

KETCHIKAN CHARTER COMMISSION

REGULAR MEETING

March 19, 2004

The regular meeting of the Ketchikan Charter Commission commenced at 6:00 p.m., Friday, March 19, 2004, in the City Council Chambers.

A: Pledge of Allegiance**Roll Call**

PRESENT: PAINTER, OTTE, THOMPSON, HARRINGTON, MCCARTY,
FINNEY, KIFFER

ABSENT: NONE

B: Ceremonial Matters/Introductions

City/KPU Manager Karl Amylon was recognized as being in the audience to address upcoming discussion items.

C: Public Comments

Dennis Spurgeon, 6757 Roosevelt Drive, and a member of the South Tongass Service Area Board, spoke said that he thought that consolidating the fire and EMS departments was probably not a good thing. He spoke to the inherent territoriality of people in the different areas of the community. He gave an example that when the City took over the Shoreline Service Area, the fire volunteers left that department.

A possible idea would be to make each district have its own battalion chief, but the possibility of losing the district's identity would lead to losing the well-trained people that are currently volunteering. Mr. Spurgeon said that if things could be streamlined and more cost effective, that would be a benefit.

Mr. Spurgeon spoke regarding the South Tongass water & sewer systems indicating that if those could be made more cost effective by incorporating them with the City's, however, if it would cost more money, he didn't want any part of it.

When questioned by MCCARTY whether people would leave as volunteers if the services were consolidated, Mr. Spurgeon said that even though there were people currently serving on two departments, it is a territorial thing of identity. Once the special identity is removed, people tend to not care as much and probably most would leave.

PAINTER spoke on the standardization of equipment and training, as well as cost savings to the individual departments. He stressed the continuity with other departments as far as equipment as an important element of the departments. Mr. Spurgeon indicated that the standard operating guidelines for South Tongass are basically the same as the City's plus the operating procedures. He said he thought the North Tongass Fire Department was adopting a lot of the same procedures. This indicates there would be some continuity in the status quo.

FINNEY asked Mr. Spurgeon if to maintain the autonomy in the different districts there would be a areawide fire chief and separate department station commanders would change the way things are now appreciably. Mr. Spurgeon indicated the verbage would need to be present to insure that each area would maintain their identity and not be totally over-run by one central power. Each battalion chief (or whatever named) would answer to a public safety director, but there would have to be more security to maintain the identity. FINNEY asked if all three of the battalion chiefs had one vote each to make things work. Mr. Spurgeon said that would probably add a lot of security to the situation.

Mr. Spurgeon was asked to bring any ideas forward that would make an areawide department more palatable. Mr. Spurgeon said that if things could be done to make things more cost effective, he was definitely willing to look at it.

KIFFER said that if the fire departments were combined under one department, even with the district or battalion chiefs, the taxes that would be levied to pay for that one department would be on an areawide basis so everyone would pay the same for these services. Currently the EMS response out of Station 1 of KFD is around 12 minutes to South Tongass and around 18-20 minutes to North Tongass addresses. If everyone is paying the same, the people on the North & South ends of town would be entitled to an upgrade in their service, i.e. response time equal to the 2-3 minutes currently enjoyed by the City residents. Would everyone be willing to pay the extra to maintain a manned station North & South to accomplish that quicker response time?

Mr. Spurgeon indicated that was one of the problems South Tongass is currently facing with the proposed introduction of EMS service in their area. The mill levy in that area would have to be increased to either contract with the City

for ambulance service or to hire extra staff for the ambulance at their station. KIFFER asked if the South Tongass Fire Department is planning on staffing the ambulance or running it from a volunteer base. Mr. Spurgeon said that people are still talking about it, but it's a cost issue and a lot of people do not want to spend the extra money. There has been great service for so many years for basically no cost, other than the actual ambulance call fee, that reality has come and it's not cheap.

Paul Hook, 488 North Point Higgins Road, indicated he echoed Mr. Spurgeon's testimony about area identity. He said that not very many of the Pond Reef volunteers are present in the new North Tongass Fire Department. Mr. Hook indicated that North Tongass is currently doing the same training as the City and that air packs and the hoses and nozzles are all compatible with the other departments'.

Mr. Hook indicated that manned stations out North would be almost impossible financially to provide the same response time presently enjoyed by the City. He said that he thought the individual fire & EMS departments should be maintained to give the residents more opportunity to interact with their boards about what is desired as far as service vs. cost.

PAINTER asked if Mr. Hook had any ideas that would speed volunteer response time, especially in the day when most volunteers are at work in the City area, not in their fire district. Mr. Hook indicated that the North Tongass Fire Department has a plan to have 4 stations, one in Ward Cove, one at Lighthouse, one at Mile 13 and the other near the school so that the apparatus are in different areas to the response time would be lower, but there is never going to be the response time enjoyed by the City because of the nature of the districts. The population is very spread out and not within a few minutes driving time. PAINTER said he was looking for ideas to overcome the personnel response time during the day, rather than the equipment positioning. Mr. Hook indicated that unless there were paid staff at every station, which would be financially impossible for the residents to bear, it's impossible to get the response time down further. He said that there are very few fires in the North Tongass area, and the City's main calls are EMS. He said that they would prefer to maintain their own identity so that North Tongass residents would be taking care of North Tongass problems.

Mr. Hook indicated that most of the Borough residents live "out" because they choose to not be so crowded. If it takes a little longer to get the services (fire & EMS), then that's a choice that's been made by living in a rural area.

FINNEY said that the City and South Tongass really helped during the transition

to the current North Tongass Fire area before the equipment arrived. There are mutual aid agreements in place that guarantee assistance if needed within the different departments. He said he didn't think that area autonomy would be lost by combining the services into one department, but it would still have to be shown to be cost effective before he'd vote to change the status quo.

Mr. Hook also spoke about the property tax cap. He said he'd talked with people and they are in agreement that maybe the 14 mills is not the right number, but a place is needed that says that in order to go any higher in the property tax, there must be a vote to raise the mill rate. He cited California's example about unrealized gains and property tax increases. Mr. Hook also said that revenue bonds need voter approval after a certain level of spending.

Walt Northrup, 638 North Point Higgins Road, said he was an advocate for minimal government. He said he didn't need any more government. He said the service area boards should have some authority, not just being advisory. He said service area boards should be elected and barring legal problems, what the board wants to do should reflect what the people want done. He said that anything that could be done by the Commission to make that happen is a step forward.

Mr. Northrup said that after watching last week, it seemed the only way to go would be to limit the power of the municipal Manager. If that's what needs to be done, the power should rest with the board. The Court's say the Assembly is going to be the final authority, but they should be doing what the board wants unless there's a legal problem. The board is (should be) reflecting what the people in the area want.

