

KETCHIKAN CHARTER COMMISSION
KETCHIKAN 2004 DRAFT CHARTER

Note:

This is a working draft document. These sections have been reviewed by the Charter commission in public MEETINGS, however they are not the final product of the Ketchikan 2004 Charter Commission.

Formatting note: Wording added to the Charter is underlined. **[Deleted items are smaller font, bracketed and bolded]**. ****Areas of concern or questions are highlighted and marked with asterisks.**** Language that was inadvertently omitted from the Charter as adopted as Draft by this Commission is in a larger font and language that was deleted by those original amendments is indicated with a ~~[strike through, bracketed, and bolded in a smaller font]~~.

We hope that as our review continues of the Ketchikan 2001 Charter document, you will make your opinions known and help us write a Charter that we all can be proud of.

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Preamble

We, the people of the greater Ketchikan area, in order to form an efficient and economical government with just representation, do hereby ordain and establish this Charter of the [M] municipality of Ketchikan.

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Article I

Section 1.01 Name

The municipal corporation shall be known as ["Municipality of] " Ketchikan." Whenever it deems in the public interest to do so, the municipality may use the name ["Ketchikan"]"City and Borough of Ketchikan."

Section 1.02 Type and Class of Government

Ketchikan shall be a home rule borough and shall operate as an "assembly manager" form of government.

Section 1.03 Boundaries

The boundaries of the municipality shall be the same as the boundaries of the Ketchikan Gateway Borough as they exist on the date of ratification of this Charter. The boundaries of the [M] municipality may be changed in the manner provided by law.

Section 1.04 Powers

The [M] municipality may exercise all powers of a home rule borough not prohibited by law or by this Charter. **All powers of the municipality shall be exercised in the manner prescribed by this Charter or applicable laws or, if the manner is not thus prescribed, then in such a manner as the Assembly or other authority may prescribe.**

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ARTICLE II THE ASSEMBLY

Section 2.01 Legislative Powers.

The legislative power of the municipality is vested in the Assembly.

Section 2.02 Terms and Representation.

(a) Composition of Assembly. The Assembly, elected by the qualified voters of the municipality, shall be composed of ** seven ** assembly members.

(b) Mayor. The mayor shall be elected by the qualified voters of the municipality.

(c) Terms. The term of the office of all assemblymembers elected after the first election under this Charter and the term of office of the mayor shall be three years and until a successor qualifies.

(d) Terms of Assemblymembers and Mayor Elected at First Election. At the first election under this Charter, ** the two assemblymember candidates receiving the highest number of votes at large shall be elected for three-year terms and until a successor qualifies. The three candidates receiving the next highest number of votes at large shall be elected for two-year terms and until a successor qualifies. The two candidates receiving the next highest number of votes at large shall be elected for one-year terms and until a successor qualifies.** At the first election under this Charter, the Mayor shall be elected for a three-year term and until a successor qualifies. For purposes of computing the length of the first term for assemblymembers elected at the first election, the period between that first election and the first Tuesday of October immediately following that first election will not be considered. The first regular election provided for in Section 5.01(a) will occur no earlier than twelve months after the effective date of this Charter.

(e) Representation at Subsequent Elections. At all subsequent regular elections, the election to fill the offices of assemblymembers and the mayor shall be at large by the qualified voters of the municipality for three-year terms except as provided in Section 2.04(c) of this Charter.

(f) Term of Office The term of office of the mayor and each assemblymember shall begin upon certification of the results of the election at

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which the assemblymember was duly elected.

(g) Term Limits. The Assembly, subject to voter approval, may adopt term limitations for the offices of mayor and assemblymembers. Such term limitations shall not prohibit persons from serving at least two consecutive three-year terms.

Section 2.03Qualifications.

(a) Residency. Except as may be otherwise provided by law, only a qualified voter of the municipality who has been a resident of the municipality for at least one year immediately preceding election or appointment to office shall be qualified for elective municipal office.

(b) Determination of Qualifications and Forfeiture. The Assembly shall be the judge of the election and qualifications of its members and of grounds for forfeiture of office and for that purpose shall have power to subpoena witnesses, administer oaths, and require production of evidence. An assemblymember charged with conduct constituting grounds for forfeiture of office shall be entitled to a public hearing on demand.

Section 2.04Vacancies and Forfeiture of Office

(a) Creation of Vacancies. The office of an elected municipal official shall become vacant upon death, resignation, removal from office in any manner authorized by law or by this Charter, or by forfeiture of office.

(b) Forfeiture of Office. An elected municipal official shall forfeit office if the official:

- (1) Is convicted of a felony.
 - (2) Fails to comply with all qualifications prescribed by this Charter or applicable law.
 - (3) Knowingly violates any prohibitions of this Charter.
 - (4) Fails to attend three consecutive regular meetings of the Assembly without being excused by the Assembly.
 - (5) Fails to take office within thirty days after election or appointment.
 - (6) Ceases to be a qualified voter residing in the municipality.
1. Commits an act punishable under Subsection 16.01(b) of this Charter.

**

(c) Filling of Vacancies. The Assembly shall, by ordinance, establish procedures for filling of vacancies in the office of assemblymember and mayor.

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[Within thirty days after an assemblymember position becomes vacant,] The Assembly shall appoint a qualified person as an assemblymember to serve until the next regular election when a qualified successor will be elected at large and certified to fill the remainder of the un-expired term. If a vacancy occurs in the office of mayor, the vice mayor shall act as mayor until the Assembly appoints a qualified person to serve as mayor until the next regular election when a qualified successor will be elected at large and certified to fill the remainder of the un-expired term.**

Section 2.05 Organization and Officers.

(a) Mayor. The mayor shall preside at meetings of the Assembly and shall be recognized as head of the municipal government for all ceremonial purposes and by the governor for purposes of martial law. The mayor shall have no administrative duties except that the Assembly may authorize the mayor to sign written obligations of the municipality and perform other occasional duties on behalf of the Assembly.

(b) Vice Mayor. At the first meeting after the time prescribed for beginning of the terms for newly elected members, the Assembly shall elect from its membership a vice mayor who shall act as mayor during the absence or disability of the mayor or as provided in Section 2.04(c) above. The vice mayor shall vote as an assemblymember but shall never have the power to veto.

Section 2.06 Salaries and Compensation.

The Assembly, by ordinance, shall determine the salary of the mayor and assemblymembers. An increase in salary shall not take effect until the Assembly meeting following the regular election after the ordinance has been adopted. The Assembly may, by ordinance, provide for expense accounts and/or other payments to the mayor and assemblymembers for expenses incurred in their official duties.

Section 2.07 Meetings.

The Assembly shall meet regularly and at such times and places as shall be prescribed by ordinance. Special meetings shall be held at the call of the mayor or of four or more assemblymembers and, whenever practicable, reasonable notice shall be given. All meetings of the Assembly shall comply with the Alaska Open Meetings law and other applicable laws regarding such

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meetings.

Section 2.08 Rules and Record.

The Assembly shall, by ordinance, determine its own rules and order of business and shall maintain a journal of its proceedings as a permanent public record.

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Section 2.09 Voting.

(a) Quorum and Voting Requirements. Four assemblymembers shall constitute a quorum. No Assembly action shall be valid or binding unless adopted by an affirmative vote of four or more assemblymembers. All assemblymembers present shall be required to vote subject to Section 16.01 of this Charter.

(b) Mayor's Vote and Veto. The mayor shall not have a vote except in the case of a tie. The mayor shall vote in the case of a tie subject to Section 16.01 of this Charter. The mayor shall have the power to veto actions of the Assembly except the confirmation or rejection of appointees and except those actions described in Alaska Statutes 29.20.270(c) and (e) (1996). The veto may be exercised at any time prior to the beginning of the next regular meeting of the Assembly provided, however, that the subject of the veto has not passed out of the control of the Assembly prior to the exercise of the veto. The mayor shall advise the Assembly in writing no later than the beginning of the next regular meeting of the reasons for vetoing an action. At such meeting, the Assembly may finally pass an action, ordinance, or resolution over the veto of the mayor, whether or not the mayor submits the reasons for the veto. An affirmative vote of five members of the Assembly shall be required to pass an action, ordinance, or resolution which has been vetoed by the mayor, and the vote shall be by yeas and nays and shall be entered in the journal.

(c) Roll Calls. A roll call vote shall be taken whenever required by law or whenever requested by any member of the Assembly. Roll call votes shall be entered in the journal. A roll call vote shall be taken on appropriations for the expenditure of funds and on the passage of ordinances.

