through the City Council meeting of November 22, 2021.

Report of Federal Lobbyist

Acting City Manager Simpson included for Council review a copy of the November 15, 2021 report of the City's Federal Lobbyist, Steve Silver.

She said she received a call from our federal lobbyist today to reiterate the latest news out of the capital that the senate is currently trying to avert a government shutdown through a continuing resolution that would extend funding through February 18. She explained this is important to know because it will likely affect what we were hoping to have in terms of a designated legislative grant for the Schoenbar culvert project and possibly on the infrastructure grant funding.

2021 Sales Tax Report No. 10 /2021 Sales Tax Report No. 10 – Additional Information

Acting City Manager Simpson included for Council review a memoranda from Finance Director Johansen the 2021 Sales Tax Report No. 10 and 2021 Sales Tax Report No. 10 with additional information regarding the 2021 sales tax collections.

Information on Employee Exit Interviews

Acting City Manager Simpson provided for Council review a transmittal memorandum from Safety Coordinator Alderson regarding information concerning the exit interview process.

2022 Port Dock Vendor Program and Port Food Vendor Program Update

Acting City Manager Simpson included for Council review a memorandum from Acting Port & Harbors Director Hilson that it is the department's intent to bid new dock and food vendor leases for a three-year term commencing with the 2022 cruise ship season.

Water Street Trestle No. 1 Improvement Project Update

Acting City Manager Simpson attached for Council review a memorandum from the Public works Director Hilson that the Alaska Department of transportation & Public Facilities (ADOT & PF) has informed the City and the Ketchikan Gateway Borough of their intent to review the project to replace the trestle structure with a fill section.

Public Works Director's Project Status Report – November 2021

Acting City Manager Simpson attached for Council review the Public Works Director's project status report for the month of November 2021.

**Status of Recruitment Efforts for Vacant Department
Head/Division Manager Positions**

Acting City Manager Simpson provided for Council consideration a summary of the recruitment efforts for the five management level positions currently vacant within General Government and Ketchikan Public Utilities and the status of each as of November 23, 2021. She said staff would keep the Council informed of the progress.

**Schoenbar Raw Water Transmission Main Replacement –
Abandoned Raw Water Main**

Acting City Manager Simpson provided the Council an informational memorandum prepared by Public works Director Hilson regarding an understanding reached between the Public Works Engineering Division and the KPU Water Division concerning the abandoned raw water main that will be left in situ following the installation of the new HDPE raw water transmission main.

K.P.U. MANAGER’S REPORT

Acting General Manager Simpson informed this last Sunday, KPU telecommunications did some very creative social media programming for holiday celebrations. She thanked Morgan Webber who last year developed a “Ketchikan Night Before Christmas Story” that has been enhanced this year with a video that enacts the story. She thanked the electric division for hanging the lights around town and telecommunications for lighting the federal building tree.

Mayor Kiffer said not all of us are on social media so we don’t hear about these things. He felt we need a broader way to let people know about this things. He asked in the future if announcements can be made on other platforms to ensure more people are made aware of events going on in our community.

Recognition of Electric Division Power Plant Mechanics

Acting General Manager Simpson attached for Council review a memorandum from Electric Division Manager Andy Donato in recognition of several Electric Division Power Plant Mechanics that recently went above and beyond to complete repairs to the Silvis turbine, and to make sure we have ample generation through the winter.

CITY CLERK’S FILE – None

CITY ATTORNEY’S FILE

Acting City Manager Simpson supplied the Council a copy of the report of significant activities for the City Attorney for the month October 2021.

FUTURE AGENDA ITEMS - None

MAYOR AND COUNCIL COMMENTS

Councilmember Gage said she appreciates our local community members that work for the City and the Borough and it is a good reminder that they are our main infrastructure and that we do need to support them. She felt we need to work to fix this low morale, because we should be giving them a solid retirement.

Councilmember Mahtani said if we sacrifice today, we will see a better 2023. He said if every department and individual puts in a little extra effort and sacrifices in 2022 we will see a better 2021 and beyond. But if we spend, spend, spend we will get into a black hole that we will never be able to come out of.