Mr. Northrup spoke about some problems observed down south when people were forced to pay for improvements or services they had to pay for, but didn't necessarily have a say in what was done. He said that the citizen's money shouldn't be spent unless it really needs to be spent because times are tough. He said that service areas should retain almost total autonomy in their areas and if they do, there probably won't be any problems within those areas because their services, etc. will reflect what the people in that area want. People have to live with what they can do.

THOMPSON asked Mr. Northrup what kind of job the North Tongass Fire & EMS was doing at this point. (Mr. Northrup earlier had indicated that he'd been to almost all their meetings.) Mr. Northrup said that it was going to be darned expensive. There are going to be a lot of people who are going to be wishing they'd paid their money to Pond Reef before it's all over. He said he thought the costs now were going to be several times over what Pond Reef had charged, but they're trying.

D. Informational Reports and/or Commission Presentations

THOMPSON said that we have gotten a draft grant agreement from the Borough where the Borough is doing a sub-grant to the Greater Ketchikan Chamber of Commerce. At their (GKCC) board meeting on Wednesday, 3/17, their board approved managing the Commission's grants for a 3% fee. There are some conditions on this approval for managing the grant monies:'

1. Vouchers need to be approved by the Charter Commission;
2. The vouchers, with a copy of the approved minutes indicating approval need to be submitted to the GKCC Executive Committee; and
3. The GKCC Executive Committee need to approve the expenditure as being within the grant funding and the KCC budget.
4. A check will then be issued by the GKCC and the accounting and accounting for the grant fund expenditures will be done by their office.

It does slow down the process, but being as these are public funds, there is a public process required in order to spend those funds.

On the staff hire process, there were several applicants. The two that were found to be the most qualified, wound up with scheduling conflicts and it doesn't appear that they are going to work out. There are a couple of other interested candidates, but they really don't have the experience in the position's responsibilities. They are considering the job and will probably have an answer early next week.

THOMPSON said one of the things he'd been thinking about was that if someone suitable cannot be found relatively quickly, the Commission may want to consider paying Commissioner Otte to keep doing what she's been doing. He said he wanted to have a discussion on this. Ms. Otte has been working between 8-10 hours per week with no compensation and that's something that should be considered. He said he'd mentioned it to Ms. Otte that afternoon and that it would be a lot easier to do this additional work if there were compensation for her, or if there were someone hired soon.

THOMPSON also indicated that he'd gotten a copy of the City's 2002 CAFIR (Combined Audited Financial Information Report) and 2004 Budget on CD. He said the files are much too large to transmit over email to the Commissioners or Sitnews, but he could make copies on disk for those who wanted them.

PAINTER questioned whether THOMPSON had asked the City to administer

the grant funding. THOMPSON said he hadn't because indications in informal conversations showed they were not interested in doing that.

KIFFER wanted to know if there were any direction from the Commission on the GKCC deal. THOMPSON indicated that he would need to sign the agreement, as well as a representative from the GKCC and then the Borough will issue the check the GKCC. It was questioned whether an action item needed to be added to the night's agenda to approve the process. THOMPSON said he didn't think so, since the budget was already approved and the course of action of going with the GKCC had been discussed, but if it was desired, we could certainly do that.

MCCARTY said that typically the Commission would give the Chair authority to specifically execute an agreement.

THOMPSON said that the stipulations with the agreement, the Commission's agenda format will have to be amended to include the approval of vouchers.

M/S PAINTER/OTTE to amend the agenda to include the approval of vouchers and the Chair to sign an agreement with the GKCC for administration of the grant funding. With a unanimous voice vote, the discussion items were to be added after the Consent Calendar. It was noted that this is for discussion only on tonight's agenda.

PAINTER partially read THOMPSON's memorandum on the process required for payment of vouchers as stipulated by the GKCC. He thought he had a question about why the GKCC had to approve what the Commission had already approved, but he understood that they were making certain that the items had been budgeted and the Commission was purchasing items within the parameters of their grants. Since the GKCC will be filing the reports with the State, it's up to them to make sure the funds are properly spent.

MCCARTY brought up whether the amendment to add the discussion of these items to tonight's agenda had been voted on. THOMPSON said yes, by voice vote, and they will be discussed after the consent calendar.

E. Consent Calendar

The minutes of the March 12, 2004 regular meeting were approved by unanimous voice vote.

OTTE requested that the discussion on the amended agenda should be

moved to the end of new business since there were people in the audience to speak to the agenda items. There was no objection.

F. Unfinished business

F-1: Review and Approval of the Article X, Finance, of the Ketchikan 2004 Draft CHARTER, Third Reading

M/S PAINTER/MCCARTY to approve Article X, Finance, as amended, of the 2004 DRAFT Ketchikan Charter in the third reading of three.

It was questioned whether there had been any contact with Mr. Hall from the KGB this week. OTTE indicated Mr. Hall had responded to the invitation email with "thanks for the update".

MCCARTY asked that the added sentence in 10.02 (a) be moved to the end of the section. M/S HARRINGTON/THOMPSON to move the added sentence to end of section 10.02 (a).

FOR: THOMPSON, PAINTER, HARRINGTON, KIFFER, FINNEY, MCCARTY, OTTE
AGAINST:
ABSENT:

The amendment passed with 7 yes votes.

HARRINGTON wanted to discuss amending Section 10.05 prior to making an amendment. He said that going into a consolidated entity, it made sense to have a consolidated sales tax rate. With that in mind, there is still the necessity to allow for service areas to receive tax revenues, but any sales tax generating of the Borough has some sort of service area requirement, so he didn't see any problem with establishing a borough-wide sales tax and then allowing the Assembly to facilitate a portion of that tax to go toward service area activities. He said he had some wording to offer as amendments to try to get to that point, but he wanted to discuss it first.

PAINTER said the service areas can generate sales tax in their area by vote. HARRINGTON said that if by Charter the service areas would not be allowed to do that, but the tax would be the same for everyone. PAINTER said that in order to do that today there would have to be a special election for the sales tax and the sales tax and service area mill levy can only be spent on items to which the service area has power to do.

MCCARTY said that realistically, with the possible exception of Saxman, the sales tax revenue that would be generated by any district outside the City limits, is very miniscule. He said that with the current City as a new service area, they have services they may want to fund by sales taxes and they have the capacity to generate meaningful sales taxes. He said that with a borough-wide sales tax, the taxes would come primarily from the City service area, but would be for borough-wide services. He said then there might be a higher rate within the City service area, just like now. He said he didn't think it was workable, given what the other service areas were doing. He said he didn't understand where a motion would go. He said he thought 10.05 seemed to address the issue.

