

Special Ketchikan City Council meeting was called to order by Mayor Williams at 7:01 p.m., December 8, 2009, with the following members present: Dick Coose, Jason Harris, Kj Harris, Matthew Olsen, Jack Shay, Robert Sivertsen and Marty West.

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

Staff present were Manager Amylon, Assistant Manager Martin, Finance Director Newell, City Attorney Bradford, Civic Center Manager Jones, Fire Chief Hill, Acting Gateway Center for Human Services Executive Director Medford, Human Resources Manager Miller, Information Technology Manager Thomas, Library Director McQuerry, Telecommunications Division Marketing Manager Cushing, Museum Director Naab, Port and Harbors Director Corporon, Electric Division Manager Kline, Telecommunications Division Manager Abbott, Water Division Manager Kleinegger and City Clerk Suiter. There were also numerous other City employees present.

Mayor Williams asked everyone present to join him in a moment of silence in honor of the four police officers killed in Lakewood, Washington.

COMMUNICATIONS

Mayor Williams noted there were several items laid on the table, including: a revised revenue and appropriations summary; a budget update outlining the reserves of the Solid Waste Services Fund and the costs of landfill closure and postclosure care; an update related to Police and Fire Departments heating fuel accounts; an update for the Solid Waste Disposal Division Operating Equipment Account No. 93; an update regarding the total cost and net cost of operating the Ketchikan Public Library on Sundays; an update regarding the request for funding from the Small Business Development Center; an estimate of revenue from the City assuming State fire marshal plan reviews; an article from the December 3, 2009 edition of the Juneau Empire entitled, "Juneau Sales Tax Plummet;" an update related to the 2011 cruise ship schedule; an update concerning the school resource officer position; an amendment to the Ketchikan Public Library budget reflecting a grant award; an update related to the Pennock and Gravina Islands cable replacement; and a revision to the proposed 2010 Electric Division staffing.

PERSONS TO BE HEARD

Ed Talik recognized the Lakewood officers who lost their lives, noting it is a reminder of the dangers that come with the turf. He outlined some of the public response that is taking place in the Seattle area as well as the memorial service that took place today. He stated there was representation from Ketchikan Police Department at the service as well as representation from the Ketchikan Fire Department, and he said it is these qualities that make him proud to have the opportunity to lead such a fine group of officers.

Robyn Ries-Cooper spoke regarding the Telecommunications Division staffing cuts. She spoke to the duties she performs, emphasizing the customer service that KPU provides.

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She noted she has sent ideas for saving money to the City's intranet site, and said she would be glad to work with anyone on this issue. She described her duties and the need to have an additional person in the warehouse with her. She requested the Council keep the people proposed for layoff on staff.

Renee Schofield spoke regarding the Small Business Development Center, noting the City has to look at ways to develop other business and infrastructure. She also spoke regarding Workers' Comp insurance rates and shopping for a provider as well as self-insuring.

Heidi Ekstrand, representing the Friends of the Library, addressed position points regarding proposed staff cuts. She said they expect if the budget ends up being decreased, they assume it will be a limited occurrence with full funding restored as soon as reasonably possible.

Denny Zieser, Assistant Business Manager for IBEW Local 1547, spoke at length regarding Library staff reductions as well as KPU staff reductions. He felt temporary employees need to leave before any thoughts of laying off regular employees. He spoke regarding the value of apprentices to the organization. In response to Councilmember Jason Harris, he said the union would be willing to listen to proposals to save people's jobs. In response to Councilmember West regarding the possibility of furloughs, he stated if the situation calls for it the union would do anything possible to save employees' jobs within the realms of obvious solution.

Councilmember Coose said the Council values every employee, but there is a revenue situation. He said we could raise the mill levy, put a sales tax in front of the voters or increase rates for utilities.

Keith Wadley spoke in support of retaining his job as plant manager at the Telecommunications Division. He addressed the workload of each of the positions proposed to be cut, emphasizing the extra work required for new technology.

David Ledford spoke regarding the positions being proposed for cutting in the 2010 budget. He discussed funding sources and referred to several different pages in the proposed budget. He described what is involved with temporary laborers, and he outlined the loss of employees over the years.

Jason Spear and Rupert Henry, representing the Ketchikan Volunteer Fire Department, spoke in support of retaining the training officer position in the Fire Department. Mr. Spear outlined issues related to lack of a training officer and the assistance the position provides for all volunteers. They requested the Council look at the position as extremely vital to the department and the community.

Sven Westergard compared himself to other positions being cut in the Telecommunications Division, stating he can do a lot of things and restart if he needs to.

He emphasized the other positions have much to lose. He said he wants his job and loves the people he works with, but he didn't feel the others could be cut. He felt there were other places to cut and tighten the belt.

Susan Fisher spoke regarding the hard job the Council has, encouraging them to consider what needs to get done and what services the citizens need. She felt it may be time to challenge some of the thinking that made sense ten years ago but maybe isn't true today. She addressed the Library, noting the Borough contributes 40% of the cost.