Councilmember Gass said he was very happy to hear on the issue with the Salmon Walk Project by not moving the crosswalk, and appreciates Mr. Hilson and everyone else involved listening and making that change. He said he knows everyone is exhausted on the pandemic, as we are 600 days in, we want to get back to normal and get the government back to normal full numbers but unfortunately, we are not there financially. As we have seen with the budget, we are going 4.6 million into our reserves, going off 8% tourist season and now knowing what is going to happen therefore, we need to be cautious and slowly get back to similar numbers as the past. He said the last thing we want to do is rush back into pre-pandemic numbers then be a year or two down the road in a worse situation. He said the last thing anyone wants to do is layoff working employees.

Councilmember Bradberry thanked City, KPU and Police Department employees for their holiday efforts through the tree lighting, the Christmas story and the Shop with a Cop that is coming up. She thanked Royal Caribbean for supporting those events for our staff to be able to do this year.

Councilmember Kistler thanked the Electric Division for putting up the snowflakes around town.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for Executive Session – Bergeron/Millard v. City of Ketchikan

Moved by Flora seconded by Mahtani that consistent with the City Attorney's request dated November 19, 2021, it is in the best interest of the City Council to discuss the pending litigation in Samuel E. Bergeron and Linda G. Millard v. City of Ketchikan and give direction to legal counsel in handling that matter in executive session in accordance with Ketchikan Municipal Code 2.04.025(a)(1), (a)(1)(B) and (a)(3) which includes the need to discuss subjects the immediate knowledge of which could have an immediate adverse impact on the finances of the City and to receive legal advice within the Attorney-Client privilege.

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

The Council took a short break at 8:30 p.m. and recessed in to executive session at 8:35 p.m. and reconvened into regular session at 9:37 p.m.

Mayor Kiffer said the Council has completed its executive session to discuss the pending litigation in Samuel E. Bergeron and Linda G. Millard v. City of Ketchikan and gave direct to legal counsel.

Request for Executive Session –Review and Discussion of Amendment No. 7 to LTE in Rural America Master Agreement

The City Council took action for this item under the consent agenda, and this executive session was withdrawn from the agenda.

ADJOURNMENT

As there was no further business, the Council adjourned at 9:38 p.m.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED

Ketchikan Committee for the Homeless' Quarterly Financial Report – April Through September
2021

Special Ketchikan City Council meeting was called to order by Mayor Kiffer at 6:00 p.m., November 29, 2021, with the following members present: Riley Gass, Janalee Gage (via WebEx), Mark Flora, Judy Zenge (via WebEx), Abby Bradberry, Jai Mahtani and Lallette Kistler.

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, City Attorney Seaver, Finance Director Johansen, Acting Police Chief Mattson, Acting Fire Chief Brainard, Information Technology Director Thomas, Human Resources Manager Miller, KPU Telecommunications Network Engineer Schultz, Deputy Clerk Lee and City Clerk Stanker.

COMMUNICATIONS

Mayor Kiffer informed there was a General Government Budget Update No. 1 regarding frozen and vacant positions within General Government.

PERSONS TO BE HEARD - None

NEW BUSINESS

Resolution No. 21-2828 – Adopting the Budget for the Year 2022, Appropriating from the General Government Funds for the Fiscal Year 2022

Moved by Flora, seconded by Bradberry the City Council approve Resolution No. 21-2828 adopting the budget for the year 2022, appropriating from the General Government Funds for the Fiscal Year 2022, and establishing an effective date.

Transmittal Letter

Acting City Manager Simpson informed the transmittal letter does a good job capturing all the issues facing General Government. She said as with the 2021, we are still responding to the COVID-19 pandemic as far as declining revenues. She said staff tried to put together a fairly status quo budget, meaning we are responding to the adopted 2021 budget which was far from a status quo budget. She felt this was a difficult budget to do mainly because personnel expense continues to increase, as do other personnel related expenses. She said in adopting the 2021 budget many capital projects were again deferred in response to the pandemic and revenue concerns, and many of those projects should not be deferred again. She informed staff continues to be one of our biggest expenses but we have pared down the budget as much as we can. She stated if the Council is interested in decreasing the overall drawdown on various reserves of funds, you will have to look at reducing personnel expenditures.

