

Regular City Council meeting was called to order by Mayor Kiffer at 7:03 p.m., August 4, 2022, with the following members present: Riley Gass, Janalee Gage, Jai Mahtani, Abby Bradberry, Judy Zenge, Mark Flora and Lalette Kistler.

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, Public Works Director Hilson, Deputy Police Chief Mattson, Fire Chief Hines, Port and Harbors Director Verfaillie (Via WebEx), Acting KPU Telecommunications Division Manager Lindgren, Deputy Clerk Lee and City Clerk Stanker.

COMMUNICATIONS

Mayor Kiffer informed there a few items laid on the table, including; additional information regarding the employment of the City/General Manager's contract; A correction in the motion for Contract No. 21-12; A correction in the motion regarding the Fire Department ambulance cot with Stryker Medical.

PERSONS TO BE HEARD

Bruce Hattrick asked the Council for an investigation regarding concerns around his housing development.

Paul Jarvi stated his concerns that some stores downtown are offering alcohol to customers. He said he is ok with the 1% seasonal sales tax increase, but asked the Council not to increase the sales tax cap.

Mary Stephenson discussed her August directory of local establishments and explained she will be offering a winter directory as well.

Marco Angarano expressed his concern regarding the agenda item extending a discount to the Port Dock Vendors, and asked the Council to please not extend a discount or cancel the current contracts.

Martha Thomas asked the Council for a reduction to the Port Dock Vendors monthly rents due to the decreased number of tourists.

CONSENT AGENDA

Mayor Kiffer suggested moving a couple items to the Consent Agenda, including; A budget transfer and amendment regarding the Tongass Sewer Force Main Rehabilitation Phase II Design with Stephel Engineering; Various General Government budget transfers for heating fuel; A budget transfer regarding the Public Works Garage Division vehicle maintenance material. Councilmember Gass said he would like to discuss the budget transfer for the vehicle maintenance separately. No objections were heard.

Approval of Minutes – Special City Council Meeting of July 16, 2022 and the Regular City Council Meeting of July 21, 2022

Moved by Bradberry, seconded by Flora for approval of the minutes from the special City Council meeting of July 16, 2022, and the regular City Council meeting of July 21, 2022.

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

Budget Transfer – City Manager/General Manager Travel & Education Travel-Business Accounts

Moved by Bradberry, seconded by Flora the City Council authorize budget transfers of \$2,995.00 and \$1,200.00 respectively from the 2022 Personnel Services and Wages – Regular Wages Account Nos. 500.01 and 500.01 of the City Manager and General Manager to the City Manager and General Manager’s 2022 Travel & Education Travel – Business Account Nos. 600.01 and 600.01 to fund higher than anticipated travel costs for on-site interviews for the City Manager/General Manager position.

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

Exempting the Procurement and Budget Transfer – Harbors Department BHN Maintenance Dredging - Pool Engineering

Moved by Bradberry, seconded by Flora pursuant to subparagraph 2 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of the Bar Harbor North Dredging Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the Acting City Manager to approve such services from Pool Engineering at a total project cost not to exceed \$58,000.00; and authorize a budget transfer in the amount of \$12,000.00 from the Harbors Department’s 2022 Piling Replacements Capital Account to the Harbors Department’s 2022 BHN Maintenance Dredging Capital Account.

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

Ketchikan Public Health Center Waived Civic Center Fees

Moved by Bradberry, seconded by Flora the City Council direct the Acting City Manager to waive the fees associated with the use of the Ted Ferry Civic Center for the Public Health Center’s October 21 and 22, 2022 emergency preparedness exercise and vaccine clinic.

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

Change Order No. 1 (Final) to Contract No. 21-12 – Ketchikan General Hospital Southeast Window Wall Replacement – Marble Island, LLC

Moved by Bradberry, seconded by Flora the City Council approve Change Order No. 1 (final) to Contract No. 21-12 – Ketchikan General Hospital Southeast Window Wall Replacement with Marble Island, LLC in the amount of \$7,682.00, bringing the total project cost to \$377,682.00; authorize funding from the Public Health Department’s 2021 Long-Term Care Unit Window Replacement from the contingency; approve the addition of 197 days to the contract completion date; and direct the Acting City Manager to execute the contract documents on behalf of the City Council.

