

Special Ketchikan City Council meeting was called to order by Mayor Weinstein at 7:05 p.m., April 1, 2009, with the following members present: Sam Bergeron, Dick Coose, Charles Freeman, Jason Harris, Kj Harris, Marty West and Lew Williams III.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, Fire Chief Hill, Public Works Director Hansen, Senior Project Engineer Brakke, Assistant Public Works Director Allen and City Clerk Suiter.

**COMMUNICATIONS** – None

**PERSONS TO BE HEARD**

Rodney Dial, 56 Cloverview Road, asked the Council not to raise the sales tax. He related there are 89 municipalities that have a sales tax in Alaska, and only a handful have the same rate as Ketchikan. He said if the Council raises the sales tax and the Borough does the same to fund the pool, there will not be one community in the State that has a higher sales tax rate. He stated when it is added to the average per capita property tax paid in all municipalities according to the State, an argument can be made that taxes are high enough. He felt it was like the Council saying lack of planning on their part is constituting an emergency on the part of the taxpayer, which concerns him. He questioned the price of the plans for the library, and he hoped there was discussion that \$1.5 million for a set of plans when there is no location chosen may be excessive. He pointed out if the location is changed, there would be a huge design change.

Mr. Dial continued by expressing maybe we should tackle one project at a time, through prioritization. He pointed out that \$622,000 was given away to non-profit community agencies last year, \$247,150 was spent on three art projects – including two statues, and he wondered how much more important these things are than streets and bridge repair. He said the Council spent \$350,000 on pedestrian wayfinding signs that he felt many people in the community thought were somewhat ugly, and he didn't think the community would stop if we didn't fund those. He explained he didn't feel the community had a revenue problem, but rather a spending problem. He asked the Council to understand if the sales tax was raised, it would hurt one part of the community at the expense of the other part, and he urged the Council to consider funding one major project at a time.

**NEW BUSINESS**

**Ordinance No. 09-1621 – Amending KMC Section 3.04.020 “Levy of Tax”; Adding a New Subsection to KMC 3.04.130 “Use of Proceeds of Sales Tax” – Second Reading**

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**Ordinance No. 09-1624 – Repealing Ordinance No. 09-1618 and Canceling the Special Election Authorized by that Ordinance – First Reading**

Copies of Ordinance Nos. 09-1621 and 09-1624 were available for all persons present.

Moved by Freeman, seconded by Williams the City Council approve in second reading Ordinance No. 09-1621 amending KMC Section 3.04.020 entitled “Levy of Tax”; adding a new subsection (h) to KMC Section 3.04.130 entitled “Use of Proceeds of Sales Tax”; and establishing an effective date.

Mayor Weinstein said he just spent two days in Juneau, and Senator Stedman and Representative Johansen are working diligently to secure funding for bridge and trestle repair. He felt they understood that this and a couple other community projects are important priorities to get funded this year.

Motion failed with Kj Harris, Coose, Williams, West, Freeman, Bergeron and Jason Harris voting nay.

Moved by West, seconded by Kj Harris the City Council approve in first reading Ordinance No. 09-1624 repealing Ordinance No. 09-1618 and canceling the special election authorized by the ordinance.

Senior Project Engineer Brakke and Manager Amylon answered questions from the Council.

Motion passed with West, Bergeron, Freeman, Jason Harris, Kj Harris, Williams and Coose voting yea.

**MAYOR AND COUNCIL COMMENTS**

Councilmember Coose said he felt the manager’s memorandum should have been examined a little more thoroughly because the public doesn’t have the full information as to what projects the Council’s actions affect. He felt there were other things on the list that the Council was given at the special meeting about two weeks ago that should also be looked at real hard. He related he understood that most of the projects are going to be voted on again. He felt now is the time to think about a meeting with the manager to give direction for 2010, so he knows where to go.

Councilmember Kj Harris thanked Mr. Dial for coming tonight and commenting.

Councilmember Freeman asked if a source of funding was identified on the website, and Manager Amylon said that is the general rule. Councilmember Freeman continued the Council’s action will not solve the problem, but only delay it. He hoped by that time there would be other sources for funding.

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Councilmember Bergeron also thanked Mr. Dial for sharing his comments, and for taking the time to look at the City's projects and funding sources. He related the Council needed to tighten its belt, and make the hard decisions. He said he is looking at labor costs and other costs, and he wanted to look at a revenue neutral situation in reference to the City's employees. He felt the Council was tasked with looking at ways to make government less expensive.

Councilmember West said she was sorry she missed the last meeting because she would have been interested in the conversation that must have taken place, in which we now have three marketing managers for Telecommunications and a person on a separate contract, when we're talking about raising the cost of government. She related that at the hospital, they have one person who does marketing and a half-time person who does community relations and internal communications to keep employees aware of what is happening within the hospital. She stated they have five people in human resources, including three recruiters. She said the City has one person in human resources, another person in human resources whose job also includes the safety work and an administrative assistant. She felt the Council is making a big mistake in the way that they are allocating the money for personnel in those two areas.

In response to Councilmember Jason Harris, Senior Project Engineer Brakke said staff is taking a look at constructing retaining walls in relation to bridges and trestles. He said there were several streets where this was considered and decisions were made based on cost effectiveness. Councilmember Harris continued that the Council has been talking for four years about having a planning session, and perhaps these projects are a good reason to have one. He wondered if the Council should take a look at putting aside some money each year for these types of projects, in order to avoid bonding for them. He urged the Council to have a planning session before June to give staff direction. He thanked the manager and staff for working hard on the issue and coming up with alternatives.

Mayor Weinstein said he was in Juneau Monday and Tuesday to meet with legislators, focusing on capital projects. He said our two are working hard to obtain funding for the bridges and trestles and trying to achieve the balance needed for the new airport ferry so that we not only get a new ferry but also get one built here. He related he also worked on HB134 which is about to pass the House, the cruise ship discharge bill, and it has been modified in a manner that is satisfactory and recognizes that the technology does not exist today to meet the arbitrary standards imposed by the initiative. He said he attended a meeting Saturday sponsored by various labor organizations regarding PERS and TERS, and the fact that the State has moved from a defined benefit system to a defined contribution system. He said, based on what he heard from people including some of our own employees, there will be a growing problem until such time as that issue gets revisited. He stated the fact that the stock market crashed this year means that our junior employees have had essentially 40%-50% of their retirement savings wiped out, where more senior employees in the other system are protected. He felt this meant that the City will have trouble attracting people and retaining people in the future. He said there is an

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effort to get the legislature to revisit the issue, although it won't happen this year. He explained there will be study in the interim and a look at what the State can and cannot afford.

**ADJOURNMENT**

As there was no further business, the Council adjourned at 7:33 p.m.

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Bob Weinstein, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk