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The Special City Council meeting was called to order by Mayor Kiffer at 10:00 a.m., July 16, 2022 with the following members present: Mark Flora, Riley Gass, Janalee Gage, Jai Mahtani, Abby Bradberry, Lalette Kistler and Judy Zenge.

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

Mayor Kiffer recited the Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, Finance Director Johansen, City Attorney Seaver, Police Chief Walls, Human Resources Manager Miller, Civic Center Manager Nelson, Executive Administrative Assistant Bixby and City Clerk Stanker.

**COMMUNICATIONS** - None

**PERSONS TO BE HEARD** - None

**NEW BUSINESS**

**Interview of Finalist Candidates for the Vacant City Manager/General Manager Position for the City of Ketchikan**

Lynn Barboza, Senior Vice President and Executive Recruiter for Strategic Government Resources said it was her pleasure to be with the Council today as we approach this final step in our three-month journey in the recruitment efforts for a new City/General Manager position for the City of Ketchikan. She stated the four finalists have spent time with the leadership team, they toured City facilities and participated in a community forum. She indicated this is the last step with the Council, which includes individual interviews with each of the four candidates. She recapped the key projects and priorities that were included in the briefing materials. She explained the question and answer process that would occur today, and encouraged the Council to ask follow-up questions based on the candidate's responses.

The Council recessed at 10:15 a.m. and reconvened at 10:45 a.m.

Mayor Kiffer stated the candidate's answers to each question would be limited to three minutes.

**William Appleton**

Mayor Kiffer welcomed Mr. Appleton and explained the interview process. Mr. Appleton said currently he is the Public Works Director for the City of SeaTac, Washington. He informed the Council about his career in municipal government, his work experience, education and family. He answered questions from the Council.

The Council answered questions from Mr. Appleton, and thanked him for coming.

The Council took a short break at 12:00 p.m. and reconvened at 12:05 p.m.

**Delilah Walsh**

Mayor Kiffer welcomed Delilah Walsh and explained the interview process. Ms. Walsh said currently she is the Utility Director for the City of Las Cruces, New Mexico. She gave a brief description of her career in municipal government, her work experience, family and education. She answered questions from the Council

The Council answered questions from Ms. Walsh, and thanked her for coming.

The Council recessed for lunch at 1:15 p.m. and reconvened into regular session at 2:00 p.m.

**Paul Dyal**

Mayor Kiffer welcomed Paul Dyal and explained the interview process. Mr. Dyal stated he currently is the Interim City Manager from Lake City, Florida. He gave a brief overview of his thirty years of experience working with state, federal and local government agencies. He said for him and his wife their dream was to live in Alaska. He answered questions from the Council.

The Council answered questions from Mr. Dyal and thanked him for coming.

The Council took a short break at 3:00 p.m. and reconvened at 3:15 p.m.

**Scott Thomas**

Mayor Kiffer welcomed Scott Thomas and explained the interview process. Mr. Thomas said he is the City Administrator for the town of La Conner, Washington and gave a brief overview of his thirty-two years of experience in municipal government and as an attorney. He answered questions from the Council.

The Council answered questions from Mr. Thomas and thanked him for coming.

**EXECUTIVE SESSIONS**

**Request for Executive Session – Review of Candidates for the Vacant City Manager/General Manager Position for the City of Ketchikan**

Moved by Zenge, seconded by Flora the City Council declare consistent with the Acting City Manager’s memorandum dated July 12, 2022, that it is in the best interest of the City to review and discuss finalist candidates William Appleton, Delilah Walsh, Paul Dyal and Scott Thomas for the vacant City Manager/General Manager position in executive session in accordance with KMC 2.04.025(a)(1) and (2), which may involve matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the City and discussion of subjects that tend to prejudice the reputation and character of any person provided the person may request a public discussion.

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

The Council took a short break at 4:10 p.m. and recessed into executive session at 4:20 p.m.

The Council took a short break at 6:40 p.m. and reconvened back into executive session at 6:45 p.m. and reconvened into regular session at 7:40 p.m.

Moved by Flora, seconded by Kistler the City Council select Delilah Walsh for the City Manager/General Manager position and direct the recruitment consultant to enter into negotiations for terms and conditions acceptable to the City Council.

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

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Mahtani said this was a marathon and felt the Council has worked well with the candidates and the recruiting consultant. He thanked the management team that prepared the schedule of activities for all the finalists. He felt they are hiring a manager who will start a strategic plan and have a vision of the community and the Council moving forward.