HARRINGTON said 10.05 was very specific on allowing, but that's the one area he wants to change. He said there are significant businesses outside the City. There are charters, lodges, gas stations and the potential for the growth outside the City for new businesses is real and he thought that over time, to have a set rate that everyone knows, it also allows for representation by all of the citizens for any rise in any sales tax. One service area isn't allowed to dictate a larger service area sales tax that everyone would have to pay. A sales tax for the current City could be raised by a vote under this Charter of the citizens of the City alone, yet 40% of those revenues would be paid by non-City service area residents. There are some inequities built into that which could be addressed by having a uniform, across the board rate, that could be changed by a total vote of the people and then allocation of some of the revenues back to the service areas would be the most equitable way of treating this whole sales tax issue.

PAINTER said he'd vote against this type of motion because certain things that all people benefit from are funded by portions of the sales tax. He said he thought that the sales tax structure that is currently in place is confusing enough for businesses and new people coming into the community and there is a lot of room for improvement in the sales tax area that more revenue could be generated, but he said he didn't think it was an issue that needs to be in the Charter. He said he thought that's an area that should be addressed by the new Assembly.

KIFFER said that he agreed with PAINTER on one point that the amount of money generated by the sales tax going back to a specific service area is money with the intent of funding services within that specific service area and that there are many programs being funded from sales tax that are truly areawide. KIFFER said that the future growth of the community is not within the Ketchikan Service Area. So, down the road if the Assembly's hands are tied into one specific program, they're not going to have the ability to more equitably utilize that money out of the sales tax. He said the structure should be placed and the new Assembly should decide how much of the sales tax is going to be

utilized within the service areas as opposed to bringing it all under the general fund and then each service area ends up losing out.

MCCARTY said that he's heard from the citizens and the Commissioners the concern about losing the autonomy of area-specific services to the generic public good. He said the Commission had to be careful about balancing. This idea gets too far into over-controlling service areas. He said he dislikes putting caps into this type of document. Things can change over time and there is a viable system here. Obviously there's going to be a generic, over-all amount of taxes and there are going to be special needs or different burdens in different areas and that's where differentiation starts. The whole Charter is being set on pay-for-what-you-get. The current language in the Charter addresses only paying for those services used.

OTTE said they way HARRINGTON was describing what he wanted was an upside-down umbrella where all the same amount sales tax is collected. Then when the umbrella tips up, some goes to the municipality, some goes to the service areas individually. She said it seemed to her that with the large population in the City, they're going to get a lot more money than the other service areas but everyone else is paying the same. She said this should be looked at after the budget review and see what kind of taxation system would work better without setting it in stone. HARRINGTON said it is set in stone the way it's currently written.

KIFFER said he's going to vote for the amendment when it comes up because it allows the Assembly to set where that sales tax revenue is going by service area, by need. It allows the Assembly more flexibility. He said he thought he liked HARRINGTON's idea.

THOMPSON said he liked 10.05 the way it is because it allows for flexibility on the part of the Assembly. They can decide to levy taxes on an areawide, nonareawide or service area basis. If one service area needs more money, they can ask for more sales tax in the one area and raise it there. They may want to do that if an ethanol plant comes into town. But it goes back to no matter what anyone wants to do with the sales tax, it has to go before the voters of that area. One of the concerns he voiced is changing the current sales tax structure because if an areawide tax is adopted, rents will be raised. Most of the out-of-City sales tax revenue is by rents. If the rate is raised, the sales tax per rental will be raised and usually renters cannot afford any more than they are already paying. He said he's concerned about this Commission changing the tax structure because it upsets the status quo and people are going to be less likely to vote for the consolidation if taxes are raised right off the bat.

HARRINGTON reiterated what he wants to see is a uniform sales tax across the municipality (borough) and any rise in that uniform tax must be done by a vote of the entire population. He said the bookkeeping process would be easier; it would allow for the Assembly to say that for the transition period (3 years), things will not be changed until there is a chance for systematic review by the future Assembly on how best to speak to the sales tax revenues and how to allocate them – how to balance the process. Right now the process is unbalanced. It is out of whack. North end people have a real resentment about the City charging the EMS fee to the service area when the service area was being organized when the people from the North end were paying the same sales tax for those same EMS services within the City, but they were not allowed to come out except with an extra fee being charged. There is anger over that sort of imbalance. He said his proposal would get rid of some of that imbalance. It would allow for everyone to see that the Assembly can speak to the inequities.

KIFFER said he agreed with HARRINGTON that we are one community and if the sales tax needs to be raised, all citizens should be able to vote on it, but the service areas don't necessarily need the same amount of revenue from sales tax as the City service area. He said it wasn't an inequity, he said the utilization of the funds is different. How does the Assembly make sure the funds get moved to where they needed to go?

HARRINGTON said that would be something they would have to determine in the process. If they said (say 10 years down the road) that one percent (1%) of the sales tax revenues generated within the Ketchikan Service Area goes back to the service area, 1% of the north end revenues go back to the North Tongass service area, 1% of the revenues generated in the South Tongass area would go back there, the funds could stay within the service area where they were generated, but the Assembly would then have the ability to fluctuate that allocation. They could say that more money is needed areawide, so this next year only _ % would go back to the service areas. That way flexibility is allowed, changes would take place in a public format and, remembering that the Ketchikan Service Area is 60% of the population, what they want will carry the predominant weight.

MCCARTY wondered at the constitutionality of taking general funds and applying them to a specific area for the benefit of that specific area. He said that HARRINGTON was saying that the municipality would have a specific sales tax and then they'll allocate where the money is to go. That's fine if everyone is being treated the same. But if different areas are being treated differently, then there is an inequity and legal issues are raised. He said that the idea behind the borough and why the borough is ultimately the control of the

service districts is to make certain there is a cap. How much can be afforded, whether it's across the board or in a specific area. If the majority of people say they want a service and they know the costs, the people vote to do that, but the check back is (1) the monies that are raised for a specific purpose have to be used for a specific purpose and (2) the umbrella of the borough to stop and say to the service area that their spending is way out of proportion.

PAINTER asked if HARRINGTON meant to say that there will be an areawide sales tax and outside the City Service Area that any raise in the tax rate in that area, i.e. from 2% currently to 5.5%, that 3.5% of sales revenues in that area, not the general fund, in his opinion would be an accounting nightmare and the service area would be charged for it.

FINNEY said it already was an accounting nightmare with 2%.

PAINTER said that the Borough currently pays out the 3.5% to the City and they probably charges a fee from the City to do this.

FINNEY said different totals are being separated out currently.

THOMPSON pointed out that most of the sales taxes are used for areawide services within their jurisdiction. They're not targeted for the most part. The 1% sales tax dedicated to the hospital is areawide, not just for the City of Ketchikan. All the sales taxes apply to things that are areawide. The _ % fee for the Parks & Rec. That's an areawide fee. When it's something directed toward a service area, for instance, road maintenance, usually that's found in the property tax mill rate, rather than in the sales tax. He said he's confused as to where HARRINGTON is going with this discussion/amendment because the sales taxes go into the general fund and they are there for the government to spend on general fund-type purposes, for things that effect everyone.