Ms. Simpson went on to say while we are hopeful that the 2022 year will be more robust in terms of a visitor season, and revenues are projected higher than we had in 2020 and 2021. She said staff took a conservative approach in terms of the budget, but we are still quite a ways from our pre-pandemic projections for visitors and sales tax revenues. She informed the City does not want to drawdown our reserves any further than we absolutely have to. She reported the budget is based on the assumption that the Port of Ketchikan will have 800K passengers. She indicated the passenger projections for 2022 are 1.4 million with 25% of those passengers now going out to Ward Cove. She said staff is hoping that number will increase as we get further in to 2022. She informed the General Government budget as presented requires a drawdown of \$4.7 million in various reserves. She indicated the General Government, and the Port Fund continues to be of concern for staff. She said one way for Council to consider addressing those issues is by staff

reduction, which were presented in Budget Update No. 1. She said staff is hopeful that 2022 will be more of a recovery year. She pointed out staff is looking at additional outside revenue replacement relief from the State, and at the meeting of December 16, 2021 there will be a resolution for the Council to consider for a grant we are applying for through the State that is designed for communities that have suffered great revenue losses due to the lack of a cruise season in 2020 and 2021. She continued by saying we will also be applying for some of the infrastructure bill money once that becomes available, and both of those funding streams will help lessen the drawdown on our reserves. She stated staff looks forward to working with the Council to develop a sound spending plan for 2022.

In answer to Councilmember Bradberry, Acting City Manager Simpson said staff would have to recalculate the budget, but the 800K passenger count estimate is about 77% of the projected passenger count. She said she shared concerns made by Councilmember Bradberry, but there will be constant recalibrating of the budget as we get a better picture of what the 2022 season looks like. She said if that is the Council's wishes, we can dig into it and see what the budget looks like with lower numbers.

In response to Councilmember Gass, Acting City Manager Simpson said if things are really that bad, then the frozen and vacant personnel positions are not going to be enough. She indicated staff would have to revisit furloughs and potential layoffs if the year does not pan out in terms of revenues. She reported staff should have a better picture by the end of the first quarter when they can see the actual bookings.

Councilmember Mahtani questioned if anyone has looked at what the Centers for Disease Control (CDC) guidelines are going to be in regards to capacity levels. He said ultimately it will be the CDC who sets the capacity levels.

Councilmember Bradberry questioned if an increase in sales tax on non-essential goods could bail us out.

Mayor Kiffer summarized this has been brought up before with past Councils, and what happens is the sales tax on everything else goes through the roof. He said it still worth discussing, but wasn't sure if we would actually gain anything.

Councilmember Flora stated the budget doesn't take into account there may be a small amount of revenue generated by passengers transiting from Ward Cove into town. He said the fee hasn't been established, but the money would go to the General Fund with no restraints. He pointed out there is a property tax increase in the budget that has been deferred for two years. He stated as we recover he would hope there would be a fresh perspective on targeting people who don't live in our community for more revenue. He said in order to do this you need buy-in from the entire community before you can move forward with ideas and options.

Councilmember Gass spoke against the property tax increase, as it will raise rents and affect homeowners who are struggling. He suggested, instead of a property tax increase for this year that will generate approximately \$550K in revenue, that the Council go through and possibly eliminate estimated increases from each department until we reach that figure. He welcomed comments from the Council.

Councilmember Kistler said she asked staff a lot of the same questions regarding the department increases, and the big increase in the Mayor & Council budget was to hire a federal lobbyist to help the City with the infrastructure bill, deferred maintenance and rotating equipment upgrades. She said even this property tax was deferred for the past two years, so it was needed even before the pandemic hit.

In response to Councilmember Gass, Acting City Manager Simpson cautioned the Council as they go through the budget that some of those department increases are personnel driven expenditures. She encouraged the Council to look at operational or capital projects for department cuts.