Councilmember Bradberry extended a thank-you to our consultant, Ms. Barboza, for her effort, time and expertise in helping the Council move through this process. She thanked staff for their time during the last three days of events in addition to working their regular jobs. She also thanked all the candidates that applied. She indicated she was excited to hopefully have a new city manager.

Councilmember Kistler thanked everyone for all the time they put into researching all the candidates. She said it was clear they were all deserving of this position, and they had done their homework. She stated it was a difficult decision, but felt the Council had made the right choice.

Councilmember Gass echoed what the other Councilmembers had said. He thanked Ms. Barboza and her team for the work they had done. He thanked staff for all their work on the City's end. He said he was impressed with the group of candidates the Council had to choose from.

Councilmember Zenge said ditto from what the other Councilmembers said, and she looked forward to working with Ms. Walsh.

Councilmember Gage thanked Ms. Barboza for her hard work. She said she made the process easy for the Council. She was impressed by the number of candidates that applied and with their qualification. She said the decision was hard because they had really good choices, and they were all qualified. She said she was looking forward to working with Ms. Walsh.

Councilmember Flora thanked Ms. Barboza for the process and professionalism that she brought to this important decision for the Council. He said the decision was not an easy one, as all four of these candidates represented themselves very well. He congratulated Ms. Walsh, and thanked the staff for all the extra work that was put into making this possible.

Mayor Kiffer said when we started this process a few months ago, he wasn't sure what the candidates would have to offer. He indicated we ended up with four people who all could have been the next manager. He said he was excited about the choice the Council has made, and looked forward to working with Ms. Walsh. He thanked the staff and Ms. Barboza for their hard work and for making this possible. He also wanted to thank Diane Bixby for her time with the City, as she will be leaving the City to work elsewhere. He indicated she has been the rock in the Manager's office for nearly 20 years and she will be missed.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 7:59 p.m.

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David Kiffer, Mayor

ATTEST:

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Kim Stanker, City Clerk

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Regular City Council meeting was called to order by Mayor Kiffer at 7:00 p.m., July 21, 2022, with the following members present: Riley Gass, Janalee Gage (via WebEx), Jai Mahtani, Abby Bradberry, Judy Zenge and Lalette Kistler. Mark Flora was absent.

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

Mayor Kiffer stated the Recital of Native Lands Acknowledgement.

Staff present were Acting City Manager Simpson, Finance Director Johansen, City Attorney Seaver, Police Chief Walls, Human Resources Manager Miller, Telecommunications Sales, Marketing and Customer Service Division Manager Simpson, Electric Division Principal Project Engineer Holstrom, Fire Marshal O'Sullivan, Sr. System Admin Combrink and City Clerk Stanker.

### **COMMUNICATIONS**

Mayor Kiffer informed there were a couple of items laid on the table, including; a request to withdraw the new business item regarding the selection of a city manager/general manager and a substitute motion for the request for an executive session.

### **PERSONS TO BE HEARD**

Jim Powell introduced himself as a longtime resident of Juneau, and a Research Professor at the University of Alaska Southeast. He stated he was here as part of a research team collaborating with the Borough to put together a tourism strategic plan. In summary, he thanked the Council for allowing them to use the Civic Center to hold their public meetings. He informed they would be coming back in October, and should finish up their work on this project in the spring of 2023. He encouraged the Council to attend the meetings when they return in October, and he thanked them for their service.

Mary Stephenson passed out to the Mayor the 2016 and 2018 walking tour maps she discovered at the Civic Center. She expressed her concerns about the City not having a strategic plan or working with the Borough on their plan this week. She encouraged the Council to embrace the current process by the Borough and not be left out of the equation. She talked about the implementation of the seasonal sales tax and was happy the City realizes that the cruise industry is a valuable asset. She felt the 1% sales tax increase should be used for the desperately needed repairs to our infrastructure, and felt the process was done backward.

### **CONSENT AGENDA**

Mayor Kiffer suggested moving a few items to the Consent Agenda, including: the Tourism Strategy Town Hall meeting fees waived for use of the Civic Center; Amendment No. 1 to the three-year publication of the Ketchikan Telephone Directory and Amendment No.4, Phase V, final license application for FERC relicensing service for Beaver Falls. Councilmember Gass said he would like the Council to consider the item regarding the fees for use of the Civic Center considered separately. No objections were heard.

