

Regular City Council meeting was called to order by Mayor Kiffer at 7:02 p.m., September 15, 2022, with the following members present: Riley Gass, Janalee Gage, Jai Mahtani, Abby Bradberry, Judy Zenge (via WebEx), 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, Project Manager Robinson, Police Chief Walls, Fire Chief Hines, Fire Marshal O'Sullivan, Port & Harbors Director Verfaillie, Acting Electric Division Manager Bynum, Acting Telecommunication Divisions Manager Lindgren, Water Division Manager Kleinegger, Deputy Clerk Lee and City Clerk Stanker.

**PUBLIC HEARING** – None

**COMMUNICATIONS** – None

**PERSONS TO BE HEARD** – None

**CONSENT AGENDA**

Mayor Kiffer suggested moving a couple of items to the Consent Agenda, including; a budget transfer for the acquisition of FCC Auction Mid-Band Spectrum Licenses for Next Generation Wireless Services, and Resolution No. 22-2280 assigning a representative signature certifier assigning administrators in respect to the USDA's online application program for ReConnect and Community Connect Grant Program. Councilmember Gass said he would like to discuss the three-year memorandum of agreement for Berth III off-season berthing by the State of Alaska separately. No objections were heard.

**Approval of Minutes – Regular City Council Meeting of  
September 1, 2022**

Moved by Flora, seconded by Bradberry for approval of the minutes from the regular City Council meeting of September 1, 2022.

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

**Ordinance No. 22-1947 – Amending Subsection (b)(25) of  
Section 18.04.010 of the Ketchikan Municipal Code Entitled  
“Adoption” Concerning Residential Sprinkler Systems – First  
Reading**

Copies of Ordinance No. 22-1947 were available for those present.

Moved by Flora, seconded by Bradberry the City Council approve in first reading Ordinance No. 22-1947 amending Subsection (b)(25) of Section 18.04.010 of the Ketchikan Municipal Code entitled “Adoption” concerning residential sprinkler systems; and establishing an effective date.

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

**Budget Transfer – Public Works-Wastewater Division’s 2022  
Travel-Business Account**

Moved by Flora, seconded by Bradberry the City Council authorize the Acting City Manager to transfer \$3,500 from the Appropriated Reserves of the Wastewater Fund to the Public Works – Wastewater Division’s 2022 Travel-Business Account No. 600.01 to fund travel expenses related to filling the Wastewater Division Supervisor position.

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

**Budget Transfer – Acquisition of FCC Auction No. 108 2.5 GHz  
Mid-Band Spectrum Licenses for Next Generation Wireless  
Services**

Moved by Flora, seconded by Bradberry the City Council authorize the Acting General Manager to create a 2022 FCC Auction 108 License capital project account for the Telecommunications Division, transfer \$68,850 from Appropriated Reserves of the KPU Enterprise Fund to the Telecommunications Division’s 2022 FCC Auction 108 License Capital Account, and authorize funds in the amount of \$68,500 from the Telecommunications Division’s 2022 FCC Auction 108 License Capital Account to acquire FCC Auction No. 108 2.5 GHz mid-band spectrum licenses for the next generation wireless services at a total cost of \$68,850.

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

**Resolution No. 22-2860 – Assigning a Representative-Signature-  
Certifier -Assigning Administrators in Respect to the USDA’s  
Online Application Program for ReConnect Program and  
Community Connect Grant Program**

Moved by Flora, seconded by Bradberry the City Council approve Resolution No. 22-2860, Assigning a Representative-Signature-Certified, Assigning Administrators in Respect to the USDA’s Online Application Program for ReConnect Program and Community Connect Grant Program; and establishing an effective date.

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

**Three-Year Memorandum of Agreement for Berth III Off-  
Season Berthing – The State of Alaska, Department of  
Transportation & Public Facilities, Alaska Marine Highway  
System**

Moved by Gass, seconded by Mahtani the City Council approve the three-year Memorandum of Agreement between the City of Ketchikan and the State of Alaska, Department of Transportation & Public Facilities, Alaska Marine Highway System for Berth III off-season berthing and direct the Acting City Manager and Port & Harbors Director to execute the agreement on behalf of the City Council.

Councilmember Gass questioned if this is tied to the moorage rates, and asked if staff could refresh the Council on the status of our current rates and when those are set to increase.