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

Exempting the Procurement – Fire Department Ambulance Cot - Stryker Medical

Moved by Bradberry, seconded by Flora pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a Power-PRO Ambulance Cot and Power-LOAD Cot Fastener from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; approve funding from the Fire Department's 2022 Refurbish Ambulance Cycle 1 (52-758) Capital Account; and authorize the Acting City Manager to enter into an agreement for the procurement of such ambulance components with Stryker Medical at a cost of \$47,251.04.

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

Budget Transfer and Amendment No. 2 to Contract No. 17-12 – Tongass Sewer Force Main Rehabilitation Phase II Design - Stephl Engineering LLC

Moved by Bradberry, seconded by Flora the City Council approve Amendment No. 2 to Contract No. 17-12 in the amount of \$14,940 between the City and Stephl Engineering LLC to finalize design work for Phase II of the Tongass Avenue Sewer Force Main Rehabilitation and Gravity Sewer Replacement Project, bringing the contract amount to \$213,490; approving a budget transfer in the amount of \$14,940 from Appropriated Reserves of the Wastewater Services Fund to the Wastewater Division's 2017 Force main Replacement/Rehabilitation Capital Account; authorize funding from the Wastewater Division's 2017 Force Main/Rehabilitation Capital Account and direct the Acting City Manager to execute the contract amendment on behalf of the City Council.

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

Various General Government Budget Transfers for Heating Fuel Expenses

Moved by Bradberry, seconded by Flora the City Council authorize the Acting City Manager to transfer \$58,000 from various accounts, including \$38,000 from Appropriated Reserves of the General Fund, to the 2022 Heating Fuel Account No. 525.03 of various General Government departments in order to address requests for additional heating fuel funding as outlined in the Finance Director's report dated July 26, 2022.

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

Exempting the Procurement of Annual Maintenance and Support Services for the Telecommunications Division's NEC Microwave Network Equipment from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – Aviat Networks

Moved by Bradberry, seconded by Flora pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of annual maintenance and support services for the Telecommunications Division's NEC microwave network equipment from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the General Manager to enter into an agreement for such annual support services with Aviat Networks at a cost not to exceed \$27,682.00; and approve funding from the Telecommunications Division's 2022 Software & Equipment Maintenance Services Account No. 635.04.

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

**Exempting the Procurement of Technical Support Services
from the Competitive Bidding/Written Quotation Requirements
of the Ketchikan Municipal Code – Oracle Corporation**

Moved by Bradberry, seconded by Flora pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of technical support services from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the Acting General Manager to enter into an agreement for the procurement of such support services with Oracle Corporation at a cost not to exceed \$10,039.00; and approve funding from the Telecommunications Division's 2022 Software & Equipment Maintenance Services Account No. 635.04.

UNFINISHED BUSINESS

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 of 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.

The motion that is before the City Council from the City Council meeting of July 21, 2022 is:

Moved by Zenge, seconded by Bradberry that 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%) 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 3.04040 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.

Moved by Gass, seconded by Mahtani to amend Ordinance No. 22-1949 by increasing the seasonal sales tax levy two percent (2.0%) from four percent (4.0%) to (6.0%) for the period of April 1 through September 30 and decreasing the seasonal sales tax levy by one and a half percent (1.5%) from four percent (4.0%) to two and a half percent (2.5%) for the remainder of the year.

A lengthy discussion ensued by the Councilmembers.

Acting City Manager Simpson and Finance Director Johansen answered questions from the Council.

Councilmember Gass amended his motion with the consent of the seconder to increase the seasonal sales tax levy one and a half percent (1.5%) from four percent (4.0%) to five and a half percent (5.5%) for the period of April 1 through September 30 and decrease the sales tax levy by one percent (1%) from four percent (4.0%) to three percent (3%) for the remainder of the year.

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

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

Public Facilities Naming Committee

Moved by Zenge, seconded by Kistler the City Council accept the recommendations submitted by the Public Facilities Naming Committee, and direct the City Clerk to prepare the appropriate resolutions designating each property accordingly for Council's final approval.