### **Approval of Minutes – Regular City Council Meeting of July 7, 2022**

Moved by Bradberry, seconded by Mahtani for approval of the minutes from the regular City Council meeting of July 7, 2022.

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

**Correction of Capital Project Budget Transfers-Married Man's Trail Exit and Married Man's Trail Gap**

Moved by Bradberry, seconded by Mahtani the City Council combine the 2022 Married Man's Trail Exit and 2022 Married Man's Trail Gap Capital Accounts into the 2022 Married Man's Trail Improvements capital account.

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

**Amendment No. 1 to Contract No. 19-43 Three-Year Publication of the Ketchikan Telephone Directory – Directory Publishing Solutions, Inc.**

Moved by Bradberry, seconded by Mahtani the City Council approve Amendment No. 1 to Contract No. 19-43 between the City and Directory Publishing Solutions, Inc., modify the percentage of gross revenues to be retained by/paid to the owner from 60% to 40%; and direct the Acting General Manager to execute the amendment on behalf of the City Council.

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

**Amendment No. 4, Phase V - Final License Application to Contract No. 18-26 – FERC Relicensing Services for the Beaver Falls Hydroelectric Project - Kleinschmidt Associates**

Moved by Bradberry, seconded by Mahtani the City Council approve Amendment No. 4 to Contract No. 18-26, FERC Relicensing Services for the Beaver Falls Hydroelectric Project, between the City of Ketchikan d.b.a. Ketchikan Public Utilities and Kleinschmidt Associates, in an amount not to exceed \$77,000; authorize funding from the Electric Division's 2022 Beaver Falls Project Relicensing Capital Account; and direct the Acting General Manager to execute the amendment on behalf of the City Council.

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

**UNFINISHED BUSINESS**

**Ordinance No. 22-1948 – Proposing that Term Limits for the Mayor and Councilmembers be Added to Section 10-3 of Article 10 of the City Charter – Second Reading**

Copies of Ordinance No. 22-1948 were available for all present.

Moved by Kistler, seconded by Zenge the City Council approve in second reading Ordinance No. 22-1948 proposing that Section 10-3 of Article 10 of the City Charter be amended to reflect term limits for the Mayor and Councilmembers of no more than three (3) consecutive terms.

Moved by Gass, seconded by Bradberry to amend the term limits for Mayor and Councilmembers to no more than two (2) consecutive terms.

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

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

**NEW BUSINESS**

**Budget Transfers – Fire Department Overtime Wages**

Moved by Zenge, seconded by Mahtani the City Council authorize the Acting City Manager to transfer \$93,000 from the Fire Department’s 2022 Regular Salaries and Wages Account No. 500.01 and \$32,000 from the Fire Department’s 2022 Health Insurance Account No. 507.00 to the Fire Department’s 2022 Overtime Wages Account No. 501.01.

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

**Authorizing 2% Cost of Living Adjustment and Revised Monthly Health Insurance Co-Pays For Non-Represented General Government and Ketchikan Public Utilities Employees For 2022**

Moved by Kistler, seconded by Zenge the City Council authorize a 2% cost of living adjustment and revised monthly health insurance co-pays for General Government and Ketchikan Public Utilities non-represented employees effective January 1, 2022 and August 1, 2022, respectively.

Acting City Manager and the Human Resources Manager answered questions from the Council.

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

**Resolution No. 22-2855 – Amending Section 6.2.1.1 And Section 6.1.1 of The City of Ketchikan Personnel Rules; And Establishing an Effective Date**

Moved by Mahtani, seconded by Zenge the City Council approve Resolution No. 22-2855 amending Section 6.2.1.1 and Section 6.1.1 of the City of Ketchikan Personnel Rules; and establishing an effective date.

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

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

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

Moved by Zenge, seconded by Bradberry the City Council approve Ordinance No. 22-1949 in first reading, establishing a seasonal sales tax by increasing the sales tax levy one percent (1.0%) from four percent (4.0%) to five percent (5.0%) for the period of April 1 through September 30 by amending Ketchikan Municipal Code (KMC) Section 3.04.020 entitled “Levy of Tax,” Subsection (B) of KMC Section 3.04.040 entitled “Tax Added to Sales Price” and Subsection (C) of KMC Section 3.04.130 entitled “Use of Proceeds of Sales Tax;” and establishing an effective date.