Councilmember Bradberry asked if staff could provide the Council a report with the overall personnel percentage increases.

Councilmember Gass stated his numbers were well above the amount to offset a property tax increase because he knew some of them were non-negotiable.

In response to Councilmember Kistler, Acting City Manager Simpson said this is a difficult one to quantify, and we are trying to keep the overtime status quo. She indicated overtime is much cheaper than hiring additional employees. She pointed out the longer you run departments short staffed, the more likely you are to have burnout.

Budget Overview

Finance Director Johansen indicated the Acting City Manager had explained the budget thoroughly. She stated as we change the budget, and Council makes requests or takes action the finance department will provide budget updates so the Council can see the effect on each fund.

Mayor Kiffer indicated each department head will give a brief overview of their department, and the Council will then be allowed to ask questions.

Mayor and City Council

In response to Councilmember Gass Acting City Manager Simpson stated the additional cost was in response to the distribution of the Federal infrastructure bill. In response to Councilmember Bradberry the cost for the headhunter for a City Manager has not been programmed into this budget.

Moved by Gass, seconded by Flora the City Council amend the 2022 General Government Operating and Capital Budget by reducing the Mayor and Council Department Account No. 640.04 Federal lobbyist one year contract to a six month contract.

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

Moved by Mahtani seconded by Flora the City Council amend the 2022 General Government Operating and Capital Budget by maintaining the same funding levels for the Community agency grant program as 2021.

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

City Attorney

City Attorney Seaver gave a brief overview of his department and answered questions from the Council.

Moved by Mahtani, seconded by Flora the City Council amend the 2022 General Government Operating and Capital Budget by reducing appropriations to the City Attorney Department Legal and Accounting Services Account No. 640.01 to \$204,000.

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

City Clerk

City Clerk Stanker gave a brief overview of the Clerk's Department and answered questions from the Council.

Moved by Gass, seconded by Mahtani the City Council amend the 2022 General Government Operating and Capital Budget by reducing the Clerk Department Advertising & Public Announcements Account 605.01 to \$18,000.

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

City Manager

Acting City Manager Simpson gave a brief overview of the City Manager's Department and answered questions from the Council.

Moved by Gass, seconded by Mahtani the City Council amend the 2022 General Government Operating and Capital Budget by reducing the City Manager Department Travel-Business Account 600.01 to \$8,000.

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

Human Resources Division

Human Resources Manager Miller gave a brief overview of the Human Resources Department and answered questions from the Council. No action taken.

The Council took a short break at 7:30 p.m. and reconvened at 7:37 p.m.

Finance

Finance Director Johansen gave a brief overview of the Finance Department and answered questions from the Council.

Councilmember Mahtani felt the bank fees were extremely high and should be looked into and negotiated.

No action taken.

Information Technology

Informational Technology Director Thomas gave a brief overview of the Information Technology Department and answered questions from the Council.

No action taken.

Fire Department

Acting Fire Chief Brainard gave an overview of the Fire Department and included current staffing levels. He answered questions from the Council.

Moved by Flora, seconded by Kistler the City Council amend the 2022 General Government Operating and Capital Budget by reducing appropriations to the Fire Department's CIP Account 720.00 Vehicles and Moving Equipment – Replace Vessel No 52-741 (Fire Boat) to \$15,000.

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

In response to Councilmember Bradberry, Acting City Manager Simpson explained it is not equivalent by hiring staff to reduce overtime. She said by hiring additional staff it provides relief from the burnout factor especially if we are going to have a more robust cruise season. She stated there are a lot of call outs on a typical day and the overtime and fatigue is up there. She pointed out, Councilmember Bradberry had mentioned upcoming retirements later in the year and it is better to not be scrambling to fill those positions. She said there is value but not monetary value.

Moved by Mahtani, seconded by Flora the City Council amend the 2022 General Government Operating and Capital Budget to keep one Fire Department position frozen through 2022.

In answer to Councilmember Gass, Finance Director Johansen stated one position would cost approximately \$121,169 and includes benefits.