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

NEW BUSINESS

Extending a Discount to the Port Dock Vendor Booth Lease Holders for the 2022 Cruise Season

Moved by Gage, seconded by Bradberry the City Council direct staff to take such action as determined appropriate regarding offering a discount on the monthly lease payments of the 2022-2024 Port Dock Vendor and Port Food Vendor Lease Agreements for the 2022 season.

Councilmember Flora believed if this body elects to take an action where we extend a private business a grant it will create a lot of issues amongst other businesses. He cited the process the City's Grants Committee takes regarding non-profits who apply for City grants. He said the dock vendors don't even seem to be united on this request, and felt this was a form of government intrusion into private enterprise. He said it was dangerous and inappropriate, and if we offer a grant to these folks then anyone should be able to stand at that podium and ask for a grant. He said this ask is not based on any facts or figures, and it is not a good idea for this body to insert themselves into the private sector.

Councilmember Gass felt this is pro-tourism and is a pot of money paid by the cruise ship companies and could go to benefit some small businesses, but since that time he has heard from several folks in the tourism industry and Councilmember Flora has raised some valid points.

Councilmember Kistler stated a contract is a contract. She said the bid process was delayed a few times to try and make it fair to the people who were bidding. She didn't feel anyone would give us any money back if it was an exceptional season. She said this is just the cost of doing business.

Councilmember Bradberry said the only reason she is in favor of this is because the Ketchikan Visitor's Bureau gave a discount for the booths they manage. She indicated she is in favor of a revised contract for 2023.

Councilmember Mahtani stated he was in favor of a small discount because they have to employ drivers with CDL's, and it has been tough on them since the ship's time in Port has shortened and folks are afraid they will miss their return bus to their ship. He was also in support of updating the vendor leases.

Moved by Bradberry, seconded by Mahtani to amend the motion to offer a fifteen percent (15%) discount on the monthly lease payments of the 2022-2024 Port Dock Vendor and Port Food Vendor Lease Agreements for the 2022 season.

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

Mayor Kiffer ruled as a dispositive decision and direction to staff would be no discount to the 2022-2024 Port Dock Vendor and the Port Food Vendor Lease Agreements for the 2022 season. He stated it was the consensus of the Council to review and update the current vendor leases.

Budget Transfer – Public Works-Garage Division Vehicle Maintenance Materials

Moved by Mahtani, seconded by Kistler the City Council authorize the Acting City Manager to transfer \$85,000 from Appropriated Reserves of the General Fund to the Public Works-Garage Division's 2022 Vehicle Maintenance Materials Account No. 515.01.

Councilmember Gass questioned if the budget transfer was an estimate, and if there are any specific major projects scheduled on the vehicles for the remainder of the year.

In answer to Councilmember Gass, Public Works Director Hilson said that was an estimate based on the average monthly expenses for parts. He indicated there isn't any specific major projects at this point. He detailed recent expenses within the Garage Division.

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

Employment Contract – City Manager/General Manager

Moved by Zenge, seconded by Flora the City Council approve the City Manager/General Manager employment contract between the City of Ketchikan and Delilah Walsh presented to the City Council and authorize Mayor Dave Kiffer to execute the contract on behalf of the City Council.

Mayor Kiffer informed an Executive Session has been scheduled for this agenda item.

Councilmember Bradberry stated she was very excited to have Ms. Walsh on board with her qualifications and experience to be able to fill this position, by having one City/General Manager.

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

Resolution No. 22-2853 – Proposing Section 10-3 “Filing” of the Charter be Amended to Add Term Limitations for the Mayor and Council

Moved by Bradberry, seconded by Flora the City Council approve Resolution No. 22-2853 proposing term limitations for the Mayor and the Council by amending Section 10-3 “filing” of the City Charter, providing that such amendment be submitted to the registered voters for approval or rejection at the regular election to be held on October 4, 2022.

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

APPROVAL OF VOUCHERS

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

Moved by Zenge, seconded by Kistler for the approval of vouchers to Parnassus Books in the amount of \$80.92.

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

Councilmember Flora passed the gavel back to Mayor Kiffer.