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Acting City Manager Simpson informed in 2019 the Council adopted an ordinance to raise a variety of the Port rates, mainly wharfage and dockage. She said since that time the Council has not had any further discussions regarding Port rates, and there is nothing currently in place to increase them on a regular basis. She indicated those past discussions included possibly applying a CPI or another escalator on rates, so Council would not have to regularly come back and adjust rates. She stated to implement a rate increase there is a two-year lead time so the cruise industry can adjust and build it into their rates.

Councilmember Gass said he would bring this up under future agenda items as it is a discussion worth bringing back now that cruise is returning.

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

## **UNFINISHED BUSINESS** - None

## **NEW BUSINESS**

### **Presentation from Cruise Lines International Association of Alaska (CLIAA)**

Charlie Ball, President of CLIAA, said they had a good meeting with the Mayor and staff about a month ago, and he was here tonight to bring the Council up to speed on some of the content and research CLIAA has done for Ketchikan, including a nine-year outlook. He said they understand there is some deferred maintenance that needs to happen, and we need to pay our fair share.

Mr. Ball presented the Council with a multi-year overview for Ketchikan, which included;

- Offer cruise perspective on short and long-term needs to support expected cruise visitation.
- Begin a dialogue to determine appropriate fees that sustain community needs and industry impacts.
- Understand how to work collaboratively with the City and Borough on an ongoing basis.
- Expectation of Ketchikan ports because ships are getting larger, and it is time to expand Berth III and possibly in the future Berth IV.

Near-Term Needs:

- Prioritize and address deferred maintenance so Ketchikan does not subsidize their business and visitation.
- Action needed to expand Berth III to assure larger ships can be accommodated downtown.
- Begin the process to achieve traffic flow improvements for the community and guests.
- Design practices to alleviate congestion at downtown and Ward Cove docks as needed.

Consider Sustainability Investment:

- Regulations that drive the reduction of greenhouse gas will have an impact on Alaska within 20 years.
- Investments in dock electrification. Help increase Ketchikan's viability as a Port of call in the future.
- Federal programs offer meaningful potential support for shore power, as much of the Alaska fleet is equipped to plug in.

Long-Term Needs:

- Funding plan to keep up with ongoing maintenance.
- Continue investments to improve traffic circulation.
- Dock electrification.
- Additional services which provide itinerary flexibility.
- Berth IV expansion.

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CLIAA and the City of Ketchikan as Cruise Line Partners:

- Work together across jurisdictions, and cruise lines as partners to assure Ketchikan stays a great place to live and visit.
- Support reasonable fees that support needed improvements.
- Begin addressing deferred maintenance and Berth III expansion.
- Address traffic flow for passengers and the community.
- Work together to define a strong approach toward achieving dock electrification for the need to expand Berth IV in the longer term.

Councilmember Gass questioned what percentage CLIAA would be willing to put in towards the ship-to-shore power project.

In answer to Councilmember Gass, Mr. Ball said part of that depends on what the Federal status is, because grant funding requires at least a 20 to 25% contribution, and depending on the Berth, different lines have agreed to fund at higher levels or finance over time, so it can be a fee-based recovery from the cruise ships themselves.

Councilmember Mahtani thanked Mr. Ball for his presentation, and said the Federal government will require matching funds for any grants, and questioned who would need to come up with the matching funds. He said Port maintenance has been deferred for several years and questioned how much of a contribution from the lines Ketchikan can expect for this and the expansion of Berth III.

In answer to Councilmember Mahtani, Mr. Ball said he couldn't speak for all of their members, but with the ones involved with the Carnival Corporation, it is not typical for the City to have to come up with the funds. He stated they are limited to a direct cash infusion, but the general budgets they have seen from the staff make sense. He said there will need to be a system in place where passenger fees recover these expenditures. He said this would come from their business and guests.

Councilmember Flora referenced the model that Juneau is using, and their recent announcement that \$10 million of Port fees is being made available for their convention center. He said, with the permission of the Mayor, he called the town manager in Bar Harbor, Maine where fifty percent of their port fees go directly to their general fund. He questioned how they achieved this, and the town manager said they simply asked the industry for permission. He questioned if Ketchikan could have some latitude on how we spend money from our own public assets. He also questioned the green corridor, sustainable tourism and shore power, which are all things that will help improve the environment as our community is subjected to a daily barrage of soot emissions and polluters. He felt we need to find a way to put cleaner running vehicles on our roads, and asked if this has come up in discussions with other communities.