Section 2.10 Prohibitions.

(a) Other Public Offices, Employment, or Contracts.

(1) No elected municipal official shall be hired or appointed to any compensated municipal office or municipal employment for a period of one year after vacating office, other than membership on a board or commission.

(2) The relationship of independent contractor for goods and services

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does not constitute employment for the purposes of this section. Subject to any further limitations established by ordinance, elected municipal officials may enter into contracts with the municipality and may buy from, exchange with, or sell to the municipality provided that: A) the contract, purchase, exchange, or sale is awarded through an outcry public auction or through a competitive bidding process in which sealed bids are submitted and the bid most advantageous to the municipality is selected; B) the contract, purchase, exchange, or sale is approved by the Assembly; or C) the goods or services contracted for, purchased, exchanged, or sold **[have an equivalent value of five hundred dollars (\$500) or less in 1998 dollars.]** at an amount to be set by ordinance.

(b) Relationship with Employees. The Assembly shall not recommend or direct the appointment or removal of any officer or employee of the municipality's administration except as provided by this Charter. Subordinates of the municipal manager shall report to and obtain direction from the municipal manager and not from the Assembly, the mayor, or individual assemblymembers.

(c) Representation of Client. No assemblymember may represent any client before any municipal department, agency, school district, or utility.

Section 2.11 Investigations.

The Assembly may conduct hearings and may make investigations into matters affecting the municipality and matters concerning the conduct of any municipal department, office, or agency. The Assembly may subpoena witnesses, administer oaths, take testimony, and require production of evidence. Any person who fails or refuses to obey a subpoena or a lawful order issued in the exercise of these powers by the Assembly shall be guilty of a misdemeanor.

Section 2.12 Clerk.

There shall be a municipal clerk who shall be an officer of the municipality appointed by the Assembly and who shall serve at the pleasure of the Assembly.

[The clerk shall serve as clerical officer of the Assembly. The clerk shall keep the journal of the proceedings of the Assembly and shall permanently record all ordinances

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and resolutions passed by it. The clerk shall be custodian of such documents, records, and archives as may be provided by law or ordinance; shall be custodian of the seal of the municipality, and shall attest and affix the seal to documents when required in accordance with this Charter, law, or ordinance; shall keep a correct and up-to-date record of the municipal boundaries and changes therein; and shall supervise municipal elections and such other elections as may be required by law or ordinance, including voter registration and records; provided that the Assembly, by ordinance, may vest the supervision of elections in a board. The clerk shall perform other duties as shall be prescribed by the Assembly.]

Section 2.13Municipal Attorney.

There shall be a municipal attorney appointed by the Assembly who shall serve at the pleasure of the Assembly.

Section 2.14Special Advisors.

The Assembly may appoint special legal and financial advisors for bond issues or other matters and shall retain such legal counsel as it requires.

Section 2.15Boards and Commissions.

(a) Boards and Commissions. The Assembly may establish boards and commissions, shall prescribe their duties, purpose, and functions, and the qualifications and conditions of service of the appointed members. Members of boards and commissions shall be appointed by the mayor subject to confirmation by the Assembly. A quorum of any board or commission and the number of members required to approve an action shall be a majority of its membership unless otherwise determined by the Assembly.

(b) By ordinance, the Assembly may create or designate itself to be a board of review, adjustment, or equalization.

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ARTICLE III LEGISLATION

Section 3.01 Action Required By Ordinance.

In addition to other acts required by law or by this Charter to be done by ordinance, those acts of the Assembly shall be done by ordinance which:

- (a) Adopt or amend an administrative code;
- (b) Provide for a fine or other penalty or establish a rule or regulation for the violation of which a fine or other penalty is imposed;
- (c) Levy taxes, except the Assembly may, by resolution or ordinance, establish the mill levy on which property taxes shall be collected;
- (d) Grant, renew, or extend a franchise;
- (e) Establish the rates charged by the municipal utilities except as provided in paragraph 8.02(c)(2);
- (f) Authorize the borrowing of money;
- (g) Establish procedures for the conveyance, disposition, or lease of real and personal property of the municipality;
- (h) Propose amendments to this Charter;
- (i) Adopt, with or without amendment, ordinances proposed under initiative powers;
- (j) Fix the wages and benefits of members of the Assembly;
- (k) Adopt, modify, or reject the comprehensive plan, land use or subdivision regulations, building and housing codes, and the official map;
- (l) Amend or repeal any ordinance previously adopted except as otherwise provided in Article VI with respect to repeal of ordinances reconsidered under the referendum power;
- (m) Establish a formal procedure for acquisition from the state of land or

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rights in land and disposal of those lands or rights in land;

(n) Authorize any contract, other than a contract for the purchase, sale, conveyance, disposition, or lease of real property, which by its terms will not be fully executed within five years and which cannot be terminated by the municipality without penalty upon notice of thirty (30) days or less.

Section 3.02 Ordinances - General.

Except as otherwise provided in this Charter, the following procedure shall govern the enactment of all ordinances:

(a) Enacting Clause. The enacting clause of all ordinances passed by the Assembly shall be, "Be it ordained by the Assembly of the municipality of Ketchikan, Alaska", or similar words to that effect, and of all ordinances proposed by the voters under their power of initiative, "Be it ordained by the People of the municipality of Ketchikan, Alaska", or similar words to that effect;

(b) Readings. A proposed non-emergency ordinance shall be read in full or by title only, and an affirmative vote of a majority of the Assembly shall be required for advancing to second reading. A non-emergency ordinance in which substantive amendments are made in first reading shall require an additional reading before passing to final reading. Before a vote on final passage, a proposed non-emergency ordinance shall be read by title or in full and an affirmative vote of a majority of the Assembly shall be required for its final passage;

(c) Passage, Publication, and Effective Date. No ordinance, except an emergency ordinance, may be finally passed on the same day that it is introduced. Within ten days after its final passage, every ordinance shall be published in a newspaper of general circulation within the municipality. Publication shall be in full or by number and title with a brief summary. Emergency ordinances and ordinances making, repealing, transferring, or otherwise changing appropriations shall go into effect immediately upon such final passage unless they specify a later time. All other ordinances shall go into effect thirty (30) days after such final passage unless the ordinance specifies otherwise.

Section 3.03 Ordinances - Emergency.

An emergency ordinance is an ordinance which, in the judgment of the

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Assembly, is necessary for the immediate preservation of the public peace, health, or safety, and which should become effective immediately without a second reading. Every such ordinance shall contain, as a part of its title, the words, "and declaring an emergency"; and in a separate section, herein called the emergency section, shall declare the emergency. An affirmative vote of at least **** five **** members of the Assembly shall be required for the final passage of an emergency ordinance. An emergency ordinance is repealed by resolution or automatically expires in sixty days.

Section 3.04 Ordinances - Adoption by Reference.

The Assembly, by ordinance, may adopt by reference codes, ordinances, standards, and regulations relating to matters which it has power to regulate otherwise. Such code, ordinance, standard, or regulation so adopted need not be enrolled in the book of ordinances; but a copy shall be filed and kept in the office of the clerk. The clerk shall keep copies of all such codes, ordinances, standards, and regulations in force for distribution or sale at their approximate cost.

Section 3.05 Ordinances - Codification.

The ordinances shall be codified and published in book or pamphlet or kept up to date in a loose-leaf system. Titles, enacting clauses, and emergency sections may be omitted from the code and temporary and special ordinances and parts of ordinances may be omitted. Permanent general ordinances and parts of ordinances which are to be repealed by the code shall be omitted from the code. The ordinances and parts of ordinances included in the code may be revised, rearranged, corrected for clerical errors, and reorganized and the code may contain new matter and provisions of the state constitution and law applicable to the municipality and this Charter. A copy of the code shall be filed and kept in the office of the clerk after adoption, but the code need not be enrolled in the book of ordinances. ******

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**ARTICLE IV: MUNICIPAL MANAGER AND ADMINISTRATIVE
DEPARTMENTS**

**Section 4.01 Municipal Manager: Appointment, Term, Qualifications,
Removal.**

There shall be a municipal manager appointed by the Assembly who shall serve at the pleasure of the Assembly. At the time of appointment, the manager need not be a resident of the municipality, but during the manager's tenure of office, the manager shall reside within the municipality. Neither the mayor nor any assemblymember may be appointed manager during the term for which the member was elected. The Assembly may suspend or remove the manager at any time by a vote of a ** majority of the assemblymembers.**

Section 4.02Municipal Manager: Powers and Duties.