HARRINGTON said that's partially correct. He said there are some that are used in a very targeted manner. The City is the only area really that has city-only tax for city-only purposes. They also have city taxes for areawide things, like the hospital and that would be changed if the Hospital became areawide. He said he's trying to present a way for the Assembly to say that taxes which were specifically directed at the City can now be made areawide. He said, for example, that the City police, fire & EMS could become areawide functions and those revenues from the service area to the general fund to fund fire & EMS service across the board, but if we tie it into a very specific fund rate, which later in the documents we get to, then it's tied in perpetuity or until such time as there is a vote of the people to change it. And THAT, HARRINGTON said, is what he wants to get around and avoid. He said, after looking at the rest of the Commission, that maybe the best thing to do at this point is to highlight this

section and come back to it so when later in the process when more understand what he's talking about, it can be picked up again. THOMPSON asked HARRINGTON to develop the language for a specific amendment prior to bringing back the subject.

Karl Amylon, City/KPU General Manager, said that having to sell this consolidation effort, the choice needs to be made as to which is the better way to do that. Earlier this week the KGB introduced in first reading an increase in the borough sales tax by _%. There was legislation introduced in Juneau this week relative to a 4% statewide sales tax. Now, tonight, the discussion has talked about expanding the current Borough tax from 2% to 5.5% and his initial reaction is that the Commission slow down and before jumping into increasing sales tax, see where the division of areawide and nonareawide powers is determined. He said he didn't quite understand the proposal but if it is to assess an areawide sales tax uniformly throughout the Borough to fund areawide services, that is something that may work, if fire & EMS were made areawide or law enforcement being areawide, that is something that can be workable, but if the discussion is about assessing an areawide sales tax and then giving the discretion back to the Assembly to use those revenues to fund nonareawide or service area services, there is a real problem. Everyone would be paying the tax, but the benefit is going to a specific service area. So before developing the language as to how sales taxes will be utilized, the issues of what is going to be areawide, nonareawide and service area-handled services.

MCCARTY asked Mr. Amylon about the autonomy of the service areas and the point of making sure training & equipment for the fire departments is uniform for cost effectiveness. Mr. Amylon said that in terms of a community like Ketchikan there are loyalties in distinct geographic neighborhoods. If the fire issue is started with the premise that fire & EMS would be areawide services, technically it could be done, but financially it would be very difficult to do if the level of service in the current City limits is going to be the level of service that is going to be extended borough-wide. It will be next to impossible to do that at the cumulative cost of what the City, South Tongass and North Tongass are currently paying. It is a quality of service issue. The City residents have chosen to pay a disproportionate price for their level of service. There are ways to try and accomplish that goal, but he said he didn't know workable those ways would be. If it is desired to keep EMS & Fire separate service area powers, but you're trying to achieve economies of scale, efficiencies of training, standardization of equipment and as earlier discussed, consolidation management assisting the various service areas in their efforts, in theory, each service area could either contract with the municipality or the City service area to provide an umbrella management for all the service areas. That might provide for the desire for continuity that was previously talked about, yet each

service area would maintain their own autonomy. Does it make any sense for each individual service area to have some type of uniform-level training? If so, can that responsibility be vested in one entity and then the service areas could participate in that cost. He said that he didn't think this would be achieved by making fire & EMS areawide powers. He said it would be very difficult on a cost basis unless there were an areawide sales tax to fund that type of areawide service, but there would be a harder problem with the volunteer levels if everything were combined. A balance must be set to sell this consolidation to the voters.

It was agreed that Section 10.05 would be highlighted.

FINNEY had a question on 10.02 (d) regarding whether if the Assembly fails to adopt a budget prior to a certain date, the budget as submitted & amended becomes, by default, the adopted budget for the year. He wanted to know if that were the common practice. He said he was thinking that if that point were reached, then the previous year's budget should go into effect, not an unfinished document for the new year.

THOMPSON said that his understanding is that if the Assembly doesn't disapprove the budget, that it would go into effect, but they could say that they wanted the Manager to go back and fix certain things. MCCARTY said that the budget, as submitted, is the Manager & Staff's best guess as to what would be workable. A Manager is unlikely to present something they won't stand behind. The presumption would be that it was a viable, best case budget, and it then becomes a political choice for the Assembly to accept or reject the professional-type opinions.

OTTE said that by that late in the process, the Assembly has already made amendments to the submitted budget.

MCCARTY said he thought the way the section was written is the standard default setting. The people who have been hired to prepare the budget have done so, so it would then be up to the Assembly to adopt it or further amend it. In the legislature, when it closes at midnight, it's amazing how many things get done before that final time limit.

FINNEY indicated it wasn't likely to happen, but if it were to have to revert back to the previous years' budget, it seems like more incentive for the approval process to get done.

FINNEY also wanted to know if Section 10.10 could be amended to expand to include non-payment of fees as well for liens on real property. It was pointed

out that now, if sewer fees are not paid, the individual is taken to small claims court. If this section were changed to include fees, that process would not have to be taken. A lien could be filed on the property and interest could be charged and it would be a for-closable offense eventually for non-payment of fees.

MCCARTY suggested the Commission “didn’t want to go there.” Is it feasible to foreclose on someone’s house, put it up for sale, advertise in the paper, hire a title company to do an outcry auction and the fees owed are less than \$100? If that route is taken, they person can be sued and a judgment can be obtained that would be recorded as a lien against their property. The difference is that if it’s a judgment lien, it could be discharge-able in bankruptcy. If it’s a lien directly against the property, the property itself (with equity) could try and pay, but you would get into all kinds of problems. This is something the Commission does not want to get into. If the numbers, in general, are not going to be that large and he didn’t think we wanted to have that much attorney time in house or expenses if someone is hired to go after for fees.

FINNEY said the point was well taken, but the bottom line is it bothers him that there are people who don’t pay the fees and by their non-payment, his fees go up. Insofar as this Commission can make sure that everybody pays their equitable amount. As a body, the fees have been assessed.

Sam Bergeron, 2428 2nd Avenue, said that he agreed with MCCARTY. One of the tasks in trying to consolidate is trying to put forward a Charter that is going to be appealing to the masses. If one of the selling points of this Charter is that we can take your house if you’re late on your utility bills, that would cause him a little umbrage. He wanted to remind the Commission that the document has to be sold the public. He said that Ketchikan needs to have a consolidated government. He said to keep it simple and keep it sale-able.

PAINTER explained the Commission’s procedures and where the prior documents can be located.

KIFFER said that the way the language in 10.10 is written is that the taxes are an important things to collect, but the fees aren’t. He said it would never be the intent of anyone running the government to go after someone for their \$15 sludge fee, however, it’s merely a deterrent that you pay the fees. If the Assembly is going to levy a fee, those fees should be treated the same way as a tax.

