



City Manager
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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting City Manager

DATE: September 27, 2022

RE: **FY 2024 Community of Ketchikan Capital Project and Policy Issue Priority Lists – Lobbying Executive Committee**

At its meeting of September 1, 2022, the City Council adopted a motion approving the City of Ketchikan and Ketchikan Public Utilities priorities for inclusion in the FY 2024 Community Priority List as detailed in the Acting City Manager's report dated August 25, 2022 and/or as modified by the City Council. The City's priorities were considered by the Ketchikan Gateway Borough/City of Ketchikan/City of Saxman Lobbying Executive Committee at its meeting of September 27, 2022. As indicated in the attached committee meeting minutes, the Lobbying Executive Committee selected three capital projects, one for each municipality, and four policy issues for transmittal to the Governor.

Capital Project

Policy Issue

- | | |
|---|---|
| <p>1. Ketchikan International Airport: Phase A – Terminal Area Expansion - \$29,000,000</p> | <p>1. Urging the State to Transfer Ownership of Certain Parcels of Land to Facilitate the Development of Housing</p> |
| <p>2. Water Street Sewer Force Main and Gravity Main Rehabilitation - \$4,100,000</p> | <p>2. Opposing Actions by the State of Alaska to Shift the Costs of its Constitutional Obligations to Municipalities*</p> |
| <p>3. Replacement Fire Truck/Apparatus - \$1,500,000</p> | <p>3. Encourage Continuation of the Current Arrangement for Sharing of State Excise Tax on Commercial Passenger Vessels (CPV)</p> |
| | <p>4. Urging continuance of funding for the Alaska Marine Highway System (AMHS)</p> |

*Subset issues detailed in the Lobbying Executive Committee Meeting Minutes of September 27, 2022.

The proposed lists and priority rankings were unanimously approved by the Lobbying Executive Committee and concurrence of the three governing bodies is now being sought.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion approving the Ketchikan Gateway Borough/City of Ketchikan/City of Saxman Lobbying Executive Committee's recommended FY 2024 Community of Ketchikan Capital Project and Policy Issue Priority Lists for transmittal to the Governor as detailed in the September 27, 2022 Lobbying Executive Committee meeting minutes.

Recommended Motion: I move the City Council approve the Ketchikan Gateway Borough/City of Ketchikan/City of Saxman Lobbying Executive Committee's recommended FY 2024 Community of Ketchikan Capital Project and Policy Issue Priority Lists for transmittal to the Governor as detailed in the September 27, 2022 Lobbying Executive Committee meeting minutes.



KETCHIKAN GATEWAY BOROUGH

Lobbying Executive Committee

September 27, 2022

Assembly Chambers, White Cliff

Call to Order

The meeting was called to order by Mayor Dial at 12:00 p.m. Members present were:

Ketchikan Gateway Borough

Mayor Dial

Assembly Member Bynum

Manager Duran

Clerk Paxton

City of Ketchikan

Mayor Kiffer

Council Member Flora

Interim Manager Simpson

City of Saxman

Administrator/Clerk Richmond

Absent: City of Saxman Mayor Seludo

Lobbyist Ray Matiashowski participated telephonically.

Citizen Comments

There were no citizen comments provided.

New Business

Review and Prioritization of FY 2024 Community of Ketchikan Policy Issue Statements

Mayor Dial read the list of prioritized Borough policy issues adopted through Resolution 2954, and requested the committee to approve the list as community priorities.

M/S KIFFER/BYNUM to approve the list of policy issues:

1. Encouraging the State to Transfer Ownership of Green Spaces Inside Unfinished State Subdivisions to Facilitate the Development of Residential Property in the Borough
2. Opposing Actions by the State of Alaska to Shift the Costs of its Constitutional Obligation to Maintain a System of Public Schools Open to all Children of the State:
 - a. Opposing any legislation which would increase the burden on PERS and TRS employers beyond the current employer contribution limits of 22 percent for PERS and 12.56 percent for TRS, including reducing on-behalf rates, imposition

- of termination study costs, and efforts to shift more of the net pension liability for PERS or TRS onto municipalities.
- b. Opposing the Required Local Contribution, which unfairly saddles some residents of the State with a requirement to fund a State obligation, and which selective imposition has no rational basis in law, and opposing any effort by the State to increase the RLC.
 - c. Applauding the FY 2023 retroactive payment of School Bond Debt Reimbursement (SBDR) withheld from the municipalities during the moratorium on the program enacted in AS 14.11.100(s), and supporting efforts to return SBDR to pre-moratorium levels.
 - d. Opposing any effort by the State to shift its responsibilities for education to municipalities by reducing the base student allocation, the method of calculation of average daily membership (ADM), or the multipliers set forth in the public school funding formula contained in AS 14.17.410, et seq.
3. Encourage Continuance of the Current Arrangement for Sharing of the State excise tax on Commercial Passenger Vessels.
 4. Urging Continuance of Funding for the Alaska Marine Highway System (AMHS).

