

Special Ketchikan City Council meeting was called to order by Mayor Williams at 7:02 p.m., November 15, 2011, with the following members present: Sam Bergeron, Dick Coose, Kj Harris, Matthew Olsen, Robert Sivertsen and Marty West. One councilmember seat was vacant.

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 Seaver, Fire Chief Share, Human Resources Manager Miller, Information Technology Manager Thomas, Acting Police Chief Dossett and City Clerk Suiter.

### **COMMUNICATIONS**

There was General Government Budget Update No. 1: Additional Budget Overview Documents laid on the table.

**PERSONS TO BE HEARD** – None

### **NEW BUSINESS**

#### **Resolution No. 11-2420 – Adopting the Budget for the Year 2012, Appropriating from the General Government Funds for the Fiscal Year 2012**

Manager Amylon said the transmittal letter details how management sees the General Government funds going the next 12 months. He felt the proposed budget was a status quo spending plan with the exception of about \$900,000 in additional debt service for the fire station and the library. He expressed concern about the level of General Fund reserves, which will be reduced by roughly \$1.1 million to about \$3 million. He said on paper they have met the objective of maintaining General Fund reserves at no less than \$3 million, but it was accomplished only by completely drawing down the special assessment guarantee fund by \$466,000. He continued that consequently the projected deficit for 2012 is roughly \$1.6 million. He noted staff realizes not everything that is proposed will be spent by the end of the year, but there is a discussion within the transmittal letter about trends relative to the draw down of reserves and the deficits we have been running.

Manager Amylon stated staff was able to keep Public Works reserves near the recommended level of \$2.5 million, but there are still a lot of capital projects out there. He explained he had a staff meeting today with Public Works staff and there may be another storm/sewer issue similar to what transpired on Denali that could be looming out there on private property. He said if it collapses it could be a major issue. He reminded the Council there are needs out there that cannot be ignored.

Manager Amylon continued staff is proposing a five percent wastewater rate increase due to a lot of water and sewer main replacement work. He said that will be accomplished primarily through low-interest ADEC loans, and the debt will need to be paid for. He expected the trend to continue again going forward in the future. He noted, in order to offset what is proposed as a mill levy increase from 6.2 to 6.5, and what was recommended during the pre-budget work session, staff is proposing to decrease the areawide solid waste disposal fee from \$15 per month to \$12.50 per month. He explained, while there is no recommendation for an increase in harbor rates, the Port and Harbors Department and the Advisory Board is proposing to fund a number of projects through General Obligation bonds, which is something the Council will need to consider and provide direction on. Manager Amylon reminded the transfer of Raw Fish Tax money to the Harbors Fund continues to put a strain on the General Fund. He stated he is not advocating they get moved back, but he is saying it is one of the stresses that must be dealt with.

Finance Director Newell concurred with the comments made by Manager Amylon, and he reviewed the newly-added budget overview pages. He answered questions from the Council.

Moved by Sivertsen, seconded by Coose the City Council approve Resolution No. 11-2420 adopting the budget for the year 2012, appropriating from the General Government Funds for the Fiscal Year 2012 and establishing an effective date.

Councilmember Sivertsen spoke to the proposed decrease for the solid waste fee, and pointed out several aspects of it.

Moved by Sivertsen, seconded by Bergeron to amend by maintaining the solid waste disposal fee at \$15.00.

Motion passed with Harris, Coose, Sivertsen, Olsen and Bergeron voting yea; West absent; one seat vacant.

Councilmember Coose said he would like a full explanation of what is going on in Engineering, with a spreadsheet as to how Engineering is funded. He explained he wanted to see how the projects are funded, otherwise he felt there was no accountability. He felt the staff needed to make itself accountable as to how a project would get done. Manager Amylon explained this same principle is driving the Engineering Division re-allocation. Manager Amylon and Finance Director Newell answered questions from the Council.

Councilmember Bergeron suggested looking at the feasibility of using a transfer from CPV Funds to the General Fund to offset some of the Police and EMS Service costs that can be allocated to increased cruise ship traffic on the port. Manager Amylon said he would like to work with the cruise ship industry as well as the state agency involved before making that commitment, while cautioning that care be taken in looking at it.

**Mayor and City Council**

Councilmember Coose asked staff to look at what the cost would be in separating away from the Borough umbrella relative to Southeast Conference. No action was taken.

**Law Department**

No action was taken.

**City Clerk**

Clerk Suiter answered questions from the Council. No action was taken.

**City Manager**

Manager Amylon answered questions from the Council. No action was taken.

**Finance Department**

No action was taken.

**Information Technology**

No action was taken.

**Fire Department**

Fire Chief Share answered questions from the Council.

Moved by Sivertsen, seconded by Bergeron to amend by reducing the Fire Department – Administration’s Maintenance Materials Account 37 by \$3,200.

Motion to amend passed with Olsen, Bergeron, Harris, Sivertsen and Coose voting yea; West absent; one seat vacant.

Moved by Sivertsen, seconded by Coose to amend by reducing the Fire Department’s Administration Maintenance Services Account 58 by \$5,000.

Motion to amend passed with Sivertsen, Bergeron, Coose, Harris and Olsen voting yea; West absent; one seat vacant.

Councilmember Coose questioned the total costs relative to Reverse 911, and Finance Director Newell said he would provide a figure.

Moved by Sivertsen, seconded by Bergeron for immediate reconsideration.

Motion to reconsider passed with Coose, Bergeron, Harris, Sivertsen and Olsen voting yea; West absent; one seat vacant.

Motion to amend Account 58 failed with Harris, Olsen, Bergeron, Sivertsen and Coose voting nay; West absent; one seat vacant.

### **Police Department**

Acting Police Chief Dossett answered questions from the Council. Councilmember Coose requested a way to be able to revoke a public vehicle certificate if the driver or operator has problems obeying parking rules and regulations. No action was taken.

In response to Councilmember Olsen about the next meeting, Mayor Williams said the Council would consider all the departments with the exception of Public Works, then consider Public Works last.

Moved by Sivertsen, seconded by Coose to postpone consideration of Resolution No. 11-2420 to November 21, 2011.

Motion passed by unanimous consent.

**MAYOR AND COUNCIL COMMENTS** – None

### **ADJOURNMENT**

As there was no further business, the Council adjourned at 8:35 p.m.

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Lew Williams III, Mayor

ATTEST:

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Katherine M. Suiter  
City Clerk