In answer to Councilmember Flora, Mr. Ball said in Juneau, a portion of the fees is used to offset the cost of City government. He said there is a process by which that is reviewed, and in the Juneau model there was an agreement that included a recognition that there are burdens of operating the City government that they acknowledge come from the passenger. He said in answer to the second question from Councilmember Flora, pollutants should be discussed to see if there are better or more efficient ways. He said he could not make commitments for upgrades at this time, but if the City would like greater visibility we should sit down and form a committee to see what can be done.

Councilmember Kistler questioned the cost of the current deferred maintenance regarding the Port and what the lines would be willing to put in.

In answer to Councilmember Kistler, Mr. Ball said they would like to see a budget, but what they have seen so far, with the cathodic protection and some of the other projects look reasonable. He

said it is just a matter of how quickly we can get to it by how they can fund it, because the fees would need to be adjusted to accommodate the costs.

Councilmember Gass referenced a letter that was written by CLIAA on February 4, 2021 regarding talks of an ordinance to increase Port rates, and agreed with the comments made at that time, but now with the comeback of cruise, he questioned Mr. Ball about what rate increases would look like.

In answer to Councilmember Gass, Mr. Ball stated to be fair, what we might consider a significant increase may be different from the City. He said CLIAA would avoid litigation at all costs and would prefer to work together. He said they can usually find ways to work together to get most things done. He indicated they want to continue to deliver a great experience for their passengers for years to come, and they want to sit down and get things moving forward.

Councilmember Gage said for the last thirty-years the City has had to take care of the water, sewage and garbage on our own, and yet there are more and more people coming to Ketchikan and we are told the sales tax will take care of it. She said we can use Port funds for bathrooms, but the infrastructure that goes to those bathrooms is not supported by the cruise industry. She said are you now saying the industry is going to work with us to allow the use of Port funds to assist the community's other needs.

In response to Councilmember Gage, Mr. Ball said we want to recast the relationship, and he said he wasn't sure if we will get all the way, but they understand the implications of their presence in small communities. He said they would love to make it a win-win, but we also still want to be welcomed visitors and not make the City of Ketchikan pay for their presence.

The Mayor and City Council thanked Mr. Ball for his presentation and comments.

Mr. Ball said he would like to be in person next time and bring the Council some action regarding their comments made tonight.

#### **Report from Police Chief on Response to Disorderly Conduct and Open Container Offenses**

Police Chief Walls informed the Council of the Police Department's response to disorderly conduct and open container offenses, and discussed the following:

- Open containers falls under disorderly conduct, which is a charge under minor misdemeanor offenses.
- Chargeable offenses.
- Issues of charging habitual offenders with disorderly conduct.
- Police Department is currently focused on preventing fentanyl and other drugs from growing in Ketchikan, and going after dealers.
- In December the Police Department will have a fentanyl class with the Drug Enforcement Administration.
- Purchasing of a K-9 unit next year.

Police Chief Walls answered questions from the Council.

**Update on Fire Prevention – Fire Marshal**

Fire Marshal O’Sullivan and Fire Chief Hines updated the Council regarding the status of fire prevention, and the following was discussed:

- Updating of procedures and policies on fire prevention and community risk reduction and prevention.
- Implementing City business licenses that will include fire safety inspections.
- Training for fire investigators.
- Implementing Compliance Engine, a company that will track sprinkler systems and fire alarm system inspections of local businesses for the City.
- Current staffing levels.
- Adopting the 2021 fire code (currently the City of Ketchikan utilizes the 2012 fire code).

Fire Marshal O’Sullivan and Fire Chief Hines answered questions from the Council.

**Ordinance No. 22-1953 – Amending Subsection (67) of Ketchikan Municipal Code Section 18.04.010 of the Fire Code; Adding a New Subsection (3) to Ketchikan Municipal Code Section 19.14.010 of Plumbing Code; Renumbering Existing Subsection (3) of Ketchikan Municipal Code 19.14.010 – First Reading**

Copies of Ordinance No. 22-1953 were available for those present.

Moved by Kistler, seconded by Gage the City Council approve in first reading Ordinance No. 22-1953 amending Subsection (67) of the Ketchikan Municipal Code Section 18.04.010 of the Fire Code; adding a new Subsection (3) to Ketchikan Municipal Code Section 19.14.010 of Plumbing Code; renumbering existing Subsection (3) of Ketchikan Municipal Code 19.14.010; and establishing an effective date.

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

**Resolution No. 22-2858 – Opposing a State Constitutional Convention**

Moved by Gage, seconded by Kistler the City Council approve Resolution No. 22-2858, opposing a State Constitutional Convention.