CITY MANAGER'S REPORT

Acting City Manager Simpson relayed to the Council that staff has heard from our federal lobbyist that the congressionally directed spending allocation for the Ketchikan Lakes Road Project did not make the final cut. She said likewise even though it wasn't our request the allocation for the new PATH Shelter also did not make Senator Murkowski's final cut. She said she would give an update at a later time on what their plans might be.

Councilmember Bradberry questioned if there were other allocations.

Acting City Manager Simpson informed that PeaceHealth Hospital did receive some funding and also the Ketchikan Gateway Borough for wastewater projects. She stated the City does not stand to receive any funding.

Councilmember Bradberry questioned the status of the three vacant department heads.

Acting City Manager Simpson informed staff has three proposals from recruitment firms for the Electric Division Manager and they have informed us the position salary is not competitive. She said staff has contacted Ralph Andersen and Associates to look at reclassifying the current pay range, which could cause a cascade of issues within the City and KPU. She said for the Telecommunications Division Manager and the Information & Technology Director positions, staff are scheduling interviews with candidates. She said she had no update regarding the Tourism Manager position as it is still in rough draft.

Public Works Director's Project Status Report – July 2022

Acting City Manager Simpson attached for Council review the project status report of the Public Works Director for the month of July 2022.

2022 Sales Tax Report No. 6

Acting City Manager Simpson included for Council review Sales Tax Report No. 6 from Finance Director Johansen regarding the 2022 sales tax collections, which includes an eleven (11) year sales tax comparison.

Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of July 21, 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 21, 2022.

General Government/Ketchikan Public Utilities Financial Statements for the Quarter Ending June 30, 2022

Acting City Manager Simpson attached for Council review the General Government/Ketchikan Public Utilities financial statements for the quarter ending June 30, 2022.

Monthly Community Meetings – Police Department

Acting City Manager Simpson provided for Council review a memorandum from Police Chief Jeff Walls regarding the continuation of a monthly community meeting series hosted by the Police Department in an effort to open the lines of communication between the department and the general public.

Information Regarding the Functions of the City Information Technology Department and the Ketchikan Public Utilities Telecommunications Division

Acting City Manager Simpson provided the Council with information that Councilmember Zenge had requested at the May 19, 2002, Council meeting regarding the Information Technology Department and the Ketchikan Public Utilities Telecommunications Division, and why KPU Telecommunication is not the single division performing the necessary functions for General Government and KPU.

K.P.U. MANAGER’S REPORT - None

CITY CLERK’S FILE

City Clerk Stanker reminded early and absentee voting for the State of Alaska Primary is taking place at the Ketchikan Gateway Recreation Center Monday – Friday from 8:00 a.m. to 5:00 p.m. through August 15, 2022. She also stated the City Council Candidacy period is now open through August 25, 2022 until 5:00 p.m. She said there are applications available for the two 3-year seats, and the one 1-year seat. She indicated applications can be obtained from the City of Ketchikan website and in the Clerk’s office at City Hall.

CITY ATTORNEY’S FILE - None

FUTURE AGENDA ITEMS

Councilmember Zenge said she would like to schedule an executive session to discuss Acting City Manager Simpson’s contract as it ends in September.

Councilmember Kistler questioned if the Council can mandate that the larger ships tie up at the Port of Ketchikan and have the smaller ships liter passengers. Mayor Kiffer explained the City does not do the scheduling for the cruise ships. A lengthy discussion ensued and it was determined that the City will pass on the concern about scheduling to Cruise Lines Agencies of Alaska (CLIAA).

Councilmember Mahtani said he would like to hear from the chief nursing officer, chief medical officer, and chief of the hospital because he is hearing complaints from patients and staff.

A lengthy discussion ensued and it was determined that complaints should be sent through PeaceHealth’s complaint website (below) or individuals can attend the Healthcare Advisory Committee (HAC) meetings, which meet virtually on the fourth Thursday of the month at 9:00 a.m., citizens can call the City Clerk’s office for login information. Mayor Kiffer asked for a report from staff with updates.

https://peacehealth.ethicspointvp.com/custom/peacehealth/forms/patient_feedback/form_data.asp?lang=en

Councilmember Bradberry said she has been reviewing other municipalities' agendas and how they are organized and would like to see a Committee section added to the agenda. She said Councilmembers or staff who represent the City on a board or committee would provide information such as major points discussed or issues that are potentially coming. She informed it would take some effort by the Council and staff, but it would be beneficial to have this information in writing for all to review.