The manager shall be the chief administrative officer and head of the administrative branch of the municipal government. The manager shall execute the laws and ordinances and administer the government of the municipality. The manager shall:

- (a) Hire and Remove Employees. Appoint, lay off, suspend, demote, or remove all directors or heads of administrative departments and all other officers and employees of the municipality, (except personnel in the department of law, the clerk's office, school district, and employees appointed by the Assembly or their subordinates). The manager may delegate this power and duty to directors or heads of departments and other administrative officers;
- (b) Supervise Departments. Supervise and control all administrative departments, agencies, officers, and employees appointed by the manager or by agencies and officers subordinate to the manager;
- (c) Prepare Budgets. Prepare a budget annually for the general government, ** excluding the municipal utilities ** and schools, and submit it to the Assembly, be responsible for the administration of the budget after it goes into effect, and recommend to the Assembly any changes in the budget which the manager deems desirable;
- (d) Report. Submit to the Assembly a report as of the end of the fiscal year

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on the finances and administrative activities of the municipality for the preceding year;

(e) **Make Recommendations.** Keep the Assembly advised of the financial condition and future needs of the municipality and make recommendations on policy and other matters;

(f) **Perform Other Duties.** Perform such other powers, duties, and functions as the Charter may prescribe and such powers, duties, and functions consistent with this Charter as the Assembly may prescribe.

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ARTICLE VI: INITIATIVE, REFERENDUM AND RECALL

Section 6.01 Initiative and Referendum.

The powers and rights of the initiative and referendum are reserved to the people of the municipality as prescribed by law. The assembly, by ordinance, shall regulate the procedure for their exercise. [The powers of initiative and referendum are reserved to the residents of the Municipality, except to the extent restricted by Article XI of the State Constitution.]

Section 6.02 Recall.

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All incumbents of elective offices of the municipality, including persons chosen to fill vacancies in such offices, shall be subject to recall from office by the qualified voters of the municipality. Procedures and grounds for recall shall be such as prescribed by law. The Assembly, by ordinance, may further regulate the recall insofar as such regulation is not in conflict with the state constitution or law.**

[6.02 Petitions. An initiative petition or a referendum petition shall contain a copy or summary of the ordinance initiated or sought to be referred; provided that, if a summary only is included in an initiative petition, at least three copies of the proposed ordinance shall be filed in the clerk's office and shall be open to public inspection. A copy of the petition shall be filed with the clerk before copies are circulated for signatures. The petition shall be signed by a number of qualified voters of the Municipality equal to at least twenty-five percent of the total votes cast at the immediately preceding regular municipal election. An initiative petition with sufficient signatures must be filed within thirty (30) days after the copy was originally filed as provided. A referendum petition with sufficient signatures must be filed within thirty (30) days after passage and publication of the ordinance sought to be referred. When a referendum petition with signatures is thus filed before the effective date of the ordinance, the ordinance sought to be referred shall not go into effect until the petition is finally found to be illegal or insufficient or, in the case the petition is found to be legal and sufficient, until the voters approve the ordinance as provided below in this article. Each copy of an initiative or a referendum petition filed must bear an affidavit signed by the person who circulated the copy stating that each of the signers who signed the copy signed it in his/her presence, that he/she believes that each has stated his/her name and address correctly, and that he/she believes each signer is a qualified voter of the Municipality. Within thirty (30) days after the petition is filed, the clerk, with such assistance from the municipal attorney as necessary, shall determine whether the petition is legal and has sufficient signatures, and shall certify the finding of the attorney. The determination shall be subject to judicial review.

A. Ballot Title and Proposition – Submission. If an initiative or a referendum petition is found to be legal and to have sufficient signatures, the clerk, with such

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assistance from the municipal attorney as necessary, shall prepare the ballot title and proposition for the ordinance. The clerk shall place the question on the ballot for the next regular or special municipal election held not less than sixty (60) days after final determination of the legality and sufficiency of the petition. The Assembly, by resolution or ordinance, may call a special election for the purpose. If, in the case of an initiative petition, the Assembly at least thirty (30) days before the election enacts an ordinance substantially the same as the one in the petition, the petition shall be void. If, in the case of a referendum petition, the Assembly repeals the ordinance before the referendum election, the petition is void and the matter referred shall not be placed before the voters.

- B. Section 6.04 Vote Required – Effect.** If a majority of the votes cast on the proposition favor the enactment of an initiated ordinance, it shall be enacted; provided that if the proposition is submitted at a special election, the number of votes cast at that election must be at least fifty percent of the number of the votes cast at the last regular municipal election or the proposition shall fail. If at least as many votes are cast for the approval of a referred ordinance as are cast against it, the ordinance shall be approved and go into effect; otherwise, it shall be rejected. The Assembly may not, within two years after the election, repeal an initiated ordinance which has been enacted, but may, at any time, pass a non-emergency ordinance amending it by the same vote required for the passage of an emergency ordinance. The Assembly may not, within two years after the election, enact an ordinance substantially similar to an ordinance repealed in a referendum election except by a non-emergency ordinance passed by the same vote as required for the passage of an emergency ordinance. If two or more initiated or referred ordinances which have conflicting provisions are enacted or approved at the same election, the one receiving the largest affirmative vote shall prevail.
- C. Further Regulation by Ordinance.** The Assembly, by ordinance, may further regulate the procedures for the initiative and referendum.]

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ARTICLE VII:

PLANNING

Section 7.01 Planning Commission.

(a) Membership. There shall be a Planning Commission consisting of seven members who shall be appointed by the Assembly from among the qualified voters of the Municipality and who shall serve for terms of three (3) years unless removed by the Assembly for cause. Members shall hold no other municipal office.

(b) Term and powers and duties. The powers and duties of the Planning Commission shall be established by an ordinance approved by the Assembly.

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ARTICLE VIII MUNICIPAL UTILITIES

Section 8.01 Municipal Utilities.

The electric, telephone, and water services previously owned and operated by the City of Ketchikan d/b/a Ketchikan Public Utilities are municipal utilities and shall be operated in a business-like manner in accordance with this Article and other applicable provisions of this Charter ****provided, however, that the Assembly may, by ordinance, remove water service from the municipal utilities governed under this Article. Except as limited by this Charter or by other applicable law, the Assembly may designate other utilities as municipal utilities to be operated in the same manner as the electric, telephone, and water utilities. Water service areas shall not be considered to be municipal utilities under this Article unless both terminated as provided for in Section 12.04(e) of this Charter and designated by the Assembly as municipal utilities. The Assembly may, under Section 12.06(b) of this Charter, delegate to the municipal utility the supervision of water service areas.****

Section 8.02 Management.

(a) **Powers.** The Assembly shall exercise all powers necessary or convenient for the management, operation, regulation, and use of the municipal utilities unless, by ordinance, it creates a municipal utility board appointed by the mayor and confirmed by the Assembly and delegates to such board some or all such powers except those powers designated in (c) below.

(b) **General Manager.** The Assembly or municipal utility board may appoint a general manager who shall serve at the Assembly's or board's pleasure. The general manager may be delegated such duties and responsibilities for the municipal utilities as the Assembly or board may determine.

(c) **Acts Requiring Assembly Approval.** The following acts may not be delegated by the Assembly and shall not become effective until approved by the Assembly:

- (1) The adoption of capital and annual budgets in accordance with Section 8.03;
- (2) The establishment and adjustment of utility rates and charges to customers, unless those rates and charges have been approved by or determined by a state or federal agency having jurisdiction. However, the Assembly may, by ordinance, authorize the general manager or a municipal utility board to establish and adjust rates and charges for goods and services for which a local competitive

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- market exists; and to establish interim rates and charges to be effective until approved or rejected by the Assembly;
- (3) The issuance of bonds, notes, or other evidence of indebtedness, any encumbrance of utility property, or the creation of any indebtedness;
 - (4) The establishment and adjustment of salaries and benefits for utility board members and for employees of the utility who are not represented by a union.

The Assembly may, by ordinance, prescribe that some functions of the municipal utilities, such as finance, personnel, and legal, be provided in part or in whole by municipal departments or be otherwise shared. The municipality shall be reasonably compensated by the municipal utilities for providing such services to the municipal utilities.

Section 8.03 Utility Budget, Rates, and Borrowing.