HARRINGTON suggested that Scott Brandt-Erichsen take a look at this suggested language change and if it’s appropriate, it can be brought back.

MCCARTY said that would be okay, but there is already a remedy for non-payment of fees in the small claims court actions and with a judgment, the permanent fund can be garnished, levies on the bank accounts, etc. which are much less expensive ways to go about getting those fees. It's a cumbersome process to foreclose on a lien and that process should be for big ticket items.

M/S FINNEY/HARRINGTON in Section 10.17, wording should be added at the end of the paragraph to add "bid protests and project claims." He said that his concern is that right now the City & the Borough have different methods to deal with bid awards. Both their languages are different and cumbersome on the bid protests and project claims and he thinks the future Assembly needs to get that into a workable ordinance.

MCCARTY said that the language already covers that. Those things are part of the standard practice. That's the detail work that the Assembly sets. It's not something that needs to be in the Charter. The language doesn't necessarily hurt anything, but we've been following the process of not adding things if they're really not needed. It's implicit in the process that when looking at awarding or rejecting of bids or modifications, there needs to be protests and there must a process for that.

OTTE suggested that the wording be changed to say, "and procedures for competitive bidding, including bid protests and project claims or solicitation of quotations and awards of contracts and providing for the rejection of all bids." This would make certain that in the final procedures provided by the Assembly that those items were included.

FINNEY said that was fine with him and if what MCCARTY says is true, that it's implicitly in there already, then take all of the detail out of the wording. He said his concern is that it specifically says, "providing for rejection of all bids." It doesn't have any language in there to deal with bid protests. It was specific enough in dealing with the rejection of all bids and he felt there should be language included about bid protests.

MCCARTY said he thought that was what "award of contract " is speaking to. You have to figure out what is being modified by what section and he thinks that award of contracts and rejection covers everything. He said it's just implicit that there would be an appeal process.

A roll call vote was taken whether to add the words "and bid protests and project claims" to the end of Section 10.17.

FOR: THOMPSON, PAINTER, HARRINGTON, KIFFER, FINNEY, OTTE

AGAINST: MCCARTY
ABSENT:

The amendment passed with 6 yes votes.

M/S PAINTER/MCCARTY to delete Section 10.07 and renumber the remaining sections accordingly.

PAINTER said this has been discussed at length and he didn't think it was an area the Commission should be going into. There is a lot of what happens to this community by what the State funding is. There are more taxes being discussed at the State level. The Borough is talking about another _%, and he said he realized this section was about property tax, but he didn't think the Commission should be setting a property tax cap. He said this article was complicated enough.

MCCARTY said that Mr. Amylon may be able to answer the question that if the State had a tax cap instituted and if the community lost all of the sales tax revenue, there could be a bind about where to get money. MCCARTY said he thought there already was a number set by the State as to the maximum sales tax that can be charged. Mr. Amylon indicated that he could find out the answer to that question. He said relative to the current legislation in Juneau, he had just gotten the draft language yesterday and he hadn't really studied it yet. He said he didn't know what the potential impacts of that State sales tax would be. He said that PAINTER's point about being a community subject to external influences regarding funding over which there is no control. When artificial constraints are added to the Charter relative to allowing the Assembly a certain amount of discretion, it could bring something long-term that wasn't bargained for.

KIFFER said he's still in favor of leaving the section highlighted. He said that we are a community, but the Commission could sit there until September, but if the document won't sell to the public, it's a waste of time now. He said that almost everyone he's talked to is in favor of a property tax cap. The figures should not be in there and be determined at a later date. The reality of what is said is that the people can raise the taxes and if the Assembly & management goes to the community and says that the taxes must be raised, then that's the way to do it. If the Assembly and management cannot convince the community that the taxes should be raised, there's probably not a real good reason to raise them.

HARRINGTON said he'd talked to various persons in Sitka about their tax cap in the Charter and its impact on the community. He said that Sitka started out

with a 7 mill limit with a requirement for 60% vote to raise the limit. Gary Paxton knew there would never be a 60% vote, so he lowered the mill rate to 6 with additional language indicating that only a simple majority was needed to raise it again. On May 4th this year, the voters of Sitka will go back to the polls to raise the mill levy from 6 to 7. He said that originally the people of Sitka wanted a property tax cap in their charter. HARRINGTON said he'd gone to the Borough Manager, Roy Eckert, and showed him the language of Section 10.7 and his comment was that it was fine with him, since it indicates a vote of the people. The mill cap has got to be at a level that is sufficient to run the business of the municipality with a little padding, but one needs to be included if the consolidation is going to be sold to the voters.

MCCARTY pointed out that Sitka initially had a permanent fund, money as a cushion, so they had some time to be able to live with their cap. He said that if something were to happen and the external funding were somehow radically cut, if two election cycles are required to raise the cap (first, change the charter, then vote on the actual increase, and if it's on property tax, the next levy needs to occur) there could be a very extended period of time to get the property tax mill cap re-set. It may be a great idea that the people will vote for, but there is still the problem of having the cap in the Charter. He said another problem he has with adding this language to the Charter is what kind of debt is included or not included in this cap and if there is going to be that particular detail in the language, then it will have to be fleshed out to make sure that it is clear as to what is or isn't included when the accounting is made for the cap.

KIFFER said that he could see the point about the bonded obligations, but it doesn't take two cycles to take a change to the voters and he said if the municipal government cannot see farther down the road than 3 or 4 months it takes to put a special election together, then there are more inherent problems than just the property tax increase. He said that this is going to be one of the major selling points of the Charter.

THOMPSON said that he had intended last week to delete the language of Section 10.07, but in the ensuing week he's been contacted by a number of persons who said that people get elected and then they don't want to say no to the special interests groups who come before the body to petition for funding assistance. THOMPSON said he'd heard the phrase, "They spend like drunken sailors." He said the people he'd talked to want to put a cap, and if the taxes cannot go above this amount without a vote of the people, then the Assembly is going to have to live within the budget. He said he understands mechanically and financially there are some problems with a property tax cap, for instance, if a service area decided they wanted something done and

decided they would be willing to pay for it, but the funding of that project would take them over the tax cap, they wouldn't be able to do the project.

HARRINGTON said that a service area at the cap who went to the Assembly and indicated a need to go over the cap, would then vote to raise the cap in their area only.

PAINTER said the only reason he put the motion out to delete the Section was to simplify the document; to not get into an area where he didn't feel the Commission needed to be; and he said he agreed that if the future Assembly is not doing their job right, throw the bums out. There are property areas in the document later on that may address this. The peer pressure that the current Council and Assembly seems to fold under, with the nonprofits.... Currently there's a nonprofit requesting funding that he has a problem with his tax dollars funding when last year any resident could go down to the hardware store and be reimbursed for buying paint.

MCCARTY said he thinks it's very unlikely that whether or not there's a cap is going to make any difference outside the city limits. He said that he doesn't think it's very realistic to expect that there's going to be a doubling of tax rates outside the city limits. It's not going to happen, whether the cap is there or not. Within a service area, if they wish to do something with their own spending. We've said they're supposed to have some autonomy in making their decisions. He said he thinks this section sets up a hurt situation because there may not be the time to react in a manner that is appropriate. It's a nice band-aid. But he said he didn't think there was going to be a doubling of taxes outside the City.

FINNEY indicated he thought the cap was set too high.

OTTE said the section should be left highlighted and first look at the money. Let's keep the options open instead of deleting this Section and having to go back and insert something back in. Leave it the way it is for now.

MCCARTY said on the issue of the taxation, how much it's going to cost, how much is going to be allocated that there were probably more that handle this a lot better that deal with service areas. The problem is more tuned in to what amount of power is given to the service areas and are they going to have the ability to be freestanding. That's where the issue is. That balance between how much the Assembly is going to control a service area, how much they spend, what decisions they can make, whether someone is going to veto them. That's where it comes into rather than here. This is not the place to address what concerns them.

A roll-call vote was taken on the motion to delete Section 10.07 in its entirety and renumber the subsequent sections.

FOR: PAINTER, MCCARTY
AGAINST: KIFFER, FINNEY, THOMPSON, HARRINGTON, OTTE

The motion failed 5-2.

M/S HARRINGTON/KIFFER moved that the wording in 10.08 (b) be changed to read, "The Assembly shall require the municipally-owned port to annually pay to the municipality a payment in lieu of taxes," and delete "an amount reasonably estimated to be not more than the amount which said municipally-owned port would pay in taxes, assessments, or charges if subject to all such taxes, without the use of reserves, of the former City of Ketchikan in effect at the time of consolidation. The mill rate used to determine the minimum payment may be decreased proportionately to any decreases approved by the Assembly from the areawide mill rate adopted by the Assembly for the first year following consolidation."

MCCARTY suggested the Commission ask Mr. Amylon if he has any knowledge of the history of that particular section. He said he thought Mr. Schweppe was trying to get the language to initiate the payment in lieu of taxes in the base year following consolidation. He said that there's a restriction "without the use of reserves" in the section. He said the detail probably goes to how Mr. Schweppe envisioned how to make that first payment without unduly depleting the financial resources of the Port. He said he thought that same rationale would carry over to KPU in Article XIII. MCCARTY suggested that THOMPSON send a note to Mr. Schweppe asking if he could explain the rationale as to why the language was so detailed.

KIFFER suggested that the intent could probably be handled in the transition plan as opposed to the Charter itself if that was Mr. Schweppe's intent.

A roll-call vote was taken on the amendment to the language in Section 10.08 (b).

FOR: HARRINGTON, KIFFER, PAINTER, THOMPSON, FINNEY, MCCARTY, OTTE
AGAINST:

The amendment passed 7-0.

A roll-call vote was taken on the original motion to approve Article X, Finance, as amended, of the 2004 DRAFT Ketchikan Charter in the third reading of three.

FOR: KIFFER, PAINTER, MCCARTY, FINNEY, HARRINGTON, THOMPSON, OTTE

The main motion passed 7-0.

F-2: Review and Approval of the Article XI, Borrowing, of the Ketchikan 2004 DRAFT Charter, Third Reading of Three

M/S PAINTER/FINNEY to approve Article XI, Borrowing, as amended, of the Ketchikan 2004 DRAFT Charter in the third reading of three.

MCCARTY said he'd talked with several people about the ratification by the voters on the revenue bonds and the consensus seemed to be that historically that practice has been in place in Ketchikan and there's no reason to change that past policy. He said that the area highlighted in Section 11.04 should be left in and not highlighted.

A roll-call vote was taken on the motion.

FOR: MCCARTY, FINNEY, OTTE, HARRINGTON, THOMPSON, PAINTER, KIFFER

The motion passed 7-0

A brief break was taken and the Commission reconvened at 8:21 pm.

G-1: Review and approval of article XII, Service Areas & Areawide, of the Ketchikan 2004 Draft Charter in the first reading of three

M/S PAINTER/FINNEY to approve Article XII, Service Areas & Areawide, of the Ketchikan DRAFT Charter in the first reading of three.

PAINTER asked Mr. Amylon to come and explain 12.03 (b) regarding the Shoreline service area question.

Mr. Amylon indicated that the language didn't need to be in there any longer regarding Shoreline.

M/S PAINTER/MCCARTY to delete "Except for the Shoreline Service Area", "other" and "A new Shoreline Service Area with such territory, taxation, and

services as are described in the consolidation petition shall be created on the date this Charter becomes effective and shall continue in existence until such time as changed as provided in this Article,” and to change the last sentence to read, “By consolidation petition is meant that petition filed by the Ketchikan Gateway Borough for the consolidation of the City of Ketchikan and the Ketchikan Gateway Borough with all exhibits and amendments.”

PAINTER said the amendment was to clean up the language since it was not relevant. HARRINGTON questioned whether the intent of PAINTER was to have Shoreline remain within the City in the new consolidated government and PAINTER indicated that was so. HARRINGTON wanted to know if that was the consensus of the Shoreline people to stay within the City of Ketchikan or would they rather become a separate service area and PAINTER responded yes. If this motion passed he might hear about it, but the City is currently looking into water and sewer services; the retail and industrial activity is going that way. There is a sizable piece of property next to the WalMart area that has a retainer put on it and if there were water and sewer going to this area, there would be more jobs, possibly another retailer and more sales taxes generated.

MCCARTY explained the language and that whatever is in effect now is going to continue. The language doesn't stop the possibility of adopting a new Shoreline Service area, that procedure is already in place in the document.

HARRINGTON said he brought it up because during the Charter Commission election process he heard a lot that Shoreline wanted to be separated from the City.

A roll-call vote was taken on the proposed amendment to Section 12.03 (b).
FOR: THOMPSON, PAINTER, HARRINGTON, KIFFER, FINNEY, MCCARTY, OTTE

The motion passed 7-0.

KIFFER had a number of questions on Article XII. He said he wasn't necessarily prepared with amendments, but he wanted to question some of the language.

In 12.02 (b) he questioned what “associated services” entailed. It was explained that they were services associated with just those things mentioned in the section.

In 12.02 (c), the sentence, “The power to provide emergency medical services shall be exercised as provided in Section 12.07;” KIFFER wanted to know why this was in the areawide powers section. There was a discussion some felt it added clarity that EMS was not an areawide power, but it was decided to

highlight that sentence and have THOMPSON include that question to the City Attorney.

In 12.02 (h) there is a question regarding “air taxi”, which Mr. Amylon thought referred to the airport ferry, but he wasn’t sure. KIFFER suggested that Airport Police be removed since it was public safety and air taxi infers commercial operations.

M/S KIFFER/THOMPSON remove “including airport police” and “air taxi” from Section 12.02 (h).

KIFFER said that airport police is public safety and is going to be addressed. Several disagreed with that statement. KIFFER said that once the two islands are connected, the situation will be different.

HARRINGTON said he’d like to split the vote because he wouldn’t vote to take out the airport police because we are specifically exempting police powers from the areawide powers.

KIFFER said that he’d withdraw the amendment as long as the section could be highlighted and the City Attorney could answer the question about the air taxi. He said that there are some concerns about the airport police and what they have as their levels of training and the friction and separation between their agency and others.

In 12.04 (d) KIFFER said he was confused by the last sentence that stated, “But any power other than those listed in Section 12.02 which was previously exercised by the City of Ketchikan may, without approval of the voters, be exercised by the municipality on a non-areawide basis within the Ketchikan Service Area.”

This sentence was explained that with the Charter dissolving the City of Ketchikan and the KGB, this section was needed to clarify that since the City of Ketchikan had specific powers, but the City was dissolved, those specific powers would be able to go to the new Service Area without voter approval. Mr. Amylon said that the other existing service areas were never dissolved, so there was no need for specific language dealing with their powers.

In 12.04 (f) KIFFER was confused between solid waste and sewage. Explanation was provided.

M/S HARRINGTON/FINNEY to amend 12.03 (2) by adding the language, “provided that the Assembly may, by ordinance, provide on an areawide basis

some or all fire fighting services;" HARRINGTON said it may be desired to have a fire chief that functioned areawide or a training facility that functioned areawide or a training officer functioning areawide and if the Assembly is authorized to provide some or all fire fighting services. This would empower the Assembly to act without having to go to a vote of the people.

MCCARTY said that the empowerment comes from the ability to contract. Those things like training or bulk equipment purchase could be contracted for through the service areas. These would be cooperative type agreements. He said that he had trouble adding any sort of areawide power without the vote of the people. As soon as you talk about partial, then you get into definitions.

HARRINGTON said that he can see in the future there may be desired a long-term transitional process from a very regional fire department to an areawide department and if it's a transition process, it's not a one shot adopt the powers kind of deal. This just allows the Assembly, by baby steps, over time to consolidate and to expand and to create an areawide fire fighting service. It's not required, but they may, by ordinance, move in that direction.

THOMPSON said when talking about areawide powers within the Borough, you're talking about both the incorporated and unincorporated areas, so Loring comes into play. If there are areawide fire powers, Loring and Deep Bay and those other areas of the Borough would need to be included. If it's done on a service area or nonareawide basis, the service can be limited to the road system. That's a technicality, but there has to be care taken when talking about areawide services.

HARRINGTON said that it's also been chosen that areawide Animal Control isn't exercised in these areas, and the Planning & Zoning that goes on in these areas is also much less. So, the Commission may well want to speak to a designation of wilderness as a separate entity for tax purposes, if nothing else. If the KGB adopts the Cleveland Peninsula and all that area, it's going to sit a lot better if the full mill rate is not charged. He said he just wants to allow for or facilitate the possibility to slowly transition those powers if desired.

THOMPSON said that if the fire departments are done in service areas, it's already been determined that facilities and services between the departments will be allowed, as long as there is monetary compensation for those services. There is already the ability to consolidate those fire service areas into one.

FINNEY wondered if the language should be removed altogether that the fire departments will function only through service areas. If that language isn't in there, does it forego the ability to administer just the way it is, or would we want to come back in the future to combine them by not listing it as a power that shall

be areawide and not listing it as a power that shall only be service areas.

THOMPSON said there is an issue by saying it's strictly in the service areas. But, the service area fire departments could be consolidated as a fire service area only as the charter is written now.

HARRINGTON said he wants the fire services to be service area, but to equip the future Assembly with the potential to move it into an areawide power gradually and systematically. KIFFER said that if the people in the service area want that, there are procedures in place for that to happen. The Assembly doesn't need to be moving the service areas anywhere. If the people in the service area want it to happen, it's already in the Charter to do that.

PAINTER said that the autonomy of the service areas is a selling point for the Charter. He said he didn't think that the status quo needs to be changed. If it needs to be changed, there's verbage in the Charter do that.

HARRINGTON said he's willing to drop the amendment, highlight the section and move on. It was acceptable to the second, FINNEY.

M/S HARRINGTON/THOMPSON to add the following language to Section 12.06 (b): "With the exception of actions concerning personnel and in emergency situations the Borough Manager or designee will exercise nonareawide powers only at the direction of a service area board or the Borough Assembly." HARRINGTON said this was just to add a measure of limitation on the Borough Manager.

Mr. Amylon said that if he were offered a job as manager for a consolidated Borough with those restrictions that he wouldn't take the job. The amendment puts the Manager at extreme risk by limiting his/her ability in that fashion. He said the Manager's powers were being suborned to a board other than the Assembly who hires the manager, and the Manager may end up being the fall guy for that other board.

PAINTER said the powers of service areas are spelled out and they are specifically called advisory only and he didn't know if that amendment could be put in there because of State law.

THOMPSON said he understands where HARRINGTON is going with this and he understands the desire to put a little more teeth to the service area boards. Last week Forest Park and South Tongass board members talked about when they make a decision as a board, they don't want the bureaucracy to turn it around, twist it up and give them something they didn't ask for and don't want to

pay for. He said he didn't think HARRINGTON's language quite gets there.

HARRINGTON said he'd run this amendment language by some folks, including the Borough Manager, and what it does is it forces the issue, that is it must be spelled out what action is being taken. He said he knows the power cannot be taken away from the Assembly. If the Assembly tells the Manager to do something, that's fine. This actually gives a Borough Manager protection that says that there will be no action until things are spelled out. That was the part that was the selling point for the Borough Manager; that he doesn't have to do anything until the Board is very specific about what they want or the Assembly says it's time to take action to stop them from what they're doing. He said he had run it by the people he did and changed the language to what they wanted.

MCCARTY said that listening to the amendment, it sounds like the Assembly and service area boards on equal footing and what should be done if they have different ideas. He said there may be statutory things out there, but this, standing alone, says they have equal powers. That's incorrect law, or if this amendment is not meant to trump the statute, this amendment seems to give a false impression as to the powers.

HARRINGTON said his intent was if the Assembly delegates that authority to a board. The Charter says the Assembly may provide for a board to supervise the service area or they may do that themselves, but if they do appoint or there is an elected board, the board would give direction to the manager regarding that service area. It's also to say that the Assembly cannot be taken out of the equation. The power to exercise powers is solely vested in that Assembly. This just says the Manager cannot take action in exercising the nonareawide powers separate from the Assembly or the service area board. If there is a non-existent service area, the Borough Manager is the service area board.

MCCARTY said that maybe additional language is needed to make it clear that the service area board cannot trump the Assembly; that if there's a conflict between the two of them, the Assembly has the power.

Mr. Amylon wanted to make the point that if the service area board is put on equal footing with the Assembly: 1) the Assembly cannot abrogate its responsibilities or duties to a service area board; 2) If it's attempted to put them on equal footing, who is the Manager reporting to? Is he/she reporting to the Assembly or the service area board? Mr. Amylon said that his understanding there was a real difference of opinion between the Borough Manager and the North Tongass Service Area Board relative to the appointment of an employee. The employee is a Borough employee. The Manager has the right as the

administrative appointive authority to appoint and take discipline against that employee. He/she cannot do that job if subservient to a board that there is no formal, structural relationship to. Mr. Amylon said that things are getting convoluted between State statute, Charter and other things to the point that now might be the time to ask the question as to whether it's desired to adopt an Assembly/Manager form of government because going in this direction is already infringing on that model.

HARRINGTON said that personnel was very specifically exempted from the amendment. Emergency situations are also exempted. He said he didn't want to take on either personnel or emergency situations as the chair of a board, but when the board takes action on items and a manager chooses to do something entirely different, then there is a conflict situation and it's important that if a service area is to have some board authority of any sort, they must have something. There is no way under the law that a service area board can do anything in any equal sense with the Assembly. They get their powers solely from whatever the Assembly allows. This amendment just says that the Manager is not going to be taking action that somebody hasn't told him/her to do. Not on personnel and not in emergency situations.

PAINTER said that if this amendment is put in, the entire document will need to be reviewed and wording will have to be changed, including the Manager serves at the pleasure of the Assembly.

FINNEY asked Mr. Amylon if he had an idea or concept that would give more power to the service area boards. Mr. Amylon responded that he understands the frustration relative to problems the service areas have had in the past dealing with the Borough's process to run the service areas. If there is a problem, the process needs to be fixed or the people in charge of the process need to be fixed. That's the Assembly's job. Should a service area rep come to the Assembly and says their service area is not getting what it needs out of the process or the employees that are representing the Assembly, then it's up to the Assembly to make the change, to make the process work. But if you start trying to say that it's going to be a shared responsibility between the service area board and the Assembly, excluding personnel and excluding emergency situations, a greater friction will be created between the boards and the Assembly. If there is a problem, the Assembly needs to fix it. He said it seems that a dual government is being set up and he didn't think the Commission wanted to go in that direction.

FINNEY wanted to know if language could be inserted to allow the Assembly to overrule the service area board's decision with a super majority vote only.

THOMPSON said he didn't think that would pass muster with State law because the Assembly cannot abrogate its duty to be the final word on what happens. FINNEY said they still would be but with a super majority. THOMPSON said he didn't think that could be put in.

A roll-call vote was taken on the amendment to add language to Section 12.06 (b).

FOR: HARRINGTON, FINNEY, KIFFER
AGAINST: PAINTER, THOMPSON, MCCARTY, OTTE

The amendment failed 4-3. The section will be highlighted and HARRINGTON will contact the LBC about suggested language that could speak to giving the service area boards more power, since the boards are running the service areas for the people who live there and are expressing the people's desires. This is a very important issue for this consolidation effort. It's important for the people who live in service areas to know that their wishes are going to be respected and followed.

A roll-call vote was taken to approve Article XII, as amended, in the first reading of three.

FOR: KIFFER, FINNEY, HARRINGTON, PAINTER, THOMPSON, MCCARTY, OTTE
AGAINST:

The motion passed, 7-0.

MCCARTY suggested that consideration of the Commission's business, newly named G-4, be considered at this time. There was no objection by the body.

G-4, Consideration of a change in the Charter Commission Agenda Format

M/S MCCARTY/PAINTER to amend the agenda format of the KCC by adding a new Item F, Approval of Vouchers

The amendment passed by unanimous voice vote.

M/S MCCARTY/PAINTER moved for approval of authority for the Chair to execute an agreement with the GKCC and the KGB regarding grant administration.

Absent any urgent need that action would be required at the current meeting, there is sufficient substance to add this item to the next regular meeting agenda. MCCARTY said he'd like to see the agreement prior to the Chair

actually signing it. This item could be continued to the next week's agenda in order to have a copy of the agreement to review prior to approval.

THOMPSON offered an amendment to the motion to continue this item until the next week's agenda. HARRINGTON indicated that the budget should be brought back at the same time with the \$600 amendment to the budget.

A unanimous voice vote was taken to postpone the item until the next regular meeting.

G-2: Review and approval of article XIII, Saxman, of the Ketchikan 2004 Draft Charter in the first reading of Two

M/S PAINTER/MCCARTY to approve Article XIII, Saxman, of the Ketchikan 2004 DRAFT Charter in the first reading of two.

MCCARTY indicated that this is one of the main reason that consolidation was chosen over unification so that Saxman could maintain their separate entity. They probably have at least three different governmental entities for their community. They are a Federally recognized and State recognized City. They have an IRA Council. Leaving aside their cultural concerns, there is a major funding benefit to their community to remain intact.

KIFFER said that he'd like to get a list of what areawide services the City of Saxman does receive and what kind of monetary value those services cost. THOMPSON said he'd try to get the list and if possible, get the monetary value.

A roll-call vote was taken on the approval of Article XIII, Saxman, in the first reading of two.

FOR: KIFFER, FINNEY, MCCARTY, OTTE, HARRINGTON, PAINTER, THOMPSON
AGAINST:

The motion carried, 7-0.

G-3: Review and approval of article XIV, Local Improvement & Service Districts, of the Ketchikan 2004 Draft Charter in the first reading of Three

M/S PAINTER/FINNEY to approve Article XIV, Local Improvement and Service Districts of the Ketchikan 2004 Draft Charter in the first reading of three.

FINNEY mentioned that there is a lien mentioned against special assessments that are not paid. MCCARTY said that generally taxes and assessments are more substantial than user fees. He said that was the only reason he could think of that there were liens listed about those two items and not user fees.

A roll-call vote was taken on the item.

FOR: OTTE, FINNEY, HARRINGTON, THOMPSON, PAINTER, KIFFER, MCCARTY
AGAINST:

The motion passed 7-0.

H: Commission Comments

KIFFER said that OTTE was doing a great job and he wants her to be compensated, but if there's any possible way to hire someone for the position, Ms. OTTE belongs at the table in the capacity as just a Board member.

OTTE said it wasn't from lack of trying that a staff person had not been found.

THOMPSON asked that the Commissioners try to submit their amendments to the body prior to the meeting so that proper thought on the amendment could be made. That might help to work through them a little easier. Sometimes seeing the language written out helps to decide what questions to ask, or whether the amendment is for the good of the Charter.

THOMPSON thanked all the members of the audience for sticking with it. The meeting was a little longer than normal.

The meeting was adjourned at 9:29 p.m.