MOTION DECLARED CARRIED BY UNANIMOUS CONSENT

Review and Prioritization of FY 2024 Community of Ketchikan Capital Project Priorities for Submission to the Governor's Office

Mayor Dial announced the top capital project as adopted by each municipality and suggested they be considered as the list of community priority projects. Interim Manager Simpson requested that the City of Ketchikan top priority be amended to reflect the Water Street Sewer Force Main and Gravity Force Main Rehabilitation project. There was no objection.

M/S FLORA/DURAN to approve the Community of Ketchikan capital project priorities as:

- | | | |
|----|---|--------------|
| 1. | Ketchikan International Airport Expansion and Improvements | \$35,000,000 |
| 2. | Water Street Sewer Force Main and Gravity Force Main Rehabilitation | \$4,100,000 |
| 3. | Saxman Fire Truck and Apparatus | \$1,500,000 |

MOTION DECLARED CARRIED VIA UNANIMOUS CONSENT

Other Lobbying Activities and Topics of Mutual Concern

Lobbyist Matiashowski said the next Legislative session would be a fresh start with many new legislators expected to be in office. Member Flora asked what could be done differently to improve receipt of capital funding. Lobbyist Matiashowski said the Ketchikan prioritization process was positive and suggested no changes to the advocacy efforts. He reported that there were two large port projects in the northern part of the state the prior year, and he was hopeful for a more proportional share of funding for Ketchikan this year.

Committee Member Comments

Administrator Richmond was thankful for the process that kept Saxman part of the community of Ketchikan.

Mayor Dial relayed that Senator Stedman and Representative Ortiz had both commented the next budget cycle would be difficult due to loss in the permanent fund, inflation and supply chain issues, and capital needs for West Coast Alaska following the recent storm. He added that there may be a need to fight for school bond debt reimbursement.

Mayor Kiffer suggested that advocacy efforts remind the State that Ketchikan's top priority is actually a State facility that is operated and maintained locally.

Member Bynum thanked the governing bodies for having projects prepared for the committee.

Interim Manager Simpson reported that incoming City Manager Walsh would take office October 1.

Clerk note: The timeline and process for projects to be submitted to the Governor and Legislature are:

- *Recommendations of committee to be forwarded to respective governing bodies;*
- *First respective meetings in October – Municipal governing bodies approve community capital project priority list;*
- *By third week October – Borough Clerk's office submits capital priority project list to Governor with letter signed by three mayors;*
- *November/December – Staff enters all capital projects into the Legislature's Online Capital Project System (CAPSIS).*

Adjourn

The meeting adjourned at 12:13 p.m.

Accepting the Annual Comprehensive Financial Report of the City of Ketchikan, Alaska and the Supplementary Compliance Report Section for the Year Ended December 31, 2021

Moved by Bradberry, seconded by Kistler the City Council accept the Annual Comprehensive Financial Report of the City of Ketchikan, Alaska and the supplementary Compliance Report Section for the year ended December 31, 2021.

Finance Direct Johansen informed all Councilmembers should have received the annual comprehensive financial report, and the booklet handed out tonight is the compliance report. She said the compliance report outlines all the grants the City has received. She thanked all the finance staff, and especially Controller Hart for all the extra hours they put in to complete this, and during budget deliberations. She stated there is a lot of good statistical data at the very end, and can be useful information.

Monica Gardner, Audit Partner of Teuscher Walpole, LLC presented the results of the 2021 annual financial and compliance audit to the City Council.

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

FY 2024 Community Priority List, Initial City of Ketchikan Legislative Requests

Moved by Kistler, seconded by Bradberry the City Council approve the City of Ketchikan priorities for inclusion in the FY 2024 Community Priority List as detailed in the Acting City Manager's report dated August 25, 2022 and/or as modified by the City Council.

Councilmember Bradberry questioned if this list can also include policies.

Acting City Manager Simpson informed in the past it has included policies, but this year the list is primarily dedicated to capital improvement projects, but it can be both.

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

Discussion – A Resolution of the City Council Opposing the “Constitutional Convention” – Councilmember Gage

Councilmember Gage said she was approached by folks to support a no vote on the constitutional convention for various reasons, which include protection of our natural resources as stakeholders, to our home rule filing on how our City is run and the Permanent Fund. She informed the State of Alaska has one of the best constitutions in the United States, and should be left alone.

Councilmember Kistler felt it was safer to amend our constitution rather than open it up.

Councilmember Gass said there were passionate arguments on both sides and felt we need to let the voter decide.

Mayor Kiffer asked for a show of hands to have staff bring back a resolution opposing the Constitutional Convention, and at least four hands were shown.