(a) **Utility Budget.** The municipal utilities' fiscal year shall run concurrently with the municipality's fiscal year. Not later than May 1 of each year, a budget for the next fiscal year shall be submitted to the Assembly. Such budget shall include a program of capital expenditures for the year. The budget shall contain detailed estimates of anticipated revenues and proposed expenditures for the year and shall be in such form and have such contents as the Assembly may require. Proposed expenditures shall not exceed total estimated revenues, including bond proceeds and reserves. Revenues, other than restricted bond proceeds, from any one of the municipal utilities may be used to pay the expenses of any other municipal utility. In the event that the Assembly does not approve a budget by the beginning of the fiscal year, the Assembly shall adopt an interim budget which maintains rates, expenditures, and appropriations at the same levels as provided in the previous year's budget. The interim budget shall remain in effect until an annual budget has been approved by the Assembly.

(b) **Use of Utility Assets.** Except as provided in this Article, none of the assets, income, or property of the municipal utilities shall be placed in the municipality's general fund or used for any purpose other than for the municipal utilities unless reasonable compensation is received by the municipal utilities.

(c) **Lapse of Appropriations.** At the close of the fiscal year, an unencumbered appropriation shall lapse into the fund from which appropriated. An appropriation for capital improvements, or in connection with requirements of federal and state grants, shall not lapse until the purpose of

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the appropriation has been accomplished or abandoned.

(d) **Borrowing.** Except as otherwise provided in this subsection, the municipal utilities may borrow money and issue bonds or other evidences of indebtedness in the manner provided by Article XI. No borrowing and no issuance of bonds or other evidence of indebtedness for the municipal utilities shall occur unless approved by the Assembly and, to the extent required under Article XI, a majority of the qualified voters of the municipality who vote on the question of approving the borrowing, bonds, or other evidences of indebtedness.

(e) **Payment in Lieu of Taxes.** The Assembly shall require the municipal utilities to annually pay to the municipality an amount reasonably estimated to be not more than the amount which said utilities would pay in taxes, assessments, or charges if subject to all such taxes, assessments, or charges. **[The minimum amount paid shall be based on the mill rate that would have been required to balance the budget, 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.]**

(f) **Audit.** An annual independent audit of all municipal utility accounts shall be performed as required by Section 10.13.

(g) **** Sale of Municipal Utility.** The municipally owned electric, telephone, or **[and]** water services may not be sold or leased except by authority of an ordinance approved or enacted at an election by an affirmative vote of a majority of the qualified voters of the municipality who vote on the question of approving the ordinance. ******

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ARTICLE IX EDUCATION

Section 9.01 Public School System.

There shall be a system of public education for the municipality as prescribed by Alaska statutes. It shall be operated by a school board of seven persons elected at large.

Section 9.02 Membership, Qualification, and Term.

A candidate for school board shall be a qualified municipal voter and shall reside in the municipality. The term of a school board member shall be three years and said terms shall be staggered to allow for the uninterrupted continuation of school board functions. School board terms shall expire in the same sequence as those of the Ketchikan Gateway Borough School Board in office at the time of consolidation. Board members in office at the time of consolidation may continue to hold office until expiration of the term for which they were elected.

[A candidate for school board shall be a qualified municipal voter. A school board member shall serve a three (3) year term and shall remain a resident of the municipality while in office.]

The Assembly may provide that ordinances generally applicable to municipal officials, including provisions regarding open meetings, public records, and conflicts of interest apply to school board members. The provisions of this Charter applicable to elected municipal officials apply to school board members to the extent permitted by state law.

Section 9.03 Powers and Duties of the School Board.

The school board shall have all the powers and duties provided by Title XIV, Alaska Statutes, including, but not limited to [The school board has the powers provided by law, including, but not limited to, the power to]:

- (a) Formulate policy for the operation of the schools;
- (b) Appoint, promote, demote, suspend, remove all [Appoint and provide for suspension and removal of] school personnel, including the superintendent;
- (c) Generally supervise school district fiscal affairs, including preparation and submission of the annual budget and six-year plan.

[(d) Compensation for school board members shall be the same as that established for Assembly members.]

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Section 9.04 Joint Meetings

The Assembly and school board shall meet at least once [**twice**] yearly in public session to discuss and coordinate financial planning, capital improvement needs, comprehensive plans for education, and other matters of concern.

Section 9.05 Budget and Six-Year Plan

(a) The Superintendent of Schools shall submit to the school board at such time as the board directs a proposed budget for the next fiscal year and a proposed six-year program for capital improvements and fiscal policies. The board shall hold at least two [**one**] public hearings on the proposed budget [**and program**] before they are submitted to the Assembly, and at least one public hearing after Assembly action if the total amount is different. The proposed budget and program shall be approved and submitted to the Assembly by May 1 or as otherwise required by law.

- a. ****** The Assembly may increase or decrease the budget of the school district only as to total amount. The school district will not spend or encumber any monies based on initial state foundation allocations and/or initial Assembly allocations without prior Assembly approval. The school district will submit any changes to its budget due to grant award monies biennially to the Assembly. [for approval.] **[[The school district will submit any changes in its budget biennially to the Assembly for approval.]]** **[The school district may not appropriate or otherwise incur the expenditure of any funds, regardless of the source, in excess of the total amount of the budget, as approved by the Assembly, without prior approval of the Assembly.]** ******
- b. The Assembly shall determine the total amount of the budget of the school district and appropriate the necessary funds before May 31 or such other deadline as required by law. If the Assembly fails to determine the total amount of the school district budget and make the necessary appropriation within the time stated, the budget proposal shall become the budget and appropriation for the fiscal year of the school district without further Assembly action.
- c. The school board shall make recommendations to the assembly concerning the necessity for school construction and other capital improvements, site selection, employment of architects, and building plans. The school board recognizes that decisions by the Assembly shall be final in matters concerning school construction and other capital

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improvements, site selection, employment of architects, and building plans.

- d. **** Any item that is above \$10,000 will be included on the six-year capital improvement plan as well as anything that has an expected life over five years. (These would be things like fuel tanks, vehicles, painting buildings, playgrounds and equipment, etc.). **

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ARTICLE X FINANCE

Section 10.01 Fiscal Year.

The fiscal year of the municipality shall begin on the first day of July and shall end on the last day of June, unless otherwise provided by ordinance.

Section 10.02 Budget

(a) At least 60 days before the beginning of the fiscal year, the manager shall prepare and submit to the Assembly a proposed budget for the next fiscal year which shall contain detailed estimates of anticipated revenues and proposed expenditures for the year. Such budget shall include a program of capital expenditures for the year. The total of such proposed expenditures shall not exceed the total of anticipated revenues, including bond proceeds, and reserves. The budget shall be in such form and have such contents as the Assembly may require. The budget shall be approved as provided for in this Charter. The Assembly may adopt, by ordinance, a two-year budget.

(b) The budget and any budget message accompanying it shall be a public record in the office of the municipal clerk and shall be open to the public. Sufficient copies of the budget and any budget message shall be made for distribution to persons on request.

(c) The Assembly shall hold a public hearing on the proposed budget at least one week after notice of the time of the hearing has been published; and any interested person shall have an opportunity to be heard for or against the estimates or any item thereof. The Assembly may continue the hearing at later meetings.

(d) The Assembly may amend the budget and shall approve the budget, by ordinance or resolution, not later than the third day before the beginning of the fiscal year. If the Assembly fails to adopt the budget and make the appropriations on or before that day, the budget as submitted or as amended shall go into effect and be deemed to be finally adopted by the Assembly and the expenditures shall become the appropriations for the next fiscal year. The appropriations, when made by the Assembly by resolution or ordinance separate from the budget document, need not be in as great detail as the proposed expenditures in the budget.

(e) The budget shall include budgets for the general fund, and for other funds which are deemed to require formal budgeting.

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Section 10.03 Supplemental and Emergency Appropriations [And Transfer of Appropriated Reserves]

- a. If during any fiscal year there are available revenues received from sources not anticipated in the budget for that year or revenues received in excess of budget estimates, the Assembly by ordinance may make supplemental appropriations for the year up to the amount of the additional revenues.
- b. Upon declaration by the Assembly that a public emergency exists and describing the emergency in clear and specific terms, the Assembly may make emergency appropriations. Such appropriations may be made by resolution and shall be approved by all Assembly members present or by seven of its membership, whichever is the lesser number. If there are no available funds to meet such appropriations, the Assembly by resolution may authorize the issuance of emergency notes. These notes shall be paid not later than the last day of the fiscal year following that in which the emergency appropriation was made.

[Supplemental and Emergency Appropriations and transfer of appropriated balances may be made from available reserves by resolution or ordinance approved by a majority of the Assembly. The Assembly may transfer unencumbered balances or parts thereof from any item of appropriation to any other item of appropriation, including new items, whether or not such other item is within the same department, office or agency.]

Section 10.04 Taxation: Powers.

The municipality shall have all powers of taxation which home rule boroughs may have under the state constitution and law.

**** Section 10.05 Taxation: Sales and Use Taxes; Ratification of Sales or Use Tax Rate Increases.**

(a) The municipality may, by ordinance, levy sales or use taxes on an areawide basis, a non-areawide basis, and a service area basis.

(b) No increase in the rate of levy of a sales or use tax generally applied on an areawide, non-areawide, or service area basis shall become effective except by an ordinance adopted by the Assembly and ratified by a majority of the qualified voters who vote on the ordinance at a general or special election. If the increase in the rate of levy of the general sales or use tax is limited to a service area or is non-areawide, the vote is limited to those qualified to vote in the area. The Assembly may, by ordinance, but without ratification by the voters, increase the rate of transient occupancy taxes, create or terminate exemptions

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to the sales tax, change administrative procedures or fees, and increase the rate of levy of sales or use taxes on specifically designated goods or services.
**

Section 10.06 Taxation: Assessment, Levy and Collection of Property Taxes -- Exemptions.

The municipality shall provide for the annual assessment, levy, and collection of taxes on property. No exemptions from taxation except those expressly provided by law or ordinance shall be allowed.

****Section 10.07 Property Tax Limit**

The property tax levy shall not exceed one & four-tenths (1.4%) percent (14 mill) of the assessed valuation of the property to be taxed. The voters may raise this limit by an affirmative vote of the majority of the voters participating in a special or regular election. This section shall not in any way limit the ability of the municipality to meet its bonded obligations and in no event shall the property tax levy during a year exceed three percent (thirty mills) of the assessed value of the property in the municipality.**

Section 10.08 [7] Taxation: Private Interests in Public Property and Payments in Lieu of Taxation

(a) **Taxation of Private Interests.** Private leaseholds, contracts, or interests in land or property owned or held by the United States, the state, or its political subdivisions shall be taxable to the extent of the private interests.

(b) **Port Payments in Lieu of Taxation.** The Assembly shall require the municipally-owned port to annually pay to the municipality a payment in lieu of taxes. [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.]

Section 10.09 [8] Taxation: Assessment -- Equalization.

The taxable status of property shall, for purposes of property taxes, be determined as of the first day of January, or such other date as may hereafter be prescribed by law, which is called the assessment day. Values on the assessment rolls shall be determined by the full and true value according to the facts existing on the assessment day for the year for which the assessment

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is made, and no change in the status of property after that day shall be considered in determining its value. In determining such values, any standards of appraisal established by law or ordinance shall be followed. The Assembly, acting as the Board of Equalization, shall equalize valuations of property assessed; provided that the Assembly, by ordinance, may delegate this power to a board created by ordinance when not prohibited by law.

Section 10.10 [9] Taxation: Lien on Real Property.

The municipality shall have a first lien on all real property and personal property against which municipal taxes are assessed, for the taxes and any collection charges, penalties, and interest which may accumulate thereto; and the lien shall continue until the taxes and any such charges, penalties, and interest are paid.

Section 10.11 [0] Taxation: Protection of Lien on Property.

The municipality may protect its lien for taxes on real property by sale at tax sale, or by purchasing the real property at any tax sale or other public sale, or by direct negotiation with the owner, or in any other legal manner. Any such procedure shall be deemed to be for a public purpose. When the municipality has acquired an interest in real property to protect a tax lien thereon, the owner of any interest in such real property may, within such time as provided by law, redeem the same by paying the delinquent municipal taxes and all accrued charges, penalties, and interest thereon, as provided by law or ordinance. After the municipality has held any tax-delinquent real property for such time as required by law, it may hold the same for public use or may sell it as provided by state law.

Municipal taxes on personal property shall be a debt to the municipality from the persons to whom they are assessed. If any person to whom such taxes are assessed fails or refuses to pay the taxes, such taxes and accrued charges, penalties, and interest may be collected by a personal action in the name of the municipality against the person to whom assessed in a court of competent jurisdiction, or by distraint and sale of any personal property of the person assessed. Neither of the remedies herein given shall be exclusive of the other or of any remedy provided by law.

Section 10.12 [1] Disbursements: Authority - Method.

Disbursements of municipal funds shall be made only in accordance with appropriations made as provided in this Charter, or, in case of funds which are not formally appropriated, then by authority granted by the Assembly or by the

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qualified voters of the municipality. The Assembly shall prescribe the method or methods of disbursing municipal funds.

Section 10.13 [2] Lapse of Appropriations.

At the close of the fiscal year, an unencumbered appropriation shall lapse into the fund from which appropriated. An appropriation for capital improvements, or in connection with requirements of federal or state grants, shall not lapse until the purpose of the appropriation has been accomplished or abandoned.

Section 10.14 [3] Annual Audit.

The Assembly shall provide for an annual independent audit of all municipality and municipal utility accounts. The audit shall be performed by a certified public accountant designated by the Assembly and shall be completed within 180 [120] days following the close of the fiscal year.

Section 10.15 [4] Deposit and Investments of Funds.

The Assembly shall regulate the deposit and investment of municipal funds, and shall determine what funds of the municipality may be invested. Municipal funds may be invested only in the following: General-obligation bonds and other general-obligation evidences of indebtedness of the United States, of the State of Alaska, of other states of the United States, of this municipality, and of other municipalities of this state; and such other securities as may be authorized by ordinance.

Section 10.16 [5] Purchases and Sales.

The Assembly shall, by ordinance, establish procedures for purchases and sales. Such procedures may include procedures for competitive bidding to the extent and subject to such exceptions established by the Assembly.

Section 10.17 [6] Public Improvements.

Public improvements, including local improvements, may be made by the municipal government itself or by contract. Except as provided in Section 8.02(a) or as otherwise provided by law, the Assembly shall award all contracts for such improvements; provided that the Assembly may, by ordinance, authorize the municipal manager or other authority to award such contracts not exceeding an amount to be determined by the Assembly and subject to such regulations as the Assembly may, by ordinance, prescribe. The Assembly may, by ordinance, establish regulations and procedures for competitive bidding or solicitations of quotations and awards of contracts and providing for rejection of all bids, bid protests, and project claims.

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ARTICLE XI -- BORROWING

Section 11.01 General-Obligation Bonds, and Revenue Bonds.

(a) Power to Borrow. The municipality shall have power to borrow money and to issue its general-obligation bonds, revenue bonds, or other such evidences of indebtedness therefore, but only when authorized by the Assembly for capital improvements and ratified at an election by a majority of those qualified to vote and voting on the question.

(b) Areawide, Non-areawide, and Service Area Indebtedness. The municipality may incur indebtedness:

- (1) On an areawide basis when exercising powers on an areawide basis;
- (2) On a service area basis when exercising powers through a service area;
- (3) On a non-areawide basis when exercising powers on a non-areawide basis.

Indebtedness incurred on a service area basis shall be repaid from revenues and taxes received from the service area and indebtedness incurred on a non-areawide basis shall be repaid from revenues and taxes received from the affected area. The full faith and credit of the municipality may, however, be pledged to guarantee repayment of indebtedness incurred on a service area basis or on a non-areawide basis if the indebtedness has been approved as required by this subsection. If the indebtedness is incurred for the exercise of areawide powers, the election approving the indebtedness shall be areawide. If the indebtedness is incurred on a service area basis and is to be repaid solely from revenues and taxes received from the service area, the election approving the indebtedness shall be among the voters of the service area. If the indebtedness is incurred on a non-areawide basis and is to be repaid solely from revenues and taxes received from the affected area, the election approving the indebtedness shall be among the voters of the affected area. If the full faith and credit of the entire municipality is pledged for the payment of indebtedness incurred on a service area or non-areawide basis, then the indebtedness must be approved on an areawide and on a service area or non-areawide basis.

(c) General-obligation evidences of indebtedness may also be secured by revenues from a revenue-producing utility or enterprise when they are issued for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the said utility or enterprise, and/or by other designated funds or revenues specifically pledged for payment of principal and

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interest thereon. Capital improvements as used hereinabove may also include a part of all of the municipality's share of the cost of public improvement of which a part is to be paid by benefitted property. Bond anticipation notes [Construction warrants] may be issued following bond issue approval, and pending sale of the bonds.

(d) The requirement for ratification does not apply to borrowing money to meet appropriations for a particular fiscal year, nor to indebtedness to be paid from special assessments to be made on benefitted property, nor to refunding indebtedness.

Section 11.02 Notice of Bond Election.

(a) Before holding any election required by this article, the Assembly shall cause a notice of election to be published once a week for three consecutive weeks in a newspaper of general circulation in the municipality. The first publication shall be at least twenty (20) days prior to the date of election. For elections approving the issuance of general-obligation bonds or revenue bonds the notice shall contain the following information:

- (1) The amount of the bonds, purposes of issuance, and length of time within which the bonds shall mature;
- (2) The amount of the estimated annual debt service on the proposed bonds based upon an estimate of the anticipated interest rate;
- (3) The amount of the current total general obligation indebtedness of the municipality including authorized but unsold bonds;
- (4) The amount of the current year's debt service on the outstanding bonds of the municipality;
- (5) The current total assessed valuation within the municipality.

(b) For bonds secured by a pledge of taxes to be levied in a service area or on a non-areawide basis, the notice shall also contain the information required in (3), (4), and (5) relative to the service area or other area. For bonds secured by a pledge of the municipal utilities' revenues, the notice shall contain the information required in (3) and (4) relative to the affected municipal utilities.

(c) Omissions of information required by (2), (3), and (4) or errors in such information shall not invalidate any election.

Section 11.03 Borrowing to Meet Appropriations.

The municipality shall have power to borrow money to meet appropriations for any fiscal year in anticipation of the collection of revenues for that year, when

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authorized by the Assembly, and without submitting the question to the voters. The total of such indebtedness shall never exceed 25% of anticipated revenues of that year. All debts so contracted shall be paid before the end of the next fiscal year.

Section 11.04 Revenue Bonds and Borrowing.

The municipality shall have power to borrow money and to issue revenue bonds or other such evidences of indebtedness therefore, the principal and interest of which are payable solely out of, and the only security of which is, the revenues of a revenue-producing municipal utility or enterprise; but only when authorized by the Assembly and ratified by the voters for the acquisition, construction, reconstruction, repair, improvement, extension, enlargement, and/or equipment of the said utility or enterprise, for refunding or for purposes authorized by Section 11.03 of this Charter. Bond anticipation notes [Construction warrants] may be issued following the ratification of a bond issue and pending sale of the bonds.

Section 11.05 Economic Development Financing

The municipality may enact ordinances authorizing the issuance of non-recourse revenue bonds or other non-recourse revenue obligations and the application of the proceeds thereof for economic development purposes, subject to the following limitations:

(a) Non-recourse revenue bonds and other non-recourse revenue obligations issued pursuant to this section shall be payable only from money or other property received as a result of projects financed by the non-recourse revenue bonds, or other non-recourse revenue obligations, and from money or other property received from private sources.

(b) Non-recourse revenue bonds and other non-recourse revenue obligations issued pursuant this section shall not be payable from, or secured by, any municipal assets, tax funds, or governmental revenue, or by all or part of the faith and credit of the municipality.

(c) Non-recourse revenue bonds or other non-recourse revenue obligations may only be used to finance economic development projects, as defined by ordinance.

The restrictions of Articles VIII, X, and XI of this Charter shall not be construed as limitations upon the authority granted by this section. Non-recourse bonds and other non-recourse revenue obligations may be issued pursuant to this

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section without ratification at an election.

Section 11.06 Unexpended and Unencumbered Balances.

Every bond or other evidence of indebtedness shall contain a statement of the purpose for which it is issued, and the proceeds thereof shall not be used for any other purpose, except that, whenever any proceeds of an issue remain unexpended and unencumbered for the purpose for which issued, the Assembly shall authorize the use of such unexpended and unencumbered funds only for the following purposes, which are listed in descending order of priority:

- (a) For the retirement of such issue;
- (b) If such issue has been fully retired, then for the retirement of other bonds or obligations issued on the same areawide, service area, or non-areawide basis;
- (c) If there are no such other bonds or obligations of the Assembly outstanding, then for any purpose related to the same areawide, service area, or non-areawide purpose.

**** Section 11.07 Voiding Authorization of Bonds.**

The Assembly, by resolution or ordinance, may void the authorization of any unsold bonds or other evidences of indebtedness at any time. Every obligation shall be sold within the ten years following the adoption of the ordinance authorizing its issuance or the ratification of such issuance by the qualified voters of the municipality, whichever is later, except when such sale has been delayed by an action to determine the validity of the proceedings authorizing the issuance of such obligations, in which case the period of such delay may be added to the said ten years. Authorization of obligations not sold within the time limits provided shall lapse unless otherwise voided at an earlier date by the Assembly. **

Section 11.08 Assembly to Have Power to Regulate.

The Assembly shall have power to regulate the indebtedness of the municipality and the issuance of bonds and other evidences of indebtedness, regardless of type or purpose, including general-obligation, revenue, special-assessment, refunding, and other, subject only to the limitations imposed by the state constitution and law and this Charter.

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ARTICLE XII AREAWIDE, NONAREAWIDE, AND SERVICE
AREA POWERS [~~SERVICE AREAS AND AREAWIDE POWERS~~]

Section 12.01 Areawide [~~and Non-areawide~~], Nonareawide, and
Service Area Powers.

Except as otherwise required by this Charter or by applicable state law, all powers of the municipality may be exercised on an areawide, non-areawide, ~~or~~ service area basis, or other basis.

Section 12.02 Mandatory Areawide Powers.

In addition to all other powers that the municipality may exercise on an areawide basis, the following powers shall be exercised on an areawide basis:

- (a) The power to dispose of solid waste, whether through recycling, landfilling, shipping, or any other means, and the power to operate, maintain, monitor, remediate, repair, or remove landfills, including those previously owned or operated by the City of Ketchikan, whether or not such landfills were in operation or were closed on the effective date of this Charter;
- (b) The power to provide public libraries, civic centers, museums, and associated services;
- (c) The power to provide for hospital and public health services, including, but not limited to, those services formerly provided by the City of Ketchikan's Gateway Center for Human Services. The power to provide emergency medical services shall be exercised as provided in Section 12.07;
- (d) The power to provide public parks and recreation facilities and to provide recreational activities;
- (e) The power to provide port and harbor facilities and services;
- (f) The power to provide cemetery and mausoleum services;
- (g) The power to provide 911 emergency dispatch services;
- (h) ** The power to provide public transportation systems, including, but not limited to, airports (including airport police, **firefighting, and other**

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auxiliary services), [air-taxi], and public mass transit; **

- (i) The power to provide animal control; [and]
- (j) The power to provide economic development[.] ; and
- (k) The power to provide disaster planning and emergency response.

~~[This section shall not prohibit the City of Saxman from also exercising within its boundaries as of the effective date of consolidation, any power which it exercised prior to consolidation.]~~

Section 12.03 Services Provided by Service Area

- (a) The following powers shall be exercised only through service areas:
 - (1) The establishment and operation of police departments, the hiring of police officers, or the contracting for the services of police officers;
 - (2) ** The establishment and operation of fire departments, the hiring of firefighters, and the contracting for fire fighting services; **
- 1. The collection, but not disposal, of solid waste.

However, nothing in this Charter prohibits the municipality from providing police, firefighting, solid waste collection, or other auxiliary functions to the exercise of an authorized areawide power at areawide expense when necessary to operate facilities used for areawide services; or to respond to a disaster as defined by State law.

Nothing in this Charter, except Section 12.02, prohibits the municipality from exercising any other power on a non-areawide basis or through service areas. No areawide power shall be interpreted to include or authorize any of the powers described in (1) through (3) above. Dispatching services for fire and law enforcement may, however, be provided areawide and shall be provided areawide for emergency 911 dispatching.

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(b) Until otherwise changed, that area described in the consolidation petition as the Ketchikan Service Area shall be a service area for each and all of the powers described in (a)(1)-(3) above and for the power to build, operate, maintain, and replace roads, bridges, sidewalks, culverts, storm sewers, and drainage ways, and other public works. **[Except for the Shoreline Service Area,]** **[a]** All **[other]** service areas in existence on the date this Charter becomes effective shall continue in effect until such time as changed as provided in this Article and the municipality shall exercise the same powers within those service areas as were exercised by the former Ketchikan Gateway Borough. **[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.]** By consolidation petition is meant that petition filed by the Ketchikan Gateway Borough **[City of Ketchikan]** for the consolidation of the City of Ketchikan and the Ketchikan Gateway Borough with all exhibits and amendments.

Section 12.04 Creation, Expansion, Reduction, Consolidation, Alteration, and Termination of Service Areas.

(a) **Creation of Service Areas.** The Assembly may create new service areas only by an ordinance which describes the boundaries of the service area and the powers to be exercised therein and which is either:

- (1) Approved by a majority of the voters residing within the proposed new service area; or
- (2) Consented to in writing by all of the owners of real property within the boundaries of the proposed service area if no voters reside in the proposed service area.

If, within the previous two (2) years, any part of the service area to be created was part of a service area which provided similar services, the vote to approve creation of the new service area will require the approval of both a majority of the voters in that area which previously received the services and in that area which did not.

(b) **Expansions or Reductions of Service Areas.** The boundaries of a service area may only be expanded or reduced by an ordinance adopted by the Assembly which describes the proposed new boundaries of the service area and the powers to be exercised therein and which is approved by both:

- (1) A majority of the voters residing within the boundaries of the existing service area or, in the case of a reduction, a majority of

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the voters who will remain within the boundaries of the service area after the reduction; and

- (2) A majority of the voters residing in the area which will be added to or subtracted from the existing service area or, if no voters reside within that area, by written consent of all owners of real property within the area which will be added to or subtracted from the existing service area.

(c) **Consolidation of Service Areas.** Service areas may be consolidated for any or all of the services provided by each service area. Such consolidation shall be by an ordinance adopted by the Assembly and approved by a majority of the voters residing in each of the service areas to be consolidated.

(d) **Expansion or Reduction of Powers.** When a service area has been established for the exercise of one or more powers, the municipality may exercise additional service area powers in that service area or reduce the service area powers exercised in that service area only by an ordinance adopted by the Assembly and approved by a majority of the voters residing within the service area. 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.

(e) **Termination.** Any service area may be terminated only by an ordinance adopted by the Assembly which describes the boundaries of the service area and the services to be terminated and which is either:

- (1) Approved by a majority of the voters residing within the service area to be terminated; or
- (2) Consented to in writing by all of the owners of real property within the boundaries of the service area to be terminated, if no voters reside in the service area.

Except for terminations under 12.04(f), the ordinance shall provide for the disposition of the service area's assets and shall provide for payment of the service area's indebtedness and ongoing operational and maintenance expenses from revenues obtained from the service area.

(f) **Sanitary Sewage Service Areas.** The provisions of this Section 12.04 and Subsection 12.06(c) shall not apply to sanitary sewage services. The Assembly may by ordinance and without voter approval exercise sanitary sewage service powers on an areawide basis, service area basis, or a non-areawide basis in such manner as it determines. The ordinance may

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designate sanitary sewage services as municipal utilities under Section 8.01. The term sanitary sewage services means any collection, transport, treatment, or disposal of human waste.

(g) **Majority of Voters.** For purposes of this section the term "majority of the voters" shall mean a majority of the qualified voters casting a ballot on the proposition at a general or special election.

Section 12.05 Criteria for Establishing Service Areas.

Service areas shall be established according to criteria of need and economic operating efficiency and shall comprise the area to which the services shall be provided. A new service area shall be established only after Assembly determination that such services cannot be reasonably provided by an existing service area or by alteration of an existing service area. Nothing in this section will be interpreted to permit the establishment of a service area in any other manner than as provided for elsewhere in this Charter.

Section 12.06 Financing and Management.

(a) **Service Area Taxes.** The Assembly may levy taxes, assessments, payments in lieu of taxes, and other charges within a service area to pay for costs of that service area. Sales taxes on the sale of goods and services may be levied for service area purposes to the fullest extent allowed by law.

(b) **** Supervision of Service Areas.** The Assembly may provide for an appointed or elected board to supervise the furnishing of services in a service area or may exercise such supervision by itself. The Assembly or board shall determine the cost and levels of service, the means, methods, and facilities for providing the service and all requirements for receiving the service. **

(c) **Use of Property and Assets of a Service Area.** Except as provided in this subsection, funds raised by service area taxes, assessments, and charges shall not be used for any purpose other than to pay for costs of the service area. Unless a service area is terminated or consolidated, the revenues, equipment, property, personnel, and assets acquired or employed for that service area shall not be used to provide services outside of the service area. With the approval of the Assembly, any service area may participate in joint ventures, sharing of revenues, equipment, property, personnel, and assets, mutual assistance, and other cooperative arrangements provided that such service area is reasonably compensated in proportion to the revenues, equipment, property, personnel, and assets it contributes. Reasonable

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compensation may be in the form of services, money, future obligations, or other forms determined by the Assembly.

**** Section 12.07 Emergency Medical Services**

The emergency medical services previously provided by the City of Ketchikan will be provided to such areas as designated by the Assembly where no other adequate emergency medical service exists. Unless the Ketchikan Service Area is compensated for the resulting increase in its service area costs, emergency medical services shall be provided through the Ketchikan Service Area but funded by the entire area being served. The provisions of Sections 12.04 and 12.06(c) shall not apply to service areas for the providing of emergency medical services. This section shall not require the municipality to extend emergency medical services to remote locations or to areas where the extension of such service is not deemed practicable by the Assembly. Until otherwise changed as provided by this section, emergency medical services shall be provided by the service area established under the transition plan described in Section 16.09. **

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ARTICLE XIII SAXMAN

The municipality shall take no action to initiate or support the dissolution, merger, or consolidation of the City of Saxman [~~shall remain a separate municipal entity~~]. Within its boundaries as of the date of consolidation the City of Saxman may, to the extent permitted by law, exercise those powers which [~~museum, ports, harbors, parks, recreation, sanitary sewer powers, economic development powers and other powers~~] it exercised prior to consolidation even though the municipality exercises those same powers. ** Until otherwise provided by law, the City of Saxman shall continue to receive such areawide municipal services as it previously received from the Ketchikan Gateway Borough ** and services under this Charter or authorized by the Assembly pursuant to law. This Article does not exempt persons living in Saxman from taxes or charges levied to provide areawide services

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ARTICLE XIV LOCAL IMPROVEMENT AND SERVICE DISTRICTS

Section 14.01 Purpose.

Subject to this Charter's limitations on the exercise of areawide and service area powers, the municipality shall have the power to make public improvements, including local improvements and to provide local services, within the municipality.

To the extent otherwise permitted by this Charter and other law, the cost of a public improvement and local services may be paid wholly by the municipality, or partly by the municipality and partly by benefitted property, or wholly by benefitted property, as the Assembly may determine. Said cost or part thereof to be borne by benefitted property may be assessed by special assessment upon the benefitted property.

**** Section 14.02 Local Improvement Procedure.**

The Assembly may begin procedures for local improvements either by resolution [on its own initiative] or upon receipt of a petition. Procedures for local services may begin only upon petition of a majority of the owners [of a majority] of the property which will be assessed for the local service. The Assembly shall prescribe, by ordinance, special assessment procedures, including re-assessment procedures, for local improvements and local services and for agreements for furnishing local services, capital improvements, and the extension thereof in lieu of assessment. **

Section 14.03 Lien for Special Assessments.

The municipality shall have a first lien upon all real property against which special assessments are assessed, for the special assessments and any collection charges, penalties, and interest which may accumulate thereto; and the lien shall be of the same character, effect, and duration, and shall be enforceable in the same manner, as the lien for municipal taxes.

Section 14.04 All Real Property Liable for Special Assessments.

All real property, including such as is exempt from taxation in accordance with law, shall be liable for the cost of local improvements and local services assessed in accordance with this article unless specifically exempted from special assessments by law. If municipality property is benefitted by the local improvement or local services, the Assembly may make payments in lieu of the amount which would otherwise be assessed against the property.

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ARTICLE XV CHARTER AMENDMENT

Section 15.01 Proposal.

Amendments to this Charter may be proposed by:

- (a) An ordinance of the Assembly containing the full text of the proposed amendment;
- (b) Report of an elected charter commission created by Assembly ordinance or by initiative ordinance; or
- (c) Initiative petition.

Section 15.02 Election.

Proposed amendments shall be submitted to the qualified voters of the municipality at the next regular or special election occurring more than forty-five days after the adoption of the ordinance, the final report of the charter commission, or certification of the initiative petition. A notice containing the full text of each proposed amendment shall be published.

Section 15.03 Effective Date.

If a majority of the qualified voters voting on a proposed amendment approve the amendment, it shall become effective at the time fixed therein, or if no time is so fixed, thirty days after the certification of the election. If more than one amendment should be proposed, all of them except those which are so interrelated that they should be approved or rejected together, shall be submitted in such manner that the voters may vote on them separately.

Section 15.04 New Charter.

A new charter may be proposed and approved in lieu of this Charter in the same manner as an amendment to this Charter may be proposed and approved, except that the full text of the proposed charter need not be published.

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ARTICLE XVI

GENERAL PROVISIONS

Section 16.01 Personal Financial Interest; Nepotism.

(a) **Prohibition.** An elected municipal officer may not participate in any official action in which the officer or a member of the officer's household has a substantial financial interest unless, after disclosure of the interest, the officer's participation is approved in public meeting by the presiding officer or a majority of the body. Municipal officials shall publicly disclose their substantial financial interests as required by law. The Assembly, by ordinance, shall adopt procedures dealing with conflicts of interest on the part of municipal employees.

(b) **Punishment.** Any municipal officer, employee, or elected official who conceals such financial interest or willfully violates the requirements of this section shall be guilty of malfeasance in office and shall forfeit his office or employment. Violation of this section with the knowledge, express or implied, of the person contracting with or making a sale to the municipality shall render the contract or sale to the municipality voidable by the municipal manager or the Assembly.

(c) Except when chosen solely on the basis of competitive examination administered and graded by persons not employed by the municipality, the municipal manager, the mayor, the Assembly, and their subordinates or appointees shall not appoint or hire any person to any employment or office who is related to the municipal manager, the mayor, or any assemblymember or to the spouse of the municipal manager, the mayor, or any assemblymember. Except when chosen solely on the basis of competitive examination administered and graded by persons not employed by the municipal utilities, the utilities general manager, the municipal utility board, and their subordinates or appointees shall not appoint or hire to any employment or office any person who is related to the utilities general manager or to any municipal utility board member or to the spouse of the general manager or of any municipal utility board member. For purposes of this subsection a person is considered related to an official or the official's spouse if the person is a parent, spouse, child, sibling, half-sibling, grandparent, grandchild, great grandparent, great grandchild, aunt, uncle, niece, nephew, or is a spouse of any of the above. This subsection shall not prohibit an officer or employee from continuing employment which the officer or employee held prior to becoming a relative or prior to the relative's term of office. This subsection shall not prohibit an officer or employee from being promoted, under applicable personnel rules,

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from a position held by the officer or employee prior to becoming a relative or prior to the relative's term of office. This subsection shall also not apply if the relative is an independent contractor for goods and services provided that the contract has been awarded or approved as provided in paragraph 2.10(a)(2).

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Section 16.02 Surety Bonds.

The municipal manager, the clerk, the finance officer, and such other officers and employees as the Assembly may designate before entering upon their duties shall be bonded by individual or group bonds for the faithful performance of their respective duties payable to the municipality in such form and in such amounts as the Assembly may prescribe with a surety company authorized to operate within the state. The municipality shall pay the premiums on such bonds.

Section 16.03 Oath of Office.

Every officer of the municipality before entering upon his duties shall take the oath or affirmation required by section 5 of Article XII, Constitution of the State of Alaska. The Assembly may require designated employees to take such oath before entering upon their employment. Oaths of office shall be filed with the clerk.

Section 16.04 Municipal Proceedings.

The Assembly, by ordinance, shall establish procedures governing administrative proceedings in which the legal rights, duties, privileges, or penalties of persons are to be determined; provide for fair and equal treatment of all persons involved in such proceedings; and provide for the conduct of such proceedings in an orderly and uniform manner.

Section 16.05 Ordinances and Resolutions.

Except as otherwise provided by this Charter or by the transition plan, the ordinances and resolutions of local governments to be dissolved shall continue in full force and effect in their respective jurisdictions until expressly reaffirmed, revised, or repealed by the Assembly.

Section 16.06 Pre-Consolidation Assets, Liabilities, Sales Taxes, Reserves and Franchises, and Collective Bargaining Rights

(a) **Assets and Liabilities.** The municipality shall succeed to all the assets and liabilities of the former City of Ketchikan and of the former Ketchikan Gateway Borough. Bonded indebtedness incurred before consolidation shall remain the obligation of the area which was subject to the debt unless the asset for which the bonded indebtedness was incurred is used for an areawide purpose or is used for the benefit of a larger area, in which case the obligation shall become the obligation of the area benefitted by the asset's use. The obligation to repay revenue bonds issued by the City of Ketchikan d/b/a Ketchikan Public Utilities shall not be affected by this Charter.

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(b) **** Sales and Use Taxes.** All sales and use taxes levied within the former City of Ketchikan and the former Ketchikan Gateway Borough shall remain in effect until changed as provided in this Charter. Within one year from the first election under this Charter, the Assembly shall apply the levy of the former City of Ketchikan's one percent (1%) hospital and other purposes sales tax on an areawide basis throughout the municipality with the revenues from the areawide levy being appropriated for the municipality. The ratification requirement of Section 10.05(b) shall not apply to this one percent areawide levy. The remaining two-and-one-half percent (2½%) of the former City of Ketchikan's sales tax shall be appropriated for the Ketchikan Service Area. Sales tax levies required by this section shall remain in effect until changed as provided in this Charter. ******

(c) **Reserves.** Any pledged reserve accounts of the prior local governments shall remain committed to the purposes for which they were originally dedicated.

(d) **Franchises.** All existing franchises of the governments to be consolidated shall continue after ratification of this Charter until they expire, are extended, renewed, or revoked by the Assembly.

(e) **Salaries.** Until changed as provided in Section 2.06, the salaries and expenses of the mayor and assemblymembers will be the same as paid to the mayor and councilmembers of the former City of Ketchikan.

Collective Bargaining. If the municipality opts out of the Alaska Public Employment Relations Act [Alaska Stats. 23.40.070 - 23.40.260 (1998)], the Assembly shall adopt and may thereafter amend an employment relations ordinance which will extend to eligible municipal employees the right to bargain collectively on wages, hours, and such terms and conditions of employment as are permitted by ordinance. The ordinance shall provide for the recognition and decertification of collective bargaining units and shall define the scope and nature of collective bargaining. Those collective bargaining units and their representatives which were previously recognized by the Ketchikan Gateway Borough or the City of Ketchikan will, unless decertified or modified by vote of the represented employees, continue to be recognized by the municipality for the purpose of collective bargaining under the ordinance.

Section 16.07 Continuance of Actions.

The adoption of this Charter shall not abate or otherwise affect any action,

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claim, or proceeding, civil or criminal, by or against, a local government to be consolidated and which had accrued at the time of the effective date of this Charter. All applications, petitions, hearings, and other proceedings pending on the effective date before a local government to be consolidated shall be continued before the municipality.

Section 16.08 Intergovernmental Relations.

The municipality may exercise any of its powers or perform any of its functions and may participate in the financing thereof, jointly or in cooperation, by agreement with any one or more local governments, the State of Alaska, or the United States, or any agency or instrumentality of those governments.

Section 16.09 Transition Plan.

Other provisions concerning the transition shall be governed by the transition plan as approved by the Local Boundary Commission and any changes made thereto by the Assembly.

Section 16.10 Penalties.

Within six months after adoption of this Charter, the Assembly, by ordinance, shall prescribe penalties for violations of this Charter if no penalty is prescribed by this Charter.

Section 16.11 Separability Clause.

If a court of competent jurisdiction should hold any section or part of this Charter invalid, such holding shall not affect the remainder of this Charter nor the context in which such section or part so held invalid may appear, except to the extent that another part of the Charter may be inseparably connected in meaning and effect with that section or part.

If a court of competent jurisdiction holds a part of this Charter invalid, or if a change in the state constitution or law renders a part of this Charter invalid or inapplicable, the Assembly, by ordinance, may take such appropriate action as will enable the municipal government to function properly.

Section 16.12 Effective Date.

If, at an election ordered pursuant to Alaska Statutes 29.06.140(a) and (b), the voters approve of the consolidation of the City of Ketchikan and the Ketchikan Gateway Borough, this Charter shall become effective on the date the consolidation becomes effective.

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