Acting City Manager Simpson stated the 2022 budget as presented appropriates funding to every position that exists within the City. She said what the Council needs to consider is if you want to continue having these positions frozen it will create a savings and not drawdown on reserves. She indicated if you want to address budget shortfalls with personnel expenditures, then you keep positions vacant, frozen, furloughs and layoffs.

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

Police Department

Acting Police Chief Mattson gave an overview of the Police Department including statistics and current staffing levels. He described the different training that is required based on hiring a lateral officer or new, and the associated costs.

In answer to Councilmember Flora, Acting City Manager clarified that staff elected to bring back one of the three frozen positions to start with for 2022.

Councilmember Flora stated with all the issues in town he felt all three positions should be brought back to active duty. He felt this is not a quality of life issue, it is a public safety issue.

Moved by Bradberry, seconded by Gass the City Council amend the 2022 General Government Operating and Capital Budget to defer the Police Departments CIP Account No. 705.00 Building – Heating Controls Replacement Project until 2023.

Acting City Manager stated the Police Department's Capital Improvement Projects are funded out of the Public Works Sales Tax Fund, but staff is paid out of the General Fund. She explained if you cut capital projects it doesn't make a surplus in the General Fund that you can use towards staff, and the General Fund is directed heavily towards personnel. She informed at this time the Public Works Sales Tax Fund is holding its own.

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

Moved by Bradberry, seconded by Mahtani the City Council amend the 2022 General Government Operating and Capital Budget by reducing appropriations to the Police Department Training and Education Account No. 600.03 to \$30,000 and increasing appropriations to the Police Department Travel-Training Account No. 600.02 in the amount of \$22,000.

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

Moved by Gass, seconded by Flora the City Council amend the 2022 General Government Operating and Capital Budget to defer the Police Department CIP Account 720.00 Buildings – Exit Gate Replacement and Upgrade/HVAC Design Project to 2023.

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

Moved by Kistler, seconded by Flora the City Council defer consideration of the draft 2022 General Government Operating and Capital Budget until Wednesday, December 1, 2021.

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

MAYOR AND COUNCIL COMMENTS

Councilmember Bradberry thanked staff for attending tonight.

Mayor Kiffer clarified even though there was no action regarding staff at the Police Department it was the consensus of the Council not to freeze the three officer positions.

Acting City Manager Simpson informed staff will bring back budget updates that reflect everything that transpired tonight.

ADJOURNMENT

As there was no further business, the Council adjourned at 9:05 p.m.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

Special Ketchikan City Council meeting was called to order by Mayor Kiffer at 6:00 p.m., December 1, 2021 with the following members present: Riley Gass, Janalee Gage (via WebEx), Mark Flora, Jai Mahtani, Abby Bradberry, Lallette Kistler and Judy Zenge (via WebEx).

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, Acting Port & Harbors Director Hilson, Acting Police Chief Mattson, Acting Public Works Director Jurczak, Finance Director Johansen, Library Director Tully, Museum Director Maxwell, Civic Center Manager Nelson, Deputy Clerk Lee and City Clerk Stanker.

COMMUNICATIONS

Mayor Kiffer informed there were several General Government Budget Updates laid on the table, including: Budget Update No. 2 clarifying some of the questions and actions taken at the budget deliberation session of November 29, 2021; Budget Update No. 3 an update on the value of 2022 operational expense increases for personnel; Budget Update No. 4 Appropriated Reserves by fund Summary Revision No. 1.

PERSONS TO BE HEARD - None

UNFINISHED BUSINESS

Resolution No. 21-2828 – Adopting the Budget for the Year 2022, Appropriating from the General Government Funds for the Fiscal Year 2022 – Deferred From November 29, 2021

Moved by Flora, seconded by Mahtani the City Council amend the 2022 General Government Operating and Capital Budget by approving the changes as outline and reflected in the attached schedule, which results in increase to the General Fund, Hospital Sales Tax Fund and Public Works Sales Tax Fund Appropriated Reserves in the amounts of \$56,620, \$5,875 and \$433,820 respectively.