MAYOR AND COUNCIL COMMENTS

Councilmember Gass said he is glad to see the progress on the Bawden Street parking lot, but was saddened by the news that PATH will no longer be receiving funding for a new shelter. He stated it is a somber thing to raise taxes with some of the decisions we have made recently, but we had no choice. He said as we get closer to budget time it would be good for us to prepare and think of ways to do things differently as we move forward, and find ways to alleviate taxation on our citizens. With the growing costs of things, it will be difficult for our middle and lower-income citizens to afford funding our government. He felt as people retire or as positions become vacant, we need to brainstorm ways to lower costs in order to alleviate future tax increases.

Councilmember Mahtani thanked staff for all that they have done. He said he is very excited to welcome the new manager. He informed he is disturbed by the increase in taxes, and the talk of increasing the sales tax cap because we are on the verge of a recession, and we need to be careful. He said the Council has been working well together and thanked them.

Councilmember Zenge encouraged everyone who has ever thought of sitting on the City Council to please look into signing up, and if you have questions, anyone at this table would be happy to help you through the process. It is important and we always need new ideas. She stated her office is always open and encourages people to stop by and discuss what it takes to be on the Council. She continued, we have a lot of things going on in the coming year and a new manager, so please seriously consider running.

Councilmember Bradberry echoed comments made by Councilmember Zenge regarding people running for Council. She thanked Acting City Manager Simpson for all the work she has done this past year, and for getting us across the finish line. She said there is a light at the end of the tunnel.

Councilmember Gage said she appreciates everything Acting City Manager Simpson has done and is excited for Ms. Walsh to start. She thanked staff and appreciates everything they do, and the fact that they work hard for our community.

Councilmember Kistler said it is a steep learning curve working as a Councilmember, which is why she voted on the three-year term limits. She encouraged people to run for the open seats. She informed she is excited to work with our new City Manager.

Councilmember Flora informed Acting City Manager Simpson has done an amazing job of keeping the City and community together, and accomplishing more than we ever could have hoped for the last year. He said Councilmember Gass makes good points about additional burdens to the community that nobody likes to raise taxes, fees, or rates but sometimes it is the responsible thing to do. He said we have an agreement with a new manager who seems to have a substantial background in finance. He continued, as a former business owner, you always look for your efficiencies first, but please keep in mind that no household, business or municipality can cut their way to prosperity, there is always a revenue side. He said the revenue has to come from

somewhere, so during the next budget the old way of doing things, the status quo, or kicking the can down the road isn't going to cut it. He asked this body to keep an open, objective mind and to remember what the goal is, which, is service to the community. He encouraged everyone to get out and enjoy the Blueberry Festival.

OTHER NEW BUSINESS – None

EXECUTIVE SESSIONS

Request for Executive Session – Negotiation of City Manager/General Manager Employment Contract

As the Council took action for this item under new business, this Executive Session was withdrawn from the agenda.

ADJOURNMENT

As there was no further business, the Council adjourned at 8:55 p.m.

Dave Kiffer, Mayor

ATTEST:

Kim Stanker, MMC
City Clerk

FYI ITEMS INCLUDED

Alaska Legal Services Corporation Quarterly Activity and Financial Reports – April Through June 2022

Women In Safe Homes Quarterly Activity Report - April Through June 2022

Rendezvous Senior Day Services, Inc. Quarterly Activity & Financial Reports – April through June 2022

Rendezvous Senior Day Services, Inc. Quarterly Activity & Financial Reports – April through June 2022

Southeast Alaska Independent Living's Quarterly Financial Report – April Through June 2022

Southeast Senior Services' Quarterly Activity Report – April Through June 2022

Southeast Alaska Independent Living's Quarterly Activity Report – April Through June 2022