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

**APPROVAL OF VOUCHERS**

Mayor Kiffer passed the gavel to Vice-Mayor Flora due to a conflict of interest.

Moved by Gage, seconded by Mahtani the City Council move for the approval of vouchers to Parnassus Books in the amount of \$40.00.

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

Vice-Mayor Flora passed the gavel back to Mayor Kiffer.

**CITY MANAGER'S REPORT –**

Acting City Manager Simpson informed the Council that we are losing our solid waste drivers that hold a CDL, they are going to other places for higher pay, and the department is running dangerously thin. She informed that we should have five solid waste collectors with CDLs, and the City currently has two, with the possibility of losing one more because we don't have mechanisms in place to keep them here. She said that means our solid waste collection may have to be scaled back. She spoke in regards to the resolution that was deferred from the September 1, 2022 meeting that would allow the City Manager to hire and promote employees at any step that is allowable for that particular classification.

Councilmember Bradberry asked if a proposal could be brought back to hire separately for those individually.

Acting City Manager Simpson said these are current employees and this is not a promotion or a new hire. She stated this is why staff is trying to create a new mechanism in that resolution for retention purposes. She informed that wage increases are a product of performance, and are generally done on an annual basis. She said the deferred resolution was not performance-based, but retention based for positions that are in high demand. She explained the current process of hiring, and said there are some major deficiencies in the City's compensation plan that will need to be addressed.

Councilmember Bradberry said would like to see the resolution split for the Council to consider new hires and employee retention separately, as she thought the deferred resolution was just for new hires.

**Schedule of General Government and KPU Appropriated Reserves Through the City Council Meeting of September 1, 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 September 1, 2022.

**Fire Department Fire Boats Needs Assessment Update**

Acting City Manager Simpson attached for Council review a memorandum from Fire Chief Hines regarding the status of the fire boat needs assessment and additional information on the assessment process.

**Preparation of 2023 General Government/Ketchikan Public Utilities Operating and Capital Budgets**

Acting City Manager Simpson attached for Council review a copy of the 2023 budget calendar prepared by the Finance Department. She indicated assuming no changes are requested, the draft 2023 General Government and KPU Operating and Capital Budgets will be submitted to the City Council on November 3, 2022.

**Update Regarding the Proposed March 25, 2023 Sales Tax**

Acting City Manager Simpson provided the Council information regarding the procedure the Assembly would need to do in order to have a second tax-free holiday on March 25, 2023. She said pending the Assembly's final action, the Council will need to adopt a motion approving the March 25, 2023 Sales Tax Holiday at a subsequent meeting.

**City-PeaceHealth Healthcare Advisory Committee (HAC) –  
June 23, 2022 and July 28, 2022 Meeting Minutes**

Acting City Manager Simpson attached for Council review the approved minutes from the June 23, 2022 and July 28, 2022 meetings of the City-PeaceHealth Healthcare Advisory Committee (HAC).

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

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

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

**Reports of August 3 and August 6, 2022 Power Outages**

Acting General Manager Simpson attached for Council review a memorandum from Acting Electric Division Manager Bynum regarding the power outages of August 3 and 6, 2022.

**Vigor Alaska Shipyard Annual Power Rate Adjustment**

Acting General Manager Simpson attached for Council review a memorandum from Acting Electric Division Manager Bynum that effective October 1, 2022, the composite rate will decrease, and the demand charge in excess of 25 kVA will remain at \$3.37 as will the customer service charge of \$61.75. She stated the changes were presented to representatives of Vigo Alaska and no objections have been received.

**Hosted Private Branch Exchange (Hosted PBX) Service Price  
Increase**

Acting General Manager Simpson attached an informational memorandum for Council review from Acting Telecommunications Division Manager Lindgren, noting the 10% increase will go into effect on November 1, 2022.

**CITY CLERK'S FILE**

City Clerk Stanker informed the Council that absentee and early voting will begin on September 19, 2022, in both the City Clerk's office at City Hall and the Borough Clerk's office at the Borough Building. She stated both offices would have all the ballots available for the City and the Borough.

**CITY ATTORNEY'S FILE** – None

**FUTURE AGENDA ITEMS**

Councilmember Gass said he would like a discussion item or work session to come up with a fee structure increase for the cruise lines from staff so the Council is organized and has a strategy in place to be on the same page as CLIAA.