Councilmember Kistler said she would rather see a combination sales tax and sales tax cap increase, which she felt would ease the burden on lower-income households. She informed the Borough is currently discussing this topic as well.

Councilmember Bradberry stated if we changed the percentages to six percent (6%) in the summer and three percent (3%) during the winter that would have less of an effect on the locals.

Acting City Manager Simpson stated we can certainly look at that, but this was the direction staff received from the Council, to pursue the one percent (1.0%) seasonal sales tax. She said the 2022 sales tax adjustment would not be effective until April 1, 2023, so the entire cost would have to be collected in two years.

Councilmember Mahtani agreed with comments made by Councilmember Bradberry, but he would not be in favor of raising the sales tax cap.

Councilmember Gass said he was split on this and asked if this could be pushed out to the next meeting or to a work session to get more input from the public.

Councilmember Gage was in favor of the seasonal sales tax and increasing the sales tax cap. She informed even if we raised the cap, we would still be competitive with other Southeast communities.

Acting City Manager Simpson stated this body agreed to the collective bargaining agreement, and now has approved a cost of living allowance and a health insurance premium reduction for your employees. She felt it was incumbent upon the Council to develop a funding solution. She informed in 2019 when we went through the compensation plan study, and it resulted in increases, the Council at that time decided to fund those improvements by raising property taxes. She said that the funding mechanism has been brought before the Council and it has failed three times. She informed those wage improvements are being funded out of reserves. She indicated we cannot afford to tap reserves with these wage improvements.

Moved by Bradberry, seconded by Mahtani to table this motion until the meeting of August 4, 2022 for staff to put together a revenue report to include the effect of a six percent (6%) for the period of April 1 through September 30, and three percent (3%) on the off-season.

Councilmember Zenge said she didn't see an issue, as this was published on the agenda and we have seen in the past when there is strong opposition, the people show up. She noted, the Council does have to make a decision and we have to stand up for our employees.

Councilmember Bradberry said she would like to see what revenue option is best and least impactful on the locals.

Councilmember Gage said she agreed with comments made by Councilmember Zenge. She stated we can't afford to lose any more employees, and we need to stand by them.

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

**Ketchikan Gateway Borough Tourism Strategy Town Hall Meetings Waived Fees**

Moved by Zenge, seconded by Kistler the City Council direct the Acting City Manager to take such action regarding the Ketchikan Gateway Borough's request to waive the user fees of the Ted Ferry Civic Center for the July 20 and 21, 2022 Tourism Strategy town hall meetings.

Acting City Manager Simpson answered questions from the Council.

Moved by Gass, seconded by Mahtani to amend the main motion to charge fifty percent (50%) of the user fees for the Ted Ferry Civic Center for this event.

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

Acting City Manager Simpson said she has discussed the need to restructure the rates for the use of the Civic Center with the Civic Center Manager. She said if the Council wants to give governmental agencies a discount, she would suggest that be a request as a future agenda item.

Moved by Bradberry, seconded by Mahtani to amend the motion to waive the user fees of the Ted Ferry Civic Center for the July 20 and 21, 2022 Tourism Strategy town hall meetings.

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

Mayor Kiffer stated direction was given to staff and approval of the amendment would serve as approval of the main motion.

**Selection of City Manager/General Manager for the City of Ketchikan**

By report of the Acting City Manager, this item was withdrawn. No objections were heard by the Council.

**APPROVAL OF VOUCHERS**

Mayor Kiffer passed the gavel to Councilmember Kistler, due to a conflict of interest.

Moved by Zenge, seconded by Bradberry for the approval of vouchers to Parnassus Books in the amount of \$62.88.

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

Councilmember Kistler passed the gavel back to Mayor Kiffer.

**CITY MANAGER'S REPORT**

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of July 7, 2022**

Acting City Manager Simpson attached for Council review a schedule of the current balance of Appropriated Reserves of the various funds of General Government and KPU through the City Council meeting of July 7, 2022.

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

Acting City Manager Simpson provided an update to the Council regarding the status of recruitment efforts for vacant department head and division manager positions.

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

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

Acting General Manager Simpson included for Council review the project status reports of the KPU division managers for the month of June 2022.

**Report of June 28, 2022 Power Outage**

Acting General Manager Simpson attached for Council review a memorandum from Acting Electric Division Manager Bynum regarding the power outage of June 28, 2022.

**CITY CLERK'S FILE**

City Clerk Stanker informed the Council that the candidacy period for City Council opens on Monday, August 1<sup>st</sup>. She stated there are two (2) three-year seats and one (1) one-year seat open this year. She indicated applications can be obtained from the City Clerk's office at City Hall on the 4<sup>th</sup> floor. In addition, absentee/early voting for the State of Alaska Primary election can be done in person beginning August 1<sup>st</sup> through August 15<sup>th</sup> at the Ketchikan Gateway Parks & Recreation Center located at 601 Schoenbar Road. She said by-mail or electronic ballot requests must be done through the Alaska Division of Elections.

**CITY ATTORNEY'S FILE** - None

**FUTURE AGENDA ITEMS**

Councilmember Bradberry said she would like to see a restructuring of the fees and rates of the Ted Ferry Civic Center to include a government/non-profit discount, and include any other changes staff may want to add.

Councilmember Mahtani said he would like to see the City's compensation table amended to extend the step increases as a mechanism to retain our employees.

Acting City Manager Simpson explained the way the compensation table is currently set up, and this will take some time for staff to quantify.

Councilmember Gage said she would like to see the personnel rules updated in regards to the full-time non-represented hourly employees who have to work a 40-hour week to get overtime pay.

Finance Director Johansen answered questions from the Council.

Acting City Manager Simpson said staff can look into this and bring back a change to the personnel rules.

**MAYOR AND COUNCIL COMMENTS**

Councilmember Gass said he looked forward to moving ahead with the new manager and thanked staff and his colleagues for the work that went into that process. He said he hoped the Council finds the best solution to lessen the impact on our citizens in regards to additional tax burdens. He said he feels strongly that we look over our budgets and make sure our spending is appropriate. He stated for the record, that the increases that were passed tonight for the City/KPU I.B.E.W employees, did not affect him as he is not employed by the City or KPU.

Councilmember Mahtani thanked staff and colleagues for the great job they did with the manager candidates and the events that took place last week. He said as stated by Councilmember Gass, we need to be prudent with our budgets. He stated concerns about the loss of our well-trained employees to other agencies, and we need to find a solution to retain our employees.

Councilmember Zenge said she was glad to see that this Council recognizes our strength is our people, as she has been saying this since she was elected. She indicated we need to find a way to pay them for what they are worth so they don't go to other places. She said it was important to have staff look at other ways to make that happen, and she was impressed with tonight's meetings as everyone seemed to offer good solutions.

Councilmember Kistler said recently she was at the Ketchikan Visitors Bureau (KVB) and met with the tourism folks that came to town for the Tourism Strategy Town Hall meeting. She said it was interesting to see the notes they had and that some of the concerns were not in our control. She felt it was a good idea and we need to look at our tourism. She hoped from that meeting some good things come out of it for the community.

Councilmember Bradberry said as always thank you to staff. She indicated we are starting to move forward with some things and it feels good to get things accomplished.

Councilmember Gage said ditto to all the comments made tonight by other Councilmembers. She said we need to find a way to keep staff. She stated that our staff is our community and our taxpayers.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSIONS**

**Review of Candidates for the Vacant City Manager/General Manager Position for the City of Ketchikan**

Moved by Bradberry, seconded by Mahtani, the City Council declare consistent with the Acting City Manager’s memorandum dated July 20, 2022, it is in the best interest of the City to review and discuss the employment negotiation terms and conditions of Delilah Walsh as the selected City Manager/General Manager in executive session in accordance with Ketchikan Municipal Code 2.04.025(a)(1) to discuss matter the immediate knowledge of which would clearly have an adverse effect upon the finances of the City.

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

The Council took a short break at 8:25 p.m. and recessed into executive session at 8:30 p.m. and reconvened into regular session at 9:00 p.m.

Mayor Kiffer said the Council has completed its executive session to review and discuss the employment negotiation terms and conditions of Delilah Walsh as the selected City Manager/General Manager and direction was given to staff.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:03 p.m.

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Dave Kiffer, Mayor

ATTEST:

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Kim Stanker, MMC  
City Clerk

**FYI ITEMS INCLUDED**

Quarterly Statistical Report of Ketchikan Public Library Utilization – April Through June 2022  
Water Utilization Study Report – June 2022  
Lake Levels Report for the Month of June 2022