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

Acting City Manager Simpson highlighted the General Government Budget Updates that were laid on the table. She stated as was outlined at the start of the budget deliberation process the General Fund currently has a deficit of approximately \$2.2 million, and staff suspects this will be closer to \$1.5 million by the end of the year because we typically do not spend the entire appropriation of the General Fund. She indicate our expenditures are exceeding our revenues that staff is projecting to garner in 2022. She indicated if the Council should elect to not increase the mil levy, which has been incorporated into the budget, that deficit will increase to about \$2.5 million. She informed Budget Update No. 3 addresses what is available to cut that is outside of personnel expenditure or other fixed costs such as rents and leases, debt service and interdepartmental transfers. She stated personnel is about the only place the Council has to cut, and reiterated there a number of positions that were frozen in 2021 that are incorporated and funded into the 2022 budget. She questioned if the Councils intends on addressing the General Government deficit through personnel expenditures, staff will need direction on which positions will remain frozen. She informed this

will increase savings and decrease the deficit. She hopes by the first meeting in 2022 the City will have have received some level of relief from either the State or Federal Government to be used as revenue replacement. She recommended the mil levy that is incorporated into the budget, which has a value of approximately \$550K, be kept in the budget, as the Council will not need to adopt this ordinance until June of 2022. She felt by then we will have a better understanding of what our financial picture is, what our cruise visitation is and if we are going to receive any federal aid, which would alleviate the drawdown on reserves.

Finance Director Johansen said the mil levy increase was intended to go into service in 2020 before the COVID-19 pandemic. She explained it wasn't meant to subsidize the General Fund, it was meant to produce more revenues in the General Fund to meet the costs.

In answer to Councilmember Bradberry, Finance Director Johansen said that the Public Works Sales Tax Fund doesn't fund the General Fund, and its intended use was to fund capital improvement projects. She said 1.5% goes into the General Fund directly, and two-thirds of that is used to pay for public safety services. She directed the Council to the chart located on page C-3. She said Councils past gave direction to put \$2 million from the Public Sales Tax Fund into the General Fund and the balance be left for capital improvement projects.

In answer to Councilmember Mahtani, Finance Director Johansen said she would not recommend transferring the funds from the projects the Council deferred during this budget cycle to the General Fund.

Councilmember Gage questioned the property tax increase, but felt we need to look at increasing the sales tax cap, as that would bring in revenue from the tourists.

Public Health

Acting City Manager Simpson gave a brief overview of the Public Health Department and answered questions from the Council.

No action was taken.

Library Department

Library Director Pat Tully gave a brief overview of the Library Department and answered questions from the Council.

Moved by Mahtani, seconded by Bradberry to amend the 2022 General Government Operating and Capital Budget by freezing one adult technical services position and one children's services position.

Acting City Manager Simpson stated one of those positions has been offered the job and will be filled very soon. She explained the personal action form just came through today. She informed temporary staff can only be hired for a six month period. She stated the Library is open seven days a week and requires a base level of staffing, and if they do not have that level of staffing, it is likely the Library hours will need to be shifted.

[Clerks note: the mover with the consent of the seconder amended the motion to freeze only the adult technical services position, since the children services position has been filled.]

The main motion as amended passed with Kistler, Bradberry, Mahtani, Gass, Zenge and Flora voting yea; Gage voting nay.

Moved by Mahtani to amend the 2022 General Government Operating and Capital Budget by decreasing Library Books Account No. 530.01 from \$39,000 to \$20,000.

As there was no second, Mayor Kiffer said there was no motion to be considered.

Moved by Gass, seconded by Mahtani to amend the 2022 General Government Operating and Capital Budget by decreasing Library Books Account No. 530.01 from \$39,000 to \$30,000.

Acting City Manager Simpson pointed out the Library is significantly funded by the Borough, and as the Council may elect to reduce certain expenditures that full amount will not be returned to the General Fund.

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

Moved by Mahtani, seconded by Gass to amend the 2022 General Government Operating and Capital Budget by decreasing Account No. 502.01 Temporary Wages in the Children's Services Division from \$11,500 to \$10,500.