Mike McNally spoke regarding the Universal Service Fee and revenue that will be reduced as a result of eliminating positions. He encouraged the Council to look at a cost-cutting measure by examining some of the outsourcing that routinely occurs.

The Council took a short break at 8:17 p.m. and reconvened at 8:26 p.m.

Mayor Williams reported that Princess Cruiselines called him today to let him know they are announcing tomorrow another ship will be eliminated from the Ketchikan route as of 2011. He stated they are going to sell the Royal Princess, which will be bought by someone in Europe to do a European route. Manager Amylon followed up by saying he was told from very reliable sources that shortly another line will also be announcing redeployment of another ship out of Alaska market in 2011. He said he received an email from Patty Mackey of the Ketchikan Visitors Bureau confirming these rumors have been circulating. He pointed out that Budget Update No. 15 outlines the probable impacts of that, with a loss of passengers in 2011 of an additional 30,000. He said if it does materialize, the City is looking at an additional revenue loss of \$522,200. He advised this does not affect the 2010 budget being considered by the Council, but it is another indication the City is looking at two to four years before the situation stabilizes.

UNFINISHED BUSINESS

Resolution No. 09-2291 – Draft 2010 General Government Annual Budget – Deferred from December 1, 2009

Other

Manager Amylon agreed with Ms. Schofield's comments regarding insurance, and Finance Director Newell said staff will look at the possibility of self-insurance. In response to Councilmember Shay, Mr. Newell said the City has received proposals in the past about going with AML-JIA, but they didn't turn out to be the best for the City.

Moved by Coose, seconded by Sivertsen to delay the storm drain study listed on CIP Page A-2 until 2011.

Moved by Shay, seconded by Sivertsen to amend by reducing the amount delayed by half (\$175,000).

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Motion to amend failed with West, Shay and Sivertsen voting yea; Olsen, Jason Harris, Kj Harris and Coose voting nay.

Main motion failed with Kj Harris, Coose and Sivertsen voting yea; West, Shay, Olsen and Jason Harris voting nay.

Moved by Sivertsen, seconded by Coose the City Council eliminate \$7,000 from the 2010 Budget for the Solid Waste Division's Operating Equipment Account No. 93.

Motion passed with Sivertsen, Jason Harris, Coose, Kj Harris, Olsen, West and Shay voting yea.

Moved by Coose, seconded by Shay the City Council increase the 2010 Mayor and Council Budget by adding \$50,000 to Account 53, Contractual Services, and increase interdepartmental revenues of the General Fund by \$25,000 to reflect a payment by KPU for its share of the cost of the small business development office.

Moved by Jason Harris, seconded by Shay to defer until the Borough has opportunity to consider the request.

Motion to defer passed with Jason Harris, West, Kj Harris, Sivertsen, Olsen and Shay voting yea; Coose voting nay.

Moved by Olsen, seconded by Jason Harris the City Council increase the General Fund fees for fire marshal services from \$13,000 to \$76,000.

Motion passed with Shay, Kj Harris, Olsen, West, Jason Harris, Sivertsen and Coose voting yea.

Moved by West, seconded by Jason Harris the City Council amend the 2010 General Government Budget by increasing grant revenues to the General Fund by \$1,500 and increasing the Library Department – Adult/Technical Services Travel and Training Account No. 27 by \$1,500.

Motion passed with Jason Harris, Sivertsen, Olsen, Shay, Coose, Kj Harris and West voting yea.

Councilmember Coose referred to a memorandum regarding the reserves in the Solid Waste Fund and he felt the City should do something to reduce costs to citizens.

Councilmember Olsen said he is on favor of increasing the tax cap to \$2,000, mainly because a good portion of the money comes from the sale of art and jewelry from local shops. He also felt that outsourcing Gateway means its budget is probably overstated by \$400,000. He said he would be recommending the Ketchikan Visitors Bureau be cut in

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half because it is an areawide service. He additionally informed he would recommend reinstating all the money for the City's social services such as the seniors, Rendezvous and the homeless as they are citizens that we need to take care of. Mr. Olsen continued he would recommend putting staff back in for the Library, and no increase in property tax because it seems there is not a decrease in property tax valuations programmed. He emphasized he is not convinced that by cutting two filled positions at the Museum we are better off keeping a position that might not be filled in the future. He felt the training officer and the maintenance person could be kept. He summarized the costs and expenditures of these actions.

Moved by Jason Harris, seconded by West to separate the Ketchikan Visitors Bureau from other community agencies into its own account.

Motion passed with Kj Harris, Coose, Sivertsen, West, Shay, Olsen and Jason Harris voting yea.

Councilmember Jason Harris said he has thought of the possibility of increasing fines, and felt it would be advantageous to have the police chief and the city attorney put the current fine schedule in a spreadsheet to consider this issue.

Moved by Jason Harris, seconded by Kj Harris to reinstate the position of training officer in the Fire Department.

Motion passed with West, Olsen, Shay, Jason Harris, Kj Harris and Sivertsen voting yea; Coose voting nay.

ADJOURNMENT

As there was no further business, the Council adjourned at 9:35 p.m.

Lew Williams III, Mayor

ATTEST:

Katherine M. Suiter
City Clerk