Acting City Manager Simpson stated that based on the presentation tonight from Mr. Ball, it sounds like the industry is interested in raising fees, but again tied to specific mutually beneficial projects. She said of those projects we only have ballpark figures of costs, but without knowing what the actual amount is, it is difficult to adjust the fees. She continued, the Council could discuss adjusting fees, but if it is not tied to any beneficial projects actual dollar figure goal, it might be unproductive. She stated, based on Mr. Ball's statements they would like to hear back from the City on what those priorities are, with budgets and times, and that will help inform a discussion about fees. She suggested continuing that conversation with staff, the Mayor, and CLIAA to prioritize what those projects are and their costs, which will help form the fee structure.



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Mayor Kiffer informed this is a competitive environment so some of these discussions will probably be better held in executive session.

Councilmember Flora said that as well as discussing a dollar amount, we also need to discuss what the goal will be that we want to achieve. We all have specific and varied ideas of what port fees should and shouldn't do. He recommended getting a report regarding the model Juneau has established with CLIAA.

Councilmember Gage asked that this report include information from the community of Bar Harbor Maine.

Mayor Kiffer asked for a show of four hands for a future work session to discuss with staff specific projects and goals relative to port fees, and at least four hands were shown.

Councilmember Kistler said she would like to have a discussion on the homeless planning report to decide how the Council wants to move forward and what items the Council would like to start with.

### **MAYOR AND COUNCIL COMMENTS**

Councilmember Kistler thanked the Police Department for all of their hard work.

Councilmember Bradberry reminded everyone to be mindful of what they say, and make sure they are speaking for yourself and not on behalf of the whole Council.

Councilmember Mahtani thanked the staff, Police Department and Fire Department for doing an excellent job, and congratulations to Ms. Simpson for becoming president of Southeast Conference.

Councilmember Gass informed he is glad to see these future discussions with CLIAA and potential partnerships and how they can help us. We have a lot of projects that have been kicked down the road or deferred and it's time to get serious, such as establishing a rate increase every year and funding for future specific projects. He said a huge shout out to the Police Department for the drug bust. He stated on one hand it is very tragic we have all those drugs here, but on the other hand, they're doing a great job fighting it, so thank you to them.

Councilmember Gage said a great job from the Fire Marshal. She stated her concerns that some places will not be able to meet some of the new requirements, such as PATH. She stated as we move forward with the homeless needs assessment points, we will have to pick one to focus on. She said that within the community there are many organizations already working on many of these issues.

Councilmember Flora congratulated Acting City Manager Simpson as President of Southeast Conference. He thanked the new Police Chief, the new Fire Chief, and the Fire Marshal because they haven't been in these positions very long and the level of performance, innovation and the things that they are working on are remarkable.

Mayor Kiffer congratulated Acting City Manager Simpson. He said he agrees with previous comments made regarding the presentations made tonight, they were all very good and it is good to hear progress is being made and moving in a good direction. He stated, what we heard tonight from CLIAA is a huge change from what we traditionally heard from the industry. While we may not have gotten any specifics or dollar amounts, but the fact that we heard that the industry has a role to play is a good sign. There is a greater realization now that the industry has to work with the local communities to make these things happen. He continued, hopefully with their help we will be able to get some of these projects done soon.

**OTHER NEW BUSINESS** – None

**EXECUTIVE SESSION**

**Proposed Electric Intertie and Power Sales Agreement between  
Metlakatla Power & Light and the City of Ketchikan d/b/a  
Ketchikan Public Utilities**

Moved by Flora, seconded by Kistler the City Council find that consistent with the Acting General Manager's memorandum dated September 8, 2022, it is in the City's best interest to consider such matters in executive session and that the Council go into executive session under Ketchikan Municipal Code 2.04.025(a)(1) to review and discuss a proposed electric intertie and power sales agreement between Metlakatla Power & Light and the City of Ketchikan d/b/a/ Ketchikan Public Utilities, concerning matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the City.

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

The Council took a short break at 9:13 p.m. and recessed into executive session at 9:25 p.m. and reconvened into regular session at 9:43 p.m.

Mayor Kiffer said the Council has completed its executive session to discuss a proposed electric intertie and power sales agreement between Metlakatla Power & Light and the City of Ketchikan d/b/a/ Ketchikan Public Utilities and direction was given to staff.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 9:45 p.m.

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Dave Kiffer, Mayor

ATTEST:

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Kim Stanker, MMC  
City Clerk

**FYI ITEMS INCLUDED**

Love in Action, Newsletter – September 2022  
Water Utilization Study Report – August 2022