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

Museum

Museum Director Maxwell gave a brief overview of the Museum Department and the Totem Heritage Center and answered questions from the Council.

Moved by Gass, seconded by Mahtani to amend the 2022 General Government Operating and Capital Budget by reducing Temporary Wage Account No. 502.01 from \$107,520 to \$91,520, in order to restore the full-time Program Assistant position in May 2022 and only hire one new Seasonal Tour Guide position for a total of six.

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

The Council addressed the Museum Department's Capital Improvement Projects, and Acting City Manager stated the five-year program is constantly shifting depending on the need. She said staff has tried to keep capital expenses for the next year as low as possible and address deferred and those projects that are most pressing. She informed the Museum is a great example of projects that have been deferred time after time. She indicated the 2021 projects are low, but moving forward they increase substantially.

Museum Director Maxwell invited the new Councilmembers to stop by and she would give them a tour of both facilities.

Civic Center

Civic Center Manager Nelson gave a brief overview of the Ted Ferry Civic Center Department and Acting City Manager Simpson answered questions from the Council.

Moved by Bradberry to amend the 2022 General Government Operating and Capital Budget by freezing the Building Superintendent position for the year 2022.

As there was no second, Mayor Kiffer said there was no motion to be considered.

Tourism and Economic Development

Mayor Kiffer said due to the absence of Patti Mackey he would like to postpone the Tourism and Economic Development Department until Monday, December 6, 2021, and no objections were heard.

The Council took a short break at 7:50 p.m., and reconvened at 7:55 p.m.

Public Works – Engineering

Public Works Director Hilson gave a brief overview of the Public Works Engineering Department and answered questions from the Council.

Acting City Manager Simpson clarified the two frozen positions in this budget were the Engineering Technician and the Senior Project Engineer. She stated the annual value for the Engineering Technician is a little over \$90k and for the Senior Project Engineer is approximately \$173k. She informed the building inspector position has been vacant, and the revenue that is generated through the work of the Building Inspector position more than pays for that position through permits and other licenses.

Moved by Gass, seconded by Mahtani to amend the 2022 General Government Operating and Capital Budget by extending the hiring freeze of the Engineering Technician position through the year 2022.

Acting City Manager Simpson explained the City cannot advertise or actively recruit for positions that are not funded.

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

Moved by Gass, seconded by Mahtani to amend the 2022 General Government Operating and Capital Budget by extending the hiring freeze of the Engineering Technician position for six months.

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

Public Works – Cemetery

Public Works Director Hilson gave a brief overview of the Cemetery and answered questions from the Council.

No action was taken.

Public Works – Streets

Public Works Director Hilson gave a brief overview of the Public Works Streets Department and answered questions from the Council.

No action was taken.

Public Works – Garage

Public Works Director Hilson gave a brief overview of the Public Works Garage Department and answered questions from the Council.

No action was taken.

Public Works – Bldg. Maintenance

Public Works Director Hilson gave a brief overview of the Public Works Building Maintenance Department and answered questions from the Council.

No action was taken.

Public Works – Solid Waste

Public Works Director Hilson gave a brief overview of the Public Works Solid Waste Department and answered questions from the Council.

Councilmember Bradberry informed when she attended the Alaska Municipal League Conference in Anchorage there a discussion among other communities in Alaska on how they deal with their solid waste. She said many had concerns regarding the shipping costs, and were interested in what Juneau was doing.

In answer to Councilmember Mahtani regarding recycling glass, Public Works Director Hilson stated they do some public service announcements.

In answer to Councilmember Gass regarding the use of heat pumps, as they are very efficient and cheaper to run, Public Works Director Hilson stated the topic has come up regularly because our heating season is long and conducive to using heat pumps. He said the cost to transition to heat pumps is expensive, but would be cost effective.

No action was taken.

Moved by Gass, seconded by Flora the City Council defer consideration of the draft 2022 General Government Operating and Capital Budget until Monday, December 6, 2021.

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

MAYOR AND COUNCIL COMMENTS - None

ADJOURNMENT

As there was no further business, the Council adjourned at 9:05 p.m.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk