

KETCHIKAN CHARTER COMMISSION

AGENDA STATEMENT

NO I-1

MEETING OF May 5, 2004

ITEM TITLE 2004 Draft Consolidation Petition for Discussion Purposes SUBMITTED BY Glen Thompson

SUMMARY STATEMENT

In its' efforts to complete a viable Consolidation Petition for submittal to the Local Boundary Commission by September 30, 2004, the Ketchikan Charter Commission adopted as a working draft the City of Ketchikan's 2001 Charter. Similarly, the Commission intends to review and modify the City of Ketchikan's 2001 Consolidation Petition and Exhibits.

During this weeks' meeting, the Commission recessed into work session and reviewed the attached Draft Petition Exhibits, which included Exhibits G, H, J, & K. Once the changes in this initial review are approved, the sections will revert to a working Draft document that will only be finalized at the time of submittal to the LBC.

RECOMMENDED ACTION:

"I move to adopt the clerical changes as set forth in work session, to include changes in wording, updating population and tax numbers and deletion of unnecessary references in the Draft Petition Exhibits G, H, J, & K.

EXHIBIT G

VOTING RIGHTS INFORMATION

Information relevant to consideration of the petition in terms of the federal Voting Rights Act is detailed below:

A. The consolidation of the City of Ketchikan and the Ketchikan Gateway Borough does not exclude minorities while including non-minorities.

Since the City of Ketchikan is already part of the Ketchikan Gateway Borough, the consolidation of these two governments cannot result in the exclusion or inclusion of any particular population. All of the people affected by the consolidation are already within the Ketchikan Gateway Borough and will remain part of the newly consolidated Borough (the municipality of Ketchikan).

The percentages of minorities living within the City of Ketchikan are nearly identical to the percentages of minorities living in the Ketchikan Gateway Borough. The Department of Community and Regional Affairs' records show the City's population as 78.3% Caucasian; .6% African-American; 15.7% native; and 4.9% Asian-Pacific Islander. By comparison, the Borough's population was 81.8% Caucasian; .5% African-American; 13.7% native; and 3.6% Asian-Pacific Islander. The consolidation does not affect the percentage of minorities living in the municipality of Ketchikan since that municipality will have the same minority composition as the existing Ketchikan Gateway Borough.

The City of Saxman is a second class city with a population of 371.1. Approximately 88% of Saxman's population is identified as native. The City of Saxman is currently part of the Ketchikan Gateway Borough and will remain a part of the consolidated municipality of Ketchikan. Under Article XIII of the proposed Charter for the Municipality of Ketchikan, the City of Saxman retains its status as a second class City. The City of Saxman believes that it will be better able to receive state and federal funding and be better able to preserve its native culture if it retains its status as a city within the consolidated municipality of Ketchikan. Representatives of the City of Saxman have expressed a desire to maintain its current status under the consolidated Borough.

The City of Saxman will retain its current powers over its museum, port, parks, recreation and economic development. To the extent provided by state law, the City of Saxman will exercise all other powers of a second-class city in a home rule borough. The consolidated municipality of Ketchikan will exercise areawide and non-areawide powers in the City of Saxman. After consolidation, the residents of the City of Saxman will gain the right to vote on issues affecting Ketchikan Public Utilities which supplies electricity and telephone service to Saxman. Ketchikan Public Utilities has been owned and operated by the City of

¹ Alaska Department of Community and Economic Development, December, 1999.

Ketchikan but will become owned and operated by the consolidated municipality of Ketchikan.

B. Whether the electoral system of the proposed home rule borough fairly reflects minority voting strength.

The proposed Charter for the municipality of Ketchikan continues the at-large voting system which exists in the City of Ketchikan, the Ketchikan Gateway Borough and the Ketchikan Gateway School District. Minority voting strength is reflected through the at-large voting system. As noted earlier, the consolidation will extend to the population of the City of Saxman the right to vote and participate in issues affecting its electrical and telephone services.

C. The extent to which minorities participated in the development of the consolidation proposal.

The proposed consolidation has been discussed at innumerable public meetings during the course of the last five years. Public comment was permitted by all persons at these meetings. Furthermore, representatives of the City of Saxman were invited to participate in a charter review commission established for the purpose of creating an initial first draft of the proposed Charter. The City of Saxman's participation was obtained during this initial charter preparation. The City has written to prominent minority group organizations to inform them of the pending consolidation and to invite formal and informal participation by the organizations and their members (see Exhibit G-1).

D. Statement concerning the extent to which English in written and spoken forms is not understood by minorities at least eighteen years of age who reside in the territory proposed for consolidation.

English is spoken and understood throughout the City of Ketchikan and the Ketchikan Gateway Borough. All minority groups are familiar with English in written and spoken form. Spanish or Tagalog may occasionally be spoken within the Filipino community by new immigrants. Some residents are fluent in Tlingit, Haida or Tshimshian as well as English.

E. Designation of Alaska Native for U.S. Department of Justice contract.

The City has designated Ernest Boyd, a Tlingit, as the Alaska Native designated for U.S. Department of Justice contact. Mr. Boyd's address and telephone number are:

P.O. Box 6831,
Ketchikan, Alaska 99901
(907) 225-2567

EXHIBIT H

BRIEF

This exhibit presents a statement fully explaining how the proposed consolidation satisfies the standards set out in Article X, §§ 1, 3 and 5 of Alaska's constitution; AS 29.06.130; AS 29.05.031; 3 AAC 110.240 - 3 AAC 110.250; 3 AAC 110.045 - 3 AAC 110.060; and 3 AAC 110.910. The brief references each of these standards and explains why the proposed consolidation is good public policy. The brief in conjunction with Exhibit A demonstrates that:

1. The proposed consolidation promotes maximum local self-government with a minimum of local government units in accordance with Article X, § 1 of the Constitution of the State of Alaska.

The greater Ketchikan community is located on Revillagigedo Island, which is situated in the southern portion of the Southeast Alaska panhandle. Having a population of slightly less than 14,000 inhabitants, the Ketchikan community has long been the center of residential, retail and business activity within this region of the State. Although its residents share a multitude of common social and economic ties, they are served by three separate and distinct local governments: the Ketchikan Gateway Borough, a second class borough serving the entire Ketchikan community; the City of Ketchikan, a home rule city located within the Borough; and, the City of Saxman, a second class city also located within the Borough.

Article X, Section 1 of the Alaska Constitution states that the purpose of the Local Government Article is to “provide a maximum of local self-government with a minimum of local government units.” The proposed consolidation serves both of these constitutional principles. First, the consolidation dissolves the home rule City of Ketchikan and the second class Ketchikan Gateway Borough, in order to form one consolidated home rule local government encompassing both entities. Under the proposed consolidation configuration, the existing City of Ketchikan will become a service area managed under the consolidated home rule borough and the City of Saxman will retain its second-class city status. Second, as a home rule borough, the newly established borough government will have the highest level of local self-government allowed by the Alaska Constitution.

The City of Saxman was intentionally excluded from the proposed consolidation of the City of Ketchikan and the Ketchikan Gateway Borough into a home rule borough. The City of Saxman has long believed that retaining its status as a second class city within the consolidated borough will preserve its native culture and enhance its ability to secure state and federal funding.

Minimum units of local government

The City of Ketchikan was incorporated in 1900. In 1964, it became a home rule city. The 1999 population of the City was 8,320. The City operates under a council-manager form of government. The City Council is comprised of seven

Councilmembers who are elected at-large from within the City boundaries. The Mayor, who is also elected at-large, is not a member of the City Council, but does vote in the case of a tie.

The City of Saxman was incorporated in 1929. With a 1999 population of 371, the second class city under Alaska Statutes has a city council comprised of seven councilmembers. A mayor is selected by the City Council from its members on an annual basis. Day-to-day operations of Saxman are managed by a City Administrator.

The Ketchikan Gateway Borough was formed in 1963 as one of the original “local option” boroughs. A second class borough with a 1999 population of 13,961, the boundaries of the Ketchikan Gateway Borough encompass both the City of Ketchikan and City of Saxman. Similar to the City of Ketchikan, the Ketchikan Gateway Borough operates under an assembly-manager form of government. The Borough Assembly is comprised of seven Assemblymembers who are elected at-large from within the Borough boundaries. The Mayor, who is also elected at-large, is not a member of the Borough Assembly, but does vote in the case of a tie.

Although the seventh largest political subdivision in the state, the population of the Ketchikan Gateway Borough is relatively small. Given the fact that sixty percent of the Borough’s population resides within the City of Ketchikan and that the social and economic ties of all Borough residents, whether they reside inside or outside the City, are integrated and strong, it is inefficient to maintain the City of Ketchikan and the Ketchikan Gateway Borough as two separate governmental structures. The inefficiency is readily apparent when one considers the overlapping responsibilities and costs necessary to operate these two independent governments. Currently, for example, there exist two governing bodies and four departments within the City of Ketchikan and the Ketchikan Gateway Borough that are analogous to one another and which require a redundant investment of community resources:

-
- City Council and Borough Assembly;
- _City Clerk and Borough Clerk;
- City Manager and Borough Manager;
- City Attorney and Borough Attorney; and
- _City Finance and Borough Administrative Services.

Consolidation will provide for the amalgamation of these governing bodies and departments. The government structure resulting from consolidation will be significantly smaller and less costly to the community as a whole. As is discussed in the Transition Plan, the consolidated government is initially expected to have 8 less elected officials and 8 less middle and upper management positions than are currently retained by the City and Borough. The elimination of these positions will result in annual savings to the community in excess of \$950,000. It is anticipated that additional savings will accrue to the consolidated government as further efficiencies are identified in the future.

Separate City and Borough governments often lead to confusion and frustration among the citizenry of Ketchikan. Both the City and Borough are responsible for separate and distinct services that benefit the entire community of Ketchikan. Residents of the community often become perplexed and frustrated when attempting to determine which government is responsible for what service.

The Borough is, for example, responsible for land use regulation on an areawide basis, while the City is charged with enforcement of building codes within its boundaries. Often the two are at odds and the local resident finds himself or herself shuffling back and forth between the two entities for answers. Depending on the issue, constituents may find themselves in the position of not only having to deal with two government staffs, but two elected boards as well.

A consolidated government by its very nature will provide for a higher degree of accountability. One elected board and management staff will be responsible for exercising and providing all areawide and non-areawide powers and services within the community in as an efficient and cost-effective manner as possible. Issues of "turf" will be eliminated and residents of the community will have direct knowledge of who is responsible for satisfying constituent concerns.

The inefficiency of two governmental entities representing Ketchikan is further apparent in the community's dealings with State and Federal agencies. While the community has formed the Ketchikan Community Legislative Liaison Committee, a non-binding organization comprised of representatives from the City of Ketchikan, City of Saxman, Ketchikan Gateway Borough and other community groups, countless issues arise which position the City's interests in opposition to those of the Borough. One need only look to the Shoreline annexation petition submitted by the City, as well as the Borough's subsequent response, to understand the inefficiencies and conflict of two governmental agencies representing essentially the same population. Given the decline of Southeast Alaska's natural resource-based economy and the State's current fiscal gap, it is incumbent upon elected and appointed officials to encourage as efficient a local government as possible and to speak with one voice when seeking State and Federal assistance.

Maximizes self government

Consolidation of the City of Ketchikan and the Ketchikan Gateway Borough proposes to create one governmental entity under a home rule form of government. Under the Alaska Constitution, a home rule form of government provides for the maximum level of self-government. More efficient than a second class borough, a home rule borough will enable local residents to define for themselves under the borough Charter which powers are exercised and how new powers may be assumed. The proposed Charter extends similar protection to service areas in that the residents will determine which powers are exercised and how new powers may be assumed.

The home rule charter is a powerful tool that customizes local government to local

needs and desires. Home rule municipalities may exercise any power in any manner not specifically limited by state law. Under a home rule form of government, a municipality through its charter may augment or limit local government powers. By the formation of a home rule borough through consolidation of the City of Ketchikan and the Ketchikan Gateway Borough, local residents will be empowered to define for themselves which powers are to be exercised and how these powers may be assumed.

2. The boundaries of the proposed borough embrace an area and population with

common interests to the maximum degree possible in accordance with Article X, § 3 of the Constitution of the State of Alaska.

The Ketchikan Gateway Borough is located near the southernmost boundary of Alaska, in the Southeast Panhandle. Comprised of 1,220 square miles of land area and 524 square miles of water area, the Borough encompasses Revillagigedo, Gravina and Pennock Islands, as well as several other smaller islets.¹ Incorporated in 1963 as a result of the State Mandatory Borough Act, the Ketchikan Gateway Borough is the second smallest Borough in the State in geographic terms. Having a population of 13,961, the Borough includes the Cities of Ketchikan and Saxman, as well as a number of smaller but well defined neighborhoods located along the main road system.

Article X, Section 3 of the Alaska Constitution states that each “borough shall embrace an area and population with common interests to the maximum degree possible.” The proposed consolidation of the Ketchikan Gateway Borough and City of Ketchikan will not alter or amend the existing boundaries of the Borough. As the boundaries of the Ketchikan Gateway Borough currently embrace an area and population with common interest, consolidation of the City and Borough will also embrace an area and population with common interest.

¹Alaska Department of Community and Economic Development, December, 1999.

It is recognized that the boundaries of the proposed consolidated borough do not coincide with the model boundaries of the Ketchikan Gateway Borough as established by the Local Boundary Commission. Although the model boundaries are not incorporated within this petition for consolidation, the proposal is a further step in the right direction with respect to achieving a more efficient government with the maximum level of self-government. The proposed consolidation should be considered as significant progress towards meeting the goal of achieving an ideal municipal boundary.

3. The population of the proposed borough is interrelated and integrated as to its social, cultural, and economic activities, and is large and stable enough to support a borough in accordance with AS 29.05.031(a)(1), 3 AAC 110.045(a), (b), (d) and 3 AAC 110.050.

The proposed consolidation will dissolve the home rule City of Ketchikan and the

second class Ketchikan Gateway Borough, in order to form one consolidated home rule local government within the current boundaries of the Borough. Having approximately sixty percent of the total Borough residents, the City of Ketchikan is the most densely populated area center within the Borough. Other smaller but well defined neighborhoods include Waterfall, North Point Higgins, South Point Higgins, Pond Reef, Shoreline, Forest Park, Shoup Street and Mountain Point.

Connected by a highway road system of less than 30 miles, the City of Ketchikan and other defined neighborhoods are one and the same community, interconnected and interdependent. Whether one resides outside the City as a Borough resident or inside the City as a City and Borough resident, all identify themselves as being from "Ketchikan". The area is further united by areawide education, health and utility (telephone and electric) systems. Demographic and socio-economic data collected by both the federal and state governments display uniformity in the community (see Exhibit A-5).

The population of the existing Borough is currently interrelated and integrated as to its social, cultural and economic activities and is large and stable enough to support itself in accordance with AS 29.05.031(a)(1), 3 AAC 110.045(a), (b), (d), and 3 AAC 110.050. Consolidation of the City of Ketchikan and the Ketchikan Gateway Borough will not alter the Borough boundaries and therefore will not alter the current Borough population. Consolidation of the City and Borough simply provides for a single government entity representing a population that shares a common set of social, economic and cultural interests. As previously mentioned, the formation of a home rule borough through consolidation of the City of Ketchikan and the Ketchikan Gateway Borough, will empower local residents to define for themselves which powers are to be exercised and how these powers may be assumed.

4. The boundaries of the proposed borough conform generally to natural geography and include all areas necessary for full development of municipal services in accordance with AS 29.05.031(a)(2) and 3 AAC 110.060.

Given the fact that the proposed boundaries of the home rule borough will not be altered, they will continue to conform to the natural geography of the area, and will include all land and water necessary to provide for the full development of essential borough services on an efficient and more cost-effective level. To that end no changes in land use or ownership patterns are anticipated. Land use regulations and platting requirements are consistent throughout the Borough, including the City.

5. The economy of the area within the proposed borough includes the human and financial resources capable of providing municipal services in accordance with AS 29.05.031(a)(3) and 3 AAC 110.055. Elements of the economy specifically addressed include: land use, property values, total economic base, total personal income, resource and commercial development, anticipated functions, anticipated expenses and anticipated income of the proposed borough. The economy of the area within the proposed borough currently includes the human and financial resources capable of providing municipal services in accordance with AS 29.05.031(a)(3) and 3 AAC 110.055.

Consolidation of the City of Ketchikan and the Ketchikan Gateway Borough will not alter the Borough boundaries and therefore will not alter the current financial resources capable of providing municipal services. Consolidation of the City and Borough provides for a single government entity which is more efficient. The government structure resulting from consolidation will be significantly smaller and less costly to the community as a whole. As is discussed in the Transition Plan, the consolidated government is initially expected to have 8 less elected officials and 8 less middle and upper management positions than are currently retained by the City and Borough. The elimination of these positions will result in annual savings to the community in excess of \$950,000. It is anticipated that additional savings will accrue to the consolidated government as further efficiencies are identified in the future.

The newly formed borough will provide only those services which are currently provided to the community through existing Borough or existing City services. No new services are proposed to be provided. Some existing services enjoyed by all Borough residents, which are currently provided by the City, will become Borough services, financed on a community wide basis. These services include the following:

1. Emergency 911 Dispatch
2. Library
3. Museum
4. Civic Center
5. Mental Health and Substance Abuse
6. Hospital
7. Public Health
8. Cemetery
9. Solid Waste Disposal
10. Ports and Harbors
11. Telecommunications (borough-owned Utility)
12. Electricity (borough-owned Utility)
13. Water Service (borough-owned Utility initially to Ketchikan Service Area only)

As is discussed in Sections 7 and 8 of the Petition; as is documented in the Three-Year Annual Budget (see Exhibit F); and as is detailed in the Transition Plan (see Exhibit J), the newly formed borough will have the financial resources to provide these services. Although the consolidated borough will initially collect \$115,273 more in property taxes, this is solely due to the fact the municipality of Ketchikan's budget will be balanced - unlike the current spending plans of the City of Ketchikan and the Ketchikan Gateway Borough. The proposed three-year financial plan eliminates the \$1,853,920 in combined deficit spending that exists in the City's and the Borough's current budgets. This equates to \$20.97 more on a per capita basis.

Although the three-year budget plan is balanced, the Petitioner is constrained to point out that the newly elected Assembly will have the opportunity to review the first year spending plan of the consolidated Borough. It may choose to continue deficit spending and collect no new taxes. Alternatively, the Assembly and the newly

appointed management staff may elect to enact further consolidation efforts and eliminate the need for increased taxes as detailed within this petition.

Lastly, consolidation of the City and Borough will not alter the existing land use designations or property values and no change in the economic base of the community is anticipated. Resource and commercial development will only be affected to the extent that, in some instances, instead of having to deal with two independent local government entities, one consolidated borough will speak for the community. With one set of goals and objectives, working with a single local governmental agency will eliminate doubling of efforts and possible differing or opposing objectives.

Clearly, the economy of the area within the proposed borough includes the human and financial resources capable of providing municipal services in accordance with AS 29.05.031(a)(3) and 3 AAC 110.055.

6. Land, water, and air transportation facilities allow the communication and exchange necessary for the development of integrated government in accordance with AS 29.05.031(a)(4) and 3 AAC 110.045(b).

The community's communication systems are fully integrated and well developed. Telecommunication services are provided throughout the primary roaded system of the Borough. Telephone is provided by the City-owned Ketchikan Public Utilities operating as KPU Telecommunications. Cable television is furnished by Alaska Cable Network, with local television provided by Fox Broadcasting affiliate KJMW. The Ketchikan Daily News is the local newspaper of general circulation in the area. Four radio stations serve the area: KRBD-105.9FM, the local public broadcasting station, and the private stations of KFMJ-99.9FM, KGTW-106.7FM and KTKN-930AM.

The community has a well-developed transportation network that includes roads, air and ferry systems. Tongass Highway, a State constructed and maintained highway, is the backbone of the community's roaded system. Daily, year round, jet airline service is provided by Alaska Airlines and several smaller floatplane companies provide air transportation to and from the community. The Ketchikan International Airport is owned by the State of Alaska, but operated by the Ketchikan Gateway Borough. Ferry service is provided by the State of Alaska which owns and operates the Alaska Marine Highway System.

The Ketchikan Gateway Borough currently possesses the communication media and the land, water and air transportation facilities throughout its boundaries to allow the level of communication and exchange necessary for an integrated borough government. Given the fact that the proposed boundaries of the existing Ketchikan Gateway Borough will not be altered through consolidation of the Borough and City of Ketchikan, the newly formed home rule borough will continue to possess these facilities.

7. Incorporation of the proposed borough through consolidation will not deny any

person the enjoyment of any civil or political right because of race, color, creed, sex or national origin in accordance with 3 AAC 110.910.

The City of Ketchikan and the Ketchikan Gateway Borough, independent municipalities governed under Alaska State Statutes, currently do not deny any person the enjoyment of any civil or political right, including voting rights, based on race, color, creed, sex, or national origin. Consolidation of the two independent entities into one home rule borough, containing the same boundaries and population as the current Borough, will not alter or deny any person the enjoyment of their civil or political rights.

EXHIBIT J

TRANSITION PLAN

This transition plan demonstrates the intent and capability to provide for an orderly, efficient and economic consolidation process within the shortest practical time following constituent approval of consolidation of the Ketchikan Gateway Borough, a second-class borough, and the City of Ketchikan, a home rule city. The consolidated Home Rule Borough shall be designated as "Ketchikan." The transition plan addresses how the powers currently exercised by the Ketchikan Gateway Borough and the City of Ketchikan can be assumed by and delegated to the consolidated home rule borough.

The plan also provides details concerning the manner in which the consolidated home rule borough will assume all relevant and appropriate powers, duties, rights, and functions presently exercised by the entities to be dissolved through consolidation. Additionally, it provides details concerning the manner in which the new home rule borough will assume and integrate all relevant and appropriate assets and liabilities of the City of Ketchikan and the Ketchikan Gateway Borough.

In accordance with AS 29.06.150 and except as provided for within this petition, the proposed consolidated Borough will succeed to all powers, duties, rights, assets and liabilities of the entities to be dissolved by consolidation. Additionally, in accordance with AS 29.06.160 and except as provided for within this petition, the ordinances, resolutions, regulations, procedures and orders of the entities dissolved through consolidation remain in force within their respective territories until superseded by the action of the consolidated home rule borough.

A. CONSULTATION WITH OFFICIALS: 3 AAC 110.900(b) requires that this transition plan be prepared in consultation with the officials of each existing borough and city proposed for consolidation. The following is a summary of the manner in which this requirement was satisfied.

Officials of the City of Ketchikan and the Ketchikan Gateway Borough were consulted during the development of this transition plan and the petition. Drafts of the proposed charter and other informational materials were circulated for review and comment. Borough officials including the Manager, Clerk, Planning Director, Attorney and Finance Director were consulted during the development of the charter and transition plan. City officials including the Manager, Attorney and Finance Director were consulted and participated in the preparation of the charter, transition plan and petition. Consultation occurred through meetings, individual interviews, requests for information and telephone inquiries.

Discussion of consolidation and consultation with City and Borough officials occurred on the following dates:

May 6 and 7 1997

September 2 and 3, 1997
November 13 and 14, 1997
March 4, 1998
June 15 and 16, 1998

A joint meeting of the City Council and Borough Assembly regarding the issue of consolidation was conducted at the Ted Ferry Civic Center on June 17, 1998. The meeting, which was open to the public, included a presentation of the draft charter and a review of the City's progress on the issue of consolidation and the transition to a consolidated government (see Exhibit J-1). Subsequent discussions between Borough and City staff occurred during the development of the consolidation petition, including the preparation of this transition plan. A work session of the City Council and Borough Assembly was held on December 11, 1999, in order to review the final drafts of the proposed charter, transition plan and three-year budget and financial plan (see Exhibit J-2). A subsequent meeting of the City Mayor and Borough Mayor, as well as their respective staffs, was conducted on February 24, 2000.

Community public hearings were held on January 19, February 2, February 24, and March 7, 2000, in order to solicit comments regarding the draft charter, the transition plan and the three-year budget and financial plan. Copies of the meetings' summary notes are incorporated within this petition as Exhibits J-3, J-4, J-5 and J-6. A community public meeting was additionally held on March 15, 2000, in order that Juneau Mayor Dennis Eagan could comment and respond to questions regarding the consolidation of Juneau and Douglas (see Exhibit J-7).

B. EFFECTIVE DATE: The consolidation of the Ketchikan Gateway Borough and the City of Ketchikan is contingent upon ratification by the voters. A vote on the question of consolidation is expected to occur at a special election scheduled either in late calendar year 2000 or early 2001. Consolidation and the proposed charter, included within the petition as Exhibit I, will become effective upon State certification of the election of the consolidated Borough's Assembly.

C. POWERS AND DUTIES OF EXISTING CITY PROPOSED TO BE CONSOLIDATED: Incorporated on August 25, 1900 the City of Ketchikan is a home rule city having legislative powers concerning matters not limited by Title 29 of the Alaska State Statutes. The City of Ketchikan may exercise any power not otherwise prohibited by law (AS 29.10.200) except that the second class Ketchikan Gateway Borough exercises mandatory areawide powers of education; assessment and collection of property, sales and transient occupancy taxes; and platting, planning, and land use regulation throughout the borough including the City of Ketchikan.

Listed below are the powers and the duties currently exercised by the City of Ketchikan. In many instances powers and duties are exercised beyond the corporate limits of the City and services are provided to all residents of the Ketchikan Gateway Borough. Responsibility for exercising powers and duties is vested with the City government's legislative and executive branches. The legislative branch, which is

comprised of the Mayor and City Council, is responsible for establishing City policies and goals. The executive branch is comprised of the offices of the City Clerk, City Attorney, and City Manager; the Human Resources Division; and the Finance Department. These offices and departments provide for the general management and oversight of the various City operations, services, and municipal assets & liabilities.

1. Public Safety: The City provides police protection and fire suppression services within its municipal boundaries. Emergency 911 dispatch is afforded to the community on a defacto areawide basis utilizing the Police Department's dispatch staff. Emergency medical services and fire/EMS dispatch are provided by the City within its municipal boundaries and to the entire Ketchikan Gateway Borough with road access that is not presently served by the Pond Reef Fire Department.

The Chief of Police and the Fire Chief supervise these respective departments that provide public safety services both within and outside of the City. Funding is derived from the City's General Fund; a one percent (1%) Public Safety Sales Tax, which is used to finance operations, as well as providing for major and minor capital outlays; EMS user fees; parking fines and revenues; state assistance; and from miscellaneous charges.

2. Library: The City owns and operates the Ketchikan Public Library, which is located in the Centennial Building. The Library serves the entire community and also contracts with the Ketchikan School Board and the State of Alaska to provide services to area schools and the University of Alaska. Based on the percentage of residents living outside of the City compared to the total population of the Borough, the City receives an annual payment from the Ketchikan Gateway Borough for library services provided to non-City residents. This payment is derived from a non-areawide property tax, which is currently 0.93 mills. Of that, 0.92 mills is dedicated to the Ketchikan Public Library. The remaining funding is derived from the City's General Fund; a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays; state grants; inter-municipal and state contracts; and from various other sources.

3. Museum: The City owns and operates the Tongass Historical Museum and the Totem Heritage Center. The Museum Director manages the Department's three divisions: Collections, Programs and Visitor Services. The Museum provides services to the entire Borough, as well as to many non-resident visitors. Funding of the Museum is derived from the City's General Fund; a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays; state and federal grants; seasonal admission fees; and from various other sources.

4. Ted Ferry Civic Center: The City owns and operates the Ted Ferry Civic Center, which is a multi-purpose facility that provides accommodations for conventions, meetings, and other social, cultural and public events. Operated as a division of the

Museum Department, it is available for rent and use by all Borough residents. Although fees are charged for the use of the facility, revenues derived are insufficient to cover its operating costs and must be subsidized by the City's General Fund and from a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays.

5. Mental Health/Substance Abuse: The City owns and operates the Gateway Center for Human Services, which is a provider of mental health and substance abuse treatment services. Gateway provides counseling, prevention and community based assistance programs for a wide range of public mental health and substance abuse needs. The programs offered by the Gateway Center for Human Services are available on a borough-wide basis. Funding is derived from the City's one percent (1%) Hospital Sales Tax; state operating and capital grants; client user fees; and from a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays.

6. Ketchikan General Hospital/Public Health: The City owns and maintains the Ketchikan General Hospital. The premises are leased to PeaceHealth Inc., which operates the facility as a community-wide hospital. Ketchikan General Hospital and its services are available to the general public regardless of residency. The City is completing a \$11,400,000 renovation and additions project, in order to modernize the facility to provide improved medical services to all Borough inhabitants and to residents of southern Southeast Alaska. Funding of the Hospital is derived from the City's one percent (1%) Hospital Sales Tax.

The City also assists in the annual financing of the state sponsored Ketchikan Public Health Center, which provides public health and medical services to all residents of the Borough. Funding of the Ketchikan Public Health Center is derived from the City's General Fund, local contributions and state assistance.

7. Public Works: The Public Works Department, under the direction of the Public Works Director, provides the following services within the City:

a) **Public Works Engineering:** The City of Ketchikan Public Works Department currently provides engineering services not only for the divisions of the Department, but for other municipal divisions as well. The division also provides for building code enforcement within the City. Funding of the division is derived from the City's General Fund; interdivisional charges; and from a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance operations, as well as providing for major and minor capital outlays.

b) **Public Works Streets and Roads:** The City of Ketchikan Public Works Department's Streets Division currently provides for the construction and maintenance of streets and roads, bridges, sidewalks, storm drainage, culverts and street lighting. Funding of the division is derived from the

City's General Fund and from a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays.

c) **Solid Waste Collection, Disposal and Recycling:** The City of Ketchikan Public Works Department currently provides for the collection and disposal of solid waste. The City owns and operates the Solid Waste Handling and Recycling Facility (SWHRF) adjacent to Deer Mountain. Putrescible solid waste is baled and shipped south by barge to a regional landfill in Washington State. Non-putrescible solid waste is landfilled at the SWHRF. Residential collection and disposal services are exclusively provided by the City within the City limits. Commercial service within the City is available, with non-residential customers having the option of private collection service.

The City accepts solid waste for disposal at the SWHRF on a borough-wide basis. Funding of solid waste collection and disposal is derived from mandatory residential collection and disposal fees within the City; mandatory disposal fees assessed against non-City residents; and from commercial tipping fees charged at the SWHRF. The Solid Waste Collection and Disposal Divisions of the Public Works Department are financed as a special revenue fund. Funding is also derived from state grants, which are used to finance major and minor capital outlays.

d) **Municipal Facility and Vehicle Maintenance:** The City of Ketchikan Public Works Department currently provides for facility and vehicle maintenance not only for the divisions of the Department, but for other municipal divisions as well. Funding of the Building and Garage/Warehouse Divisions is derived from the City's General Fund; inter-divisional charges; and from a one and one-half percent (1.5%) Public Works Sales Tax, which is used to finance major and minor capital outlays.

e) **Cemetery Services:** The Bayview Cemetery is owned and operated by the City of Ketchikan on a borough-wide basis. Funding is derived from user fees and from the City's General Fund.

f) **Wastewater Collection and Treatment:** The City owns and operates secondary wastewater treatment plant facilities, pump stations, collection systems and other equipment required for the collection and treatment of wastewater. Wastewater services are provided only within the boundaries of the City. Funding is derived from user fees and State grants. The Wastewater Division is financed as a special revenue fund.

8. **Port and Harbors:** The City's Port and Harbors Department operates under the direction of the Harbormaster and maintains facilities for both large and small maritime vessels. The Harbors Division maintains and operates five boat harbors and associated facilities, four of which are state owned. As a result of its

extraterritorial powers two of the harbors operated by the City are located in the Borough outside of the City limits. The division is operated as a special revenue fund with expenditures paid for by revenues derived from harbor users, as well as from state and federal grants.

The Port Division operates and maintains the Port of Ketchikan primarily for use by the cruise ship industry, commercial fishing fleet, charter boat fleet and the general public. It is the only cruise ship port within the Borough and serves as a staging area for local tours throughout the entire community. The division is operated as an enterprise fund with expenditures paid for by revenues derived from Port users and land based tour operators, as well as from state and federal grants.

9. Public Utilities: The City owns and operates Ketchikan Public Utilities, which provides telecommunications and electric service to the entire Borough with the exception of remote and unpopulated areas. KPU also provides water service to an area roughly coinciding with the boundaries of the City of Ketchikan. Private water haulers purchase water from KPU for distribution to other parts of the Borough that do not have water systems operated by service areas. KPU is operated as a public utility and is regulated by the Regulatory Commission of Alaska. The City Council of the City of Ketchikan is the governing body of the Utility. An advisory board provides input regarding daily operations and long-term goals and policies. KPU is administered by the City Manager, who oversees its four divisions: Administration, Water, Electric and Telecommunications.

D. POWERS AND DUTIES OF EXISTING BOROUGH PROPOSED TO BE

CONSOLIDATED: Organized on September 6, 1963, the second class Ketchikan Gateway Borough exercises mandatory areawide powers of education; assessment and collection of property, sales and transient occupancy taxes; and planning, platting, and land use regulation. The Borough exercises four other permissive areawide powers and has adopted three non-areawide powers. Additional powers and duties are exercised on a service area basis. Currently twelve service areas exist within the Borough.

Listed below are the powers and duties currently exercised by the Ketchikan Gateway Borough. Responsibility for exercising both areawide and nonareawide powers is vested with the Borough government's legislative and executive branches. The legislative branch, which is comprised of the Mayor and Borough Assembly, is responsible for establishing Borough policies and goals. The executive branch is comprised of the offices of the Borough Manager, Borough Clerk, Borough Attorney, Borough Assessor and Finance Director, and the Department of Planning and Community Development. The executive offices are similar in purpose to those of the City of Ketchikan and provide general administrative oversight for the Ketchikan Gateway Borough.

Mandatory Areawide Powers:

1. Education: The Ketchikan Gateway Borough partially funds the Ketchikan Gateway Borough School District, which is administered by the Ketchikan Gateway Borough School Board. The School Board is comprised of seven board members, who are elected at large on a borough-wide basis. A School Board President is selected annually by the board members. School District facilities include four elementary schools, one middle school and two high schools. Funding of the School District is derived from the Borough's General Fund, as well as from state and federal financial assistance.

2. Assessment and Collection of Property, Sales and Transient Occupancy Taxes: The Ketchikan Gateway Borough collects both Borough and City taxes levied within the Borough. Taxes assessed and collected by the Borough include the following types:

- Real and Personal Property
- Consumer Sales
- Transient Occupancy
- Boat

Funding of the Finance Division and the Assessment Department is derived from the Borough's General Fund.

3. Platting, Planning, and Land Use Regulation: The Ketchikan Gateway Borough exercises its land use regulation authority, including planning and platting powers, throughout the Borough including the cities of Ketchikan and Saxman. The Department of Planning and Community Development is funded through the Borough's General Fund and by user fees. The Borough Planning Commission consists of seven members appointed by the Mayor and confirmed by the Assembly. Four of the seven members are residents of the City and are recommended for appointment by the Mayor and City Council. The Commission elects a chairperson. The Borough has established land use regulations under its municipal code, which incorporate all platting and land use regulations, land use districts and subdivision and platting requirements

Permissive Areawide Powers: 1

1. Parks and Recreation: Parks and recreation services are authorized pursuant to Title 16 of the Borough Municipal Code. The Parks and Recreation Department provides a variety of services to Borough residents. The Department operates the Borough Indoor Recreation Center (IRC), the Mike Smithers and Valley Park Pools and various parks and recreational fields throughout the community. The pre-existing City Parks and Recreation Department was assumed by the Borough as a result of a 1990 election transferring City staff and assets to the Borough, which concurrently assumed Parks and Recreation powers. The Department is funded

through the Borough's General Fund; user fees; and from a one-half percent (.5%) Parks and Recreation Sales Tax, which is used to finance major and minor capital outlays.

2. Transportation: Transportation services are authorized pursuant to Title 14 of the Borough Municipal Code. The Transportation Services Department provides a variety of services to Borough residents. The Borough operates a public transit system that includes a local bus service that operates within the City and out of the City to Saxman and a ferry system that provides passage to and from the airport. The Department also operates the Ketchikan International Airport and terminal, which are located on Gravina Island. The Department is funded through Airport and Transit enterprise

Upon consolidation, it is anticipated that such powers will continue to be exercised on an areawide basis until such time as the Assembly determines otherwise. fund user fees; the Borough's General Fund; and from federal and state operating and capital grants.

3. Animal Control and Protection: Animal control and protection services are authorized pursuant to Title 20 of the Borough Municipal Code. The Borough provides animal control and protection services that includes a shelter and field officers. The Department enforces local animal and control ordinances and works with state agencies concerning problems related to non-domestic animals. ¹As a second class borough, the Ketchikan Gateway Borough has also adopted the following general government services as permissive areawide powers: voter services, alcoholic beverage hours, emergency disaster planning, emergency communications and tax increment financing. The Department is funded through the Borough's General Fund and user fees.

4. Economic Development: Economic development services are authorized pursuant to Title 10 of the Borough Municipal Code. The Borough funds projects and services, either through direct grants or loans. The Borough established the Ketchikan Economic Development Authority (KEDA) in June of 1999. The Authority, which is funded through federal Economic Disaster Funds, was created, in order to undertake the following responsibilities:

- a) Oversee the proper administration of Title 10, Economic Development, as amended from time to time.
- b) Direct the implementation of the adopted economic development policies for the Borough.
- c) Serve as members of the Borough's Overall Economic Development Program committee.
- d) Provide general direction to the KEDA staff regarding policy and procedure in the execution of the Borough's economic development program.
- e) Make either a positive or negative recommendation on all applications to the Borough Assembly for economic development assistance awards.
- f) Make either a positive or negative recommendation regarding updates or

resolutions. Forward such recommendations to the Assembly for action.
g) Perform such other duties and responsibilities as may be specified or required by the Borough Assembly, the Borough Municipal Code or law.

The Borough also funds a general grant program to assist community organizations and agencies, in order to promote economic development and community enhancement.

Non-Areawide Powers:

The Ketchikan Gateway Borough has adopted the following powers on a nonareawide basis:

1. **Sewers** (Title 17): Sewer powers are funded in part by the nonareawide millage levy (.01 mills for FY 99-00) and service area user fees and/or charges.
2. **Solid Waste Disposal** (Title 29): The Borough has adopted and exercises nonareawide powers for the disposal of solid waste. Non-City residents are assessed a monthly fee for the disposal of solid waste at the City's Solid Waste Recycling and Handling Facility (SWRHF). Borough residents have the option of either contracting with private collection companies to transport their solid waste to the SWRHF or may deliver it themselves.
3. **Library**: The Borough reimburses the City of Ketchikan for the Ketchikan Public Library based on the percentage of residents living outside of the City compared to the total population of the Borough. This payment is funded by the nonareawide millage levy (.92 mills of the .93 mill levy for FY 99-00).

Service Areas:

The Ketchikan Gateway Borough exercises other powers on a service area basis (AS 29.35.220). The Borough has twelve service areas and exercises the following powers within the respective service areas' jurisdictions:

1. Shoreline Service Area:
 - a) Fire Protection.
 - b) Water Supply, Treatment and Distribution.*
 - c) Construction, Operation and Maintenance of Roads*
 - d) General Property Security Powers*
 - e) Ketchikan General Hospital and Other Public Works Capital Projects*
2. Forest Park Service Area:
 - a) Street Construction and Maintenance.
3. Gold Nugget Service Area:

- a) Street Construction and Maintenance.
- 4. Mountain Point Service Area:
 - a) Water Supply, Treatment and Distribution.
 - b) Fire Hydrant Maintenance.
- 5. Mud Bight Service Area:
 - a) Street Construction and Maintenance.
 - b) Water Supply, Treatment and Distribution.*
- 6. Shoup Street Service Area:
 - a) Water Supply, Treatment and Distribution.
- 7. South Tongass Volunteer Fire Department Service Area:
 - a) Fire Protection.
- 8. Waterfall Creek Service Area:
 - a) Street Construction and Maintenance.
- 9. Nichols View Service Area:
 - a) Street Construction and Maintenance.*
- 10. Deep Bay Service Area:
 - a) Street Construction and Maintenance.*
 - b) Harbor and Dock Construction, Maintenance and Operations.*
- 11. Long Arm Service Area:
 - a) Street Construction and Maintenance.*
 - b) Harbor and Dock Construction, Maintenance and Operations.*
- 12. Vallenar Bay Service Area:
 - a) Street Construction and Maintenance.*

*Service currently not provided by Service Area.

E. CHANGE IN POWERS AND DUTIES: The following is an explanation of how consolidation will affect the delivery of the current services listed in paragraphs C and D of this Transition Plan. Included is a statement concerning any new powers proposed to be exercised, as well as any existing powers proposed to be eliminated or altered. During the initial transition period following consolidation of the City of Ketchikan and the Ketchikan Gateway Borough, there will be a reconfiguration concerning how and where some services are provided, as well as regarding how they are paid for. In this context two significant changes will occur:

1. Some services that are presently exercised by the City on behalf of City and non-

City residents will be transferred to the consolidated Borough and will be provided on either an areawide or nonareawide basis.

2. Three new service areas will be created to provide services formerly provided by the City of Ketchikan. The first, the Ketchikan Service Area, will encompass the area of the former City of Ketchikan and will provide those services previously provided by the City that are not transferred to the consolidated Borough. It will also include a portion (0.51 square miles) of the former Shoreline Service Area that is to be annexed to the City effective January 1, 2001. The second, the Greater Ketchikan EMS Service Area, will encompass the Ketchikan Service Area and that portion of the former Ketchikan Gateway Borough with road access that is not presently provided emergency medical services by another entity. Its purpose is to provide emergency medical services to the Ketchikan Service Area and that portion of the former Ketchikan Gateway Borough with road access that is not presently provided emergency medical services by another entity. The third is a new Shoreline Service Area and will encompass that portion (0.41 square miles) of the former Shoreline Service Area not incorporated as part of the Ketchikan Service Area following consolidation.

What follows is a detailed discussion of these two issues within the context of mandatory areawide, permissive areawide, nonareawide and service area powers. Although all former City and Borough employees, excluding those of the Ketchikan Gateway Borough School District, will become employees of the consolidated Borough, the narrative that follows details the manner in which the cost of employees and services will be apportioned to the consolidated Borough, the existing service areas and the three new service areas to be established as a result of consolidation.

Mandatory Areawide Powers:

Mandatory areawide powers include education; assessment and collection of property, sales and transient occupancy taxes; and platting, planning and land use regulation. The following three powers are mandatory areawide services. State law, AS 29, requires them to be provided by the consolidated Borough.

1. **Education:** The Borough exercises areawide education powers as a second class borough under AS 14. The educational system is administered by the Ketchikan Gateway Borough School District. The school district operates seven schools within the area. The FY 1999-2000 Borough mill levy provides the local contribution towards funding the School District budget of \$20.57 million, approximately one-third of the district's total spending plan. The Ketchikan Gateway Borough School District operates 145 classrooms and employs 294 permanent employees. Funding of the School District will continue to be derived from the consolidated Borough's General Fund and from state and federal assistance.

Mandatory areawide education powers within the Borough will not be affected by consolidation. Education is currently provided by the Ketchikan Gateway Borough

through the Ketchikan Gateway Borough School District, which administers the school system. Article IX of the proposed charter will not alter this structure. Because consolidation will not result in any change in the composition, apportionment, powers, or duties of the school board, this consolidation proposal will not require the election of a new school board. The Ketchikan Gateway Borough School District will continue to administer the local school system after consolidation occurs. The current practice of the Borough School Board and Borough Assembly establishing the total amount of local funding for the school system will not be changed. Borough property taxes, which support the school system, will remain the primary local funding source. The consolidation itself will not have any direct effect on the School District budget. State and federal funding or the amount of the local contribution will not be affected by consolidation. The consolidation will not alter school district staffing requirements and will not change collective bargaining agreements or retirement plans. Section 9.03 of the proposed borough charter contains a provision that mandates twice yearly joint meetings between the School Board and the Assembly.

2. Assessment and Collection of Property, Sales and Transient Occupancy Taxes:

The Ketchikan Gateway Borough presently is responsible for all tax assessment and collection duties within the Borough including the City of Saxman and the City of Ketchikan. Article 10 of the proposed charter vests this authority with the consolidated Borough and will not alter the existing structure. Taxation includes the collection of real and personal property taxes, taxes on sales, transient occupancy taxes, automobile and boat taxes and miscellaneous fees. The process of tax collection will be unchanged by the consolidation. The Borough Department of Administrative Services collects sales and property taxes, maintains financial records and manages the financial assets of the Borough. The Department of Assessment provides the assessment of all taxable real and personal property within the Borough. Both of these departments will continue their former duties under the consolidated Borough. Existing Borough tax record systems, maps, computer files, and procedures will remain in place. Taxes and the provision of services will be more closely linked as a result of consolidation.

The City of Ketchikan has special purpose sales and property taxes, which are designated to provide specific City services. To a lesser extent these taxes will remain in effect within the Ketchikan Service Area and will continue to be collected by the consolidated Borough. The taxes will be used to support only those services provided in the service area. The existing City Finance Department and the Borough Department of Administrative Services will be integrated into one Finance Department. The Assessment Department will continue as a separate department of the consolidated Borough. Funding of the consolidated Borough's Finance and Assessment Departments will be derived from the consolidated Borough's General Fund.

3. Platting, Planning and Land Use Regulation: Land use control, planning and platting services are currently provided by the Borough throughout the community.

With the exception of building code enforcement the City of Ketchikan does not exercise land use control or planning. The Borough's platting and zoning ordinances are comprehensively applied throughout the Borough and the cities of Ketchikan and Saxman.

Planning services will be unchanged and assumed in total by the consolidated Borough. Article VII of the proposed charter will not result in change as to how land use powers are exercised. The ordinances implementing these existing powers will not be changed as a result of the consolidation. The existing Borough Planning Commission will become the Planning Commission for the consolidated Borough. Reappointment of Planning Commission members is not required. The Planning Commission members will remain seated through their current terms of office. The existing comprehensive plan applies to the entire Borough, including the Cities of Ketchikan and Saxman, and will not have to be revised as a result of consolidation.

Pursuant to Section 12.04(d) of the proposed charter, building code enforcement will be applied within the Ketchikan Service Area on a non-areawide basis. City building code enforcement staff will be transferred to the Borough Planning Department. This will provide a one-stop permitting service for the entire community. Building code enforcement within the Ketchikan Service Area will be provided through a contract between the consolidated Borough and the Ketchikan Service Area and funded through the service area's Special Revenue Fund.

Existing Borough Permissive Areawide Powers:2

Current permissive areawide powers provided by the Ketchikan Gateway Borough will not be affected by the consolidation. The following permissive areawide powers will be unaffected by consolidation and will continue to be provided in the same manner and at the level of service as they were prior to consolidation:

- Parks and Recreation
- Transportation
- Animal Control
- Economic Development

Permissive Areawide Powers to be Transferred to Consolidated Borough:

The consolidation of the City of Ketchikan and the Ketchikan Gateway Borough will result in the assumption of additional permissive areawide powers and services by the consolidated Borough. The consolidated Borough will provide such powers and services currently provided by the City of Ketchikan on behalf of both City and non-City residents. The assumption by the borough of a service, formerly provided by the City of Ketchikan, results in the acceptance of all the rights, powers, duties, assets, and liabilities accrued to the service by the former City of Ketchikan. Borough areawide

2As a second class borough, the Ketchikan Gateway Borough has also adopted the following general government services as permissive areawide powers: voter services, alcoholic beverage hours, emergency disaster planning, emergency communications and tax increment financing. Upon consolidation, it is anticipated that such powers will continue to be exercised on an areawide basis until such time as the Assembly determines otherwise.

Other services currently provided by the City of Ketchikan that are not assumed by the consolidated Borough on an areawide basis will be provided by the Ketchikan Service Area. The services provided within the Ketchikan Service Area will be paid for from revenues collected within that service area.

The following powers, services and facilities will be assumed by the consolidated Borough from the former City of Ketchikan and will be provided on an areawide basis:

1. Emergency 911 Dispatch: The City currently provides emergency 911 dispatch services on an areawide basis. Although funded only through City's General Fund, it is a public safety benefit enjoyed by all residents of the Borough.

Following the dissolution of the City, the consolidated Borough will assume emergency 911 dispatch powers on an areawide basis. This transfer will result in the assumption of the assets, properties, staff and expenses by the consolidated Borough. Funding for emergency dispatch services will be derived from the consolidated Borough's General Fund effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

The consolidated Borough will contract with the City of Ketchikan Service Area for the administration of the Division. The administration of the division, which will be provided by the Ketchikan Service Area's Police Department, will be funded through the consolidated Borough's General Fund.

2. Library: The Ketchikan Public Library is funded by both the City and the Borough. Presently the Borough provides annual funding to the City for library services rendered to non-City residents. The amount is negotiated, but is based upon the percentage of residents living outside of the City compared to the total population of the Borough. Funding by the Borough is derived from the nonareawide millage rate. Following the dissolution of the City, the consolidated Borough will assume library powers on an areawide basis. This transfer will result in the assumption of the assets, properties, staff and expenses by the consolidated Borough. Funding for library services will be derived from the consolidated Borough's General Fund; state and federal grants; and from various other sources.

Funding of the Library on an areawide basis and termination of the nonareawide mill levy for Library services will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

Center. The Museum and Totem Heritage Center will be operated as an areawide service by the consolidated Borough. This transfer will result in the assumption of the assets, properties, staff and expenses by the consolidated Borough. The City also supports a Historical Commission through the City Manager's Office. The consolidated Borough's organizational structure will incorporate the Commission within the Museum Department. The nominal cost of the Commission will become a part of the Museum Department's budget. Funding of the Museum will be derived from the consolidated Borough's General Fund; state and federal grants; seasonal admission fees; and from various other sources.

Funding of the Museum on an areawide basis will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

4. Ted Ferry Civic Center: The Ted Ferry Civic Center is owned and operated by the City. Consolidation will result in ownership of the facility and its operation being assumed by the consolidated Borough. All staff, assets and liabilities will be assumed by the consolidated Borough.

Effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year, the Ted Ferry Civic Center will be paid for on an areawide basis by the consolidated Borough's General Fund and from fees it collects.

5. Mental Health/Substance Abuse: The City's Gateway Center for Human Services will become a responsibility of the consolidated Borough as part of its permissive areawide services. The consolidated Borough will assume all staff, assets and liabilities. These programs are currently funded from state and federal grants, as well as from the City's one percent (1%) Hospital Sales Tax. Financing of the Gateway Center for Human Services by the consolidated Borough will be derived from the imposition of a one percent (1%) areawide Hospital Sales Tax; state and federal grants; and patient fees.

Funding of the Gateway Center for Human Services on an areawide basis; termination of the existing City's one percent (1%) Hospital Sales Tax; and the imposition of a one percent (1%) areawide Hospital Sales Tax will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

6. Ketchikan General Hospital/Public Health: Ketchikan General Hospital and the facility lease agreement with PeaceHealth Inc. will become a responsibility of the consolidated Borough as part of its permissive areawide services. All assets and liabilities will be assumed by the consolidated Borough. Financing of the Ketchikan General Hospital by the consolidated Borough will be derived from the imposition of a one percent (1%) areawide Hospital Sales Tax.

Funding of the Ketchikan General Hospital on an areawide basis; termination of the City's existing one percent (1%) Hospital Sales Tax; and the imposition of a one

day of the consolidated Borough's initial fiscal year.

The City of Ketchikan's financial support of the state sponsored **Public Health Center** will become a responsibility of the consolidated Borough. Funding of the Public Health Center on an areawide basis will be derived from the consolidated Borough's General Fund and will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

7. Bayview Cemetery: The Bayview Cemetery is owned and operated by the City. As a result of the consolidation the cemetery will become the property and responsibility of the consolidated Borough. The consolidated Borough will assume all staff, assets and liabilities of the cemetery.

The cemetery will be provided and paid for on an areawide basis through user fees and from the consolidated Borough's General Fund effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

8. Solid Waste Disposal: The disposal of garbage and solid waste will become an areawide power of the consolidated Borough. Ownership and operation of the City's Solid Waste Handling and Recycling Facility (SWHRF) will be conveyed to the consolidated Borough. The closed area of the landfill, which was operated by the City and used by residents throughout the Borough, will become borough owned. City Public Works Department staff, who operate the SWHRF, will become employees of the consolidated Borough. The consolidated Borough will assume all staff, assets and liabilities of the SWHRF. Monthly collection and disposal charges assessed against City residents; monthly disposal charges assessed against non-City residents; and commercial tipping fees currently fund the Solid Waste Recycling and Handling Facility.

Following consolidation residents of the Ketchikan Service Area and non-City residents will continue to pay monthly solid waste disposal charges as established by the Assembly. Commercial users will pay a per-use-tipping fee as they did before consolidation. Solid waste disposal will be operated by the consolidated Borough as a special revenue fund with revenues covering the cost of services. No property tax increment will be required to provide the service.

Although Solid Waste Disposal will continue to be provided on an areawide basis, the consolidated Borough will contract with the Ketchikan Service Area for the administration of the division. The administration of the division, which will be undertaken by the Ketchikan Service Area's Public Works Engineering Division, will be funded through the consolidated Borough's solid waste user fees.

Funding of the Solid Waste Disposal Division on an areawide basis will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

that are now owned and operated by the City will become the property of and operated by the consolidated Borough. The staff, assets and liabilities of the City owned facilities will be transferred to the consolidated Borough. The City of Saxman will continue to provide enhanced port facilities within its boundary.

Funding of the City's Port and Harbors Divisions on an enterprise fund and a special revenue fund basis, respectively, will remain the same under the consolidated Borough.

Funding of the Port and Harbors Division on an areawide basis will become effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

10. Municipal Utilities: Ketchikan Public Utilities (KPU) is a public utility owned by the City of Ketchikan. KPU currently provides electricity and local and in-state telephone service throughout its certificated area (most of the populated or developed areas of the Borough). It also provides water service to the City. The consolidation will transfer ownership of the Utility and its services to the consolidated Borough. All assets, liabilities, property and employees will be transferred to the Borough. The Utility is operated as an enterprise fund and will continue to do so after consolidation. KPU is currently administered by the City Council of Ketchikan, elected from the residents of the City. The City Council sets rates and the terms of service. Following consolidation the Utility will be administered by the Assembly of the consolidated Borough. The current governing body of KPU, the Ketchikan City Council, is elected only from the residents of the City. Following consolidation the governing body of KPU will be elected from the residents of the consolidated Borough. This will allow a broader-based area representation of the governing body of the Utility.

Pursuant to Section 8.02 (a) of the proposed charter, following consolidation the Assembly may by ordinance establish an appointed utility board and delegate to that board such powers and responsibilities as it deems appropriate.

The provision of electricity, telephone and water service by the Utility will not be affected by the consolidation. These services will continue to be provided within the Utility's certificated area as established by the Regulatory Commission of Alaska.

Although the KPU Water Division will be a division of the consolidated Borough Utility, it will initially provide service only within its certificated area (that portion of the Ketchikan Service Area encompassing the former City of Ketchikan). The existing Borough service areas that provide water service will continue to do so within their respective boundaries on a service area basis.

Non-areawide Powers:

1. Wastewater Collection, Treatment and Discharge: The Borough currently

Discharge. Such powers shall continue to be provided on a nonareawide basis following consolidation and the cost to provide services will be assessed against users on a system-to-system basis. The Wastewater Division of the City of Ketchikan will be transferred to the consolidated Borough. The functions, assets, equipment and liabilities of the former City Public Works Department's Wastewater Division will be transferred to the consolidated Borough. The City Public Works Department staff that operate the wastewater plant and maintain the collection system will become employees of the consolidated Borough who provide services only within the Ketchikan Wastewater Collection, Treatment and Discharge System Area.

The power and services will be exercised on a nonareawide basis and will be paid for by revenues raised through user fees.

Section 12.04(f) of the proposed charter grants to the Assembly the continued power to terminate or alter service areas without approval of the voters, in order to provide sanitary sewage service on any basis determined by the Assembly. Consolidation will combine the provision of sanitary sewer services of the former City and Borough into a single nonareawide function. This activity will be accounted for in a separate special revenue fund supported by user fees.

2. Building Code Enforcement: The City of Ketchikan currently exercises building code enforcement within its boundaries. Following consolidation building code enforcement powers will be authorized on a nonareawide basis. Section 12.04(d) of the proposed charter provides that building code enforcement powers will initially be exercised in the Ketchikan Service Area only.

Existing Service Areas:

With the exception of the Shoreline Service Area, which is to be annexed to the City of Ketchikan prior to a vote on consolidation, the existing borough service areas will not be affected by consolidation. The services provided by these service areas and the level of services will not be altered by consolidation. None of the boundaries of the service areas will be changed. The method of funding the services for each service area will also remain the same.

Service Areas To Be Established:

1. Ketchikan Service Area: A new service area will be created to encompass the area of the former City of Ketchikan. It shall be designated as the "Ketchikan Service Area." A legal description and map of the Ketchikan Service Area are contained in Exhibits E-1A(1) and E-2A(1). This service area will provide those services that were provided by the former City of Ketchikan that will not be transferred to the

by the borough to all residents or through the Ketchikan Service Area to its residents. No service formerly provided in the City will be discontinued.

Effective July 1, 2001, the first day of the Ketchikan Service Area's initial fiscal year, real and personal property taxes assessed by the former City of Ketchikan will be terminated. A 2.80 mill property tax levy will be assessed on a service area basis. Revenues derived from this property tax levy will be accounted for in the Ketchikan Service Area's Special Revenue Fund.

Effective July 1, 2001, the first day of the Ketchikan Service Area's initial fiscal year, sales taxes assessed by the former City of Ketchikan will be terminated. A one percent (1%) Hospital Sales Tax will be assessed on an areawide basis. The City's former Public Safety and Public Works Sales Taxes (1.0% and 1.5% respectively) will be terminated and will be replaced with 1.0% and 1.5% Ketchikan Service Area Public Safety and Public Works Sales Taxes. Revenues derived from this sales tax will be accounted for in the Ketchikan Service Area's Special Revenue Fund.

The following services will be provided by and only in the Ketchikan Service Area:

a) **Police:** The proposed charter for the consolidated Borough in Section 12.03 (a) limits the establishment and operation of police departments to service areas. No existing service area currently provides police services. This situation will change as a result of consolidation. Police services for the former City of Ketchikan will become a service of the Ketchikan Service Area. The functions, equipment, assets and liabilities of the City Police Department, excluding emergency 911 dispatch, will be transferred to the Ketchikan Service Area. The City Police will become consolidated Borough employees, who provide a service, police protection, only within the Ketchikan Service Area and will be paid for by the service area.

The Alaska State Troopers will be the primary law enforcement agency outside the Ketchikan Service Area. Any mutual aid agreements will not be affected and remain in force. The provision of police services will be paid for from the Special Revenue Fund of the Ketchikan Service Area.

Funding of the Police Department on a service area basis; termination of the existing City's one percent (1%) Public Safety Sales Tax; and imposition of a one percent (1%) Ketchikan Service Area Public Safety Sales Tax will become effective July 1, 2001, the first day of the service area's initial fiscal year.

b) **Fire Suppression:** The proposed charter for the consolidated Borough in Section 12.02 (a) limits the establishment and operation of fire departments to service areas. Not all fire service areas will have the same level of service. The existing service areas that provide fire protection will be unchanged by consolidation.

Following consolidation all assets and liabilities of the former City Fire Department will remain with the Ketchikan Service Area. The City Fire Suppression, Emergency Medical Services and Emergency Dispatch components of the former City Fire Department are integrated to the extent that one or more of the divisions could be irreparably harmed if segregation of the services were to be attempted. The Ketchikan Service Area will be responsible for fire suppression within its borders. City firefighters will become, as with the Police, consolidated Borough employees who will provide a service only to the Ketchikan Service Area and will be paid for by the service area. Any mutual aid agreements will not be affected.

Fire suppression services will be paid for by the Ketchikan Service Area's Special Revenue Fund. Funding of the Fire Suppression Division on a service area basis; termination of the existing City's one percent (1%) Public Safety Sales Tax; and imposition of a one percent (1%) Ketchikan Service Area Public Safety Sales Tax will become effective July 1, 2001, the first day of the service area's initial fiscal year.

The Ketchikan Service Area will provide, on a service area basis, emergency medical services to the Greater Ketchikan EMS Service Area, which includes the Ketchikan Service Area.

c) **Public Works Engineering:** The City of Ketchikan Public Works Division currently provides engineering services not only for the divisions of the Department, but for other municipal divisions as well. Following consolidation all assets and liabilities of the former City Public Works Department's Engineering Division will remain with the Ketchikan Service Area. Engineering staff will become employees of the consolidated Borough who provide engineering services only within the Ketchikan Service Area and will be paid for by the service area. The consolidated Borough will contract with the Ketchikan Service Area for engineering services as required on an areawide or nonareawide basis.

Engineering services will be paid for by the Ketchikan Service Area's Special Revenue Fund. Funding of the Public Works Engineering Division on a service area basis; termination of the existing City's one and one-half percent (1.5%) Public Works Sales Tax; and imposition of a one and one-half percent (1.5%) Ketchikan Service Area Public Works Sales Tax will become effective July 1, 2001, the first day of the service area's initial fiscal year.

Building code enforcement of the former City Public Works Department's Engineering Division will become a function of the consolidated Borough. The services will be provided only within the Ketchikan Service Area on a nonareawide basis and will be funded through the service area's Special Revenue Fund. Code enforcement staff will be located within the borough

Ketchikan Service Area and the consolidated Borough.

d) **Public Works Streets and Roads:** The operation of the former Public Works Department's Streets Division including street and road construction and maintenance, bridges, sidewalks, storm drainage, culverts and street lighting will be transferred to the Ketchikan Service Area. The equipment, facilities, assets and liabilities of the former division will be transferred to the Ketchikan Service Area. Division staff will become employees of the consolidated Borough who provide street and road services only within the Ketchikan Service Area and will be paid for by the service area. Street and road services will be paid for by the Ketchikan Service Area's Special Revenue Fund.

Funding of the Public Works Streets Division on a service area basis; termination of the existing City's one and one-half percent (1.5%) Public Works Sales Tax; and imposition of a one and one-half percent (1.5%) Ketchikan Service Area Public Works Sales Tax will become effective July 1, 2001, the first day of the service area's initial fiscal year.

a. **Public Works Solid Waste Collection:** The City of Ketchikan Public Works Department currently provides for the collection of garbage and solid waste. The Ketchikan Service Area will provide for the collection of garbage and solid waste within the former City of Ketchikan. The functions, assets, equipment and liabilities of the City's former Solid Waste Collection Division within the Public Works Department will be transferred to the Ketchikan Service Area. Division staff will become employees of the consolidated Borough, providing solid waste collection services only within the Ketchikan Service Area and will be paid for by the service area.

The collection of solid waste in the service area will be paid for from residential and commercial collection fees remitted by users in the Ketchikan Service Area.

Although solid waste collection will be provided on a service area basis, the Ketchikan Service Area will contract with the consolidated Borough for the administration of the division. The administration of the division, which will be undertaken by the consolidated Borough's Solid Waste Disposal Division, will be funded through user fees of the Ketchikan Service Area.

f) **Public Works Facility and Vehicle Maintenance:** The operation of the former Public Works Department's Building and Garage/Warehouse Divisions will be transferred to the Ketchikan Service Area. The equipment, facilities, assets and liabilities of the former divisions will be transferred to the Ketchikan Service Area. Division staff will become employees of the consolidated Borough, providing facility and vehicle maintenance services only

Facility and vehicle maintenance will be paid for by the Ketchikan Service Area's Special Revenue Fund and through inter-divisional charges. Funding facility and vehicle maintenance on a service area basis; termination of the existing City's one and one-half percent (1.5%) Public Works Sales Tax; and imposition of a one and one-half percent (1.5%) Ketchikan Service Area Public Works Sales Tax will become effective July 1, 2001, the first day of the service area's initial fiscal year.

2. Greater Ketchikan EMS Service Area: A second new service area will be established to provide emergency medical services and emergency dispatch to the Ketchikan Service Area and to that portion of the former Ketchikan Gateway Borough with road access that is presently not provided emergency medical services by another entity.³ A legal description and map of the Greater Ketchikan EMS Service Area are contained in Exhibits E-1A(2) and E-2A(2).

³ In the event that the emergency medical services currently provided outside the Greater Ketchikan EMS Service Area cease to function, Section 12.07 of the charter allows for the expansion of the service area's boundaries.

Effective July 1, 2001, the first day of the Greater Ketchikan EMS Service Area's initial fiscal year, real and personal property taxes will be assessed at the rate of 0.80 mills. Revenues derived from this property tax levy will be accounted for in the Greater Ketchikan EMS Service Area's Special Revenue Fund.

The following services will be provided by and only in the Greater Ketchikan EMS Service Area:

- a) **Emergency Medical Services:** Pursuant to Section 12.07 of the proposed charter, emergency medical services previously provided by the City of Ketchikan Fire Department will be provided on a service area basis by the Ketchikan Service Area within its borders and to those areas of the borough with road access where no emergency medical services are provided by another entity. The assets, liabilities, properties, and staff of the former City of Ketchikan Fire Department will remain with the Ketchikan Service Area. A new service area will be established and designated as the "Greater Ketchikan EMS Service Area."

The two new service areas will enter into a contract by which the Ketchikan Service Area will become the provider of emergency medical services including administration. Funding will be derived from the Greater Ketchikan EMS Service Area's Special Revenue Fund effective July 1, 2001, the first day of the Greater Ketchikan EMS Service Area's initial fiscal year.

incorporate a portion of the existing Shoreline Service Area, which is to be annexed in its entirety to the City of Ketchikan effective January 1, 2001. It shall be designated as the "Shoreline Service Area" and it will encompass that portion (0.41 square miles) of the former Shoreline Service Area not incorporated as part of the Ketchikan Service Area following consolidation. A legal description and map of the Ketchikan Service Area are contained in Exhibits E-1A(3) and E-2A(3). This service area will provide those services that currently are provided by the existing Shoreline Service Area and that will not be transferred to the consolidated Borough.

Effective July 1, 2001, the first day of the Shoreline Service Area's initial fiscal year, real and personal property taxes will be assessed at the rate of 1.00 mills. Revenues derived from this property tax levy will be accounted for in the Shoreline Service Area's Special Revenue Fund.

Effective July 1, 2001, the first day of the Shoreline Service Area's initial fiscal year, a two and one-half percent (2.5%) Fire, Roads and Security Sales Tax will be assessed on a service area basis. Revenues derived from this sales tax will be accounted for in the Shoreline Service Area's Special Revenue Fund.

The following services will be authorized by and only in the Shoreline Service Area:

- a) Fire Protection
- b) Water Supply, Treatment and Distribution*
- c) Construction, Operation and Maintenance of Roads*
- d) General Property Security Services*

*Service currently authorized but not exercised by the existing Shoreline Service Area.

Summary of Services:

Existing Borough Areawide Services Unaffected by Consolidation:4

1. Education
2. Assessment and Collection of Property, Sales and Transient Occupancy Taxes
3. Platting, Planning, and Land Use Regulation
4. Animal Control (Ketchikan Gateway Borough Title 20)
5. Economic Development (Ketchikan Gateway Borough Title 10)
6. Public Transportation (Ketchikan Gateway Borough Title 14)
7. Parks and Recreation (Ketchikan Gateway Borough Title 16)

Existing City Services That Become Borough Areawide:

3. Museum
4. Civic Center
5. Mental Health and Substance Abuse
6. Hospital
7. Public Health
8. Cemetery
9. Solid Waste Disposal
10. Port and Harbors

Utility Powers Required by Charter:

1. Electricity (borough-owned Utility)
2. Telecommunications (borough-owned Utility)
3. Water Service (borough-owned Utility initially to that portion of the Ketchikan Service Area encompassing the former City of Ketchikan only)

Non-Areawide Powers Required by Charter:

1. Wastewater Collection, Treatment and Discharge
2. Building Code Enforcement (initially to that portion of the Ketchikan Service Area encompassing the former City of Ketchikan only)

Services Provided by the Ketchikan Service Area (Former City of Ketchikan):

1. Police Protection
2. Fire Suppression
3. Public Works Engineering
4. Public Works Streets and Roads
5. Public Works Solid Waste Collection
6. Public Works Facility and Vehicle Maintenance
7. Public Works Wastewater Collection and Treatment

Services Provided by the Greater Ketchikan EMS Service Area:

1. Emergency Medical Services

Services Provided by the Shoreline Service Area:

1. Fire Protection
2. Water Supply, Treatment and Distribution*
3. Construction, Operation and Maintenance of Roads*
4. General Property Security Services*

Service Area Powers Provided Other Than by the Ketchikan Service Area, the

See Exhibit E-3.

F. SCHEDULE FOR INTEGRATION OF ASSETS, POWERS AND DUTIES:

The following is the planned schedule for the integration of powers and duties of the predecessor municipalities. All time periods mentioned in this section refer to the time period following the effective date of the consolidation. This is the date the State certifies the election of the consolidated Borough's Assembly.

- 1. Existing Assets, Obligations and Contracts:** All rights, titles, actions, suits, franchises, contracts, assets and liabilities and all civil, criminal or administrative proceedings will continue unaffected by the ratification of the consolidation. The consolidated Borough will become the legal successor to the former City and Borough governments and shall succeed to all assets and liabilities of the former governments. The consolidated municipality of Ketchikan will honor all existing contracts and other obligations until their terms expire or are modified by the Assembly.
- 2. Public Notice:** Within thirty days of the effective date of consolidation, the consolidated Borough shall publish public notice and extensively distribute such notice to governmental entities, service areas and appropriate financial institutions regarding the formation of the municipality of Ketchikan and its succession to the assets, powers, duties and liabilities of the former governments.
- 3. Municipal Ordinances:** Ordinances, rules, resolutions, procedures, and orders in effect at the time of the consolidation remain in effect until, or if, superseded by the action of the consolidated Borough. The City of Ketchikan and Ketchikan Gateway Borough each have municipal laws or codes, which govern the activities of the two separate governments. All ordinances, resolutions, regulations, orders and rules in effect in the former governments will continue in full force and effect to the extent they are consistent with the new charter of the consolidated Borough.

In some cases, such as planning, subdivisions and zoning, the Borough ordinances govern the entire area and no conflict is possible. The former governments have had a separation of powers and the existing municipal laws have coexisted side by side for a number of years. This separation of responsibility has resulted in very little duplication in the codes between the two former governments.

The consolidation will not necessitate immediate drafting of a new municipal code. In a few cases there may be areas where there is duplication or a difference in interpretation between the codes. During the two-year transition period, or until superseded by newly adopted law, the Mayor, in consultation with the Manager and Law Department, will review both former municipal codes in the event of duplication or conflict and designate which code or interpretation applies. The designation is

approved unless the Assembly, within thirty days, adopts a contrary interpretation by resolution. The consolidated Borough Assembly may amend an existing ordinance or adopt a new ordinance to address specific needs or conflicts.

Not later than twenty-four months following consolidation, the Assembly shall enact a new code of ordinances. This action shall repeal all ordinances of the former governments not included in the code.

4. **Service Areas:** Prior to January 1, 2001 there will have existed twelve service areas that provided a variety of local government services. There will be no interruption of services in the existing service areas due to the consolidation.⁵ All of these pre-existing service areas will remain in effect and operation after consolidation. No boundary change or change to the powers or duties of these preexisting service areas will occur as a result of the consolidation. The composition of the service area boards will not be affected by consolidation. There is no charter or transition plan requirement for the election or new appointment to any service area board. The existing service area boards will continue through their terms under pre-existing

⁵ The dissolution of the City of Ketchikan will result in the formation of two new service areas to be identified as the Ketchikan Service Area and the Shoreline Service Area. As a result of its decision dated December 16, 1999, which was subsequently amended by Addendum No. 1 dated January 19, 2000, the Local Boundary Commission submitted a recommendation to the 2000 State Legislature for annexation of 1.2 square miles of territory, including the entire Shoreline Service Area (referred to as the Shoreline annexation), to the City of Ketchikan. The effective date of the annexation is January 1, 2001. The draft petition proposes to incorporate approximately 0.51 square miles of the former Shoreline Service Area within the boundaries of the Ketchikan Service Area. Also included within the boundaries of the Ketchikan Service Area is the territory proposed for annexation (Lybrand annexation) for which a petition is currently pending before the Local Boundary Commission, as well as a small parcel of property located adjacent thereto (JONSEA tract). A description of the proposed boundaries and map of the Ketchikan Service Area are included within this petition as Exhibits E-1A(1) and E-2A(1).

borough law. All assets and liabilities of the existing service areas will be transferred upon certification of the election of the consolidation proposition.

Three new service areas will be formed as a result of the consolidation. The Ketchikan Service Area will be a multipurpose service provider and provide services of the former City of Ketchikan not transferred to the consolidated Borough. The new Assembly for the consolidated Borough will be the governing board for the Ketchikan Service Area unless the Assembly determines to administer this service area through a service area board or other means. A future service area administrative board may be elected from within the service area or appointed by the Assembly. The Ketchikan Service Area will be created by the certification of the election of the consolidation proposition.

The Greater Ketchikan FMS Service Area will be a provider of emergency medical

emergency medical services. The new Assembly for the consolidated Borough will be the governing board for the Greater Ketchikan EMS Service Area unless the Assembly determines to administer this service area through a service area board or other means. A future service area administrative board may be elected from within the service area or appointed by the Assembly. The Greater Ketchikan EMS Service Area will be created by the certification of the election of the consolidation proposition.

A new Shoreline Service Area will be multipurpose service provider and provide services of the existing Shoreline Service Area that are not transferred to the consolidated Borough. The Shoreline Service Area will be created by the certification of the election of the consolidation proposition. A new service area board will be appointed by the new Assembly of the consolidated Borough.

5. **Borough and City Employees:** Employees of the former City or Borough governments will become employees of the consolidated Ketchikan. Most employee positions, other than those assigned to the consolidated Borough government's executive branch, will be unaffected by the consolidation (see Exhibit J-8). Almost all of the duplication occurs at the appointed upper level of government. Where duplication exists the borough Assembly will determine which executive level (appointed) employees will be retained. Non-appointed employees whose positions are eliminated by the plan of organization will be eligible for reassignment to available positions for which they are qualified. A number of the appointed executive employees have employment contracts with their respective governments. These employee contracts contain provisions for early termination. Any contract provisions for early termination will become the responsibility of the consolidated Borough.

It is not intended that consolidation will change or diminish pension plans, retirement plans and other benefits for current employees under collective bargaining agreements, personnel rules, or other legal or contractual provisions, in effect on the date of ratification of the consolidation. The consolidation of the City and the Borough will, however, affect existing Public Employees Retirement System agreements with the State of Alaska and 218 agreements with the Federal Social Security Administration. The consolidation will, in essence, terminate both agreements and require the municipality of Ketchikan to enter into new agreements if it desires to participate in the Public Employees Retirement System (the "PERS") and the Federal Social Security System. The consolidation will not affect participation in the Teachers Retirement System (the "TRS") because participation is mandated. As a result, there are no agreements or decisions required on the part of the municipality of Ketchikan regarding participation in TRS.

The agreement to participate in PERS should be in place prior to the election of the new Assembly, the effective date of the dissolution of the City and the Borough and the establishment of the municipality of Ketchikan. The new agreement should be fashioned in a manner that incorporates the terms and conditions of the agreements

upon the dissolution of the City and the Borough. This will have the effect of needlessly increasing the pension benefit obligation of the municipality of Ketchikan.

The municipality of Ketchikan must also enter into a new 218 agreement with the Federal Social Security Administration if it wants to allow employees that are enrolled in qualified plans to participate in the Federal Social Security System. Elective participation only pertains to the retirement program offered under Social Security. Participation in the Medicare program is mandatory for all employers and employees. Since the Municipality of Ketchikan is expected to continue to participate in qualified plans such as the PERS and union sponsored plans, it will not be required to participate in Social Security. Employees participating in the TRS are precluded by law from participating in Social Security. Only employees, such as temporary employees, not covered by a qualified plan would be subject to Social Security. A 218 agreement is not required for these employees to participate in Social Security. The municipality of Ketchikan can, at any time, enter into a new 218 agreement if it wants to permit employees that are enrolled in a qualified plan to participate in Social Security. However, if a new agreement is not place at the time that the employees of the City and the Borough become employees of the municipality of Ketchikan, there will be a break in service which may impact the retirement benefits the employees will receive from Social Security. It is permissible to back-date the agreement in order to avoid a break in service, but a payment of back taxes will be required.

The three-year budget and financial plan included in the petition to consolidate the City and the Borough was predicated on the municipality of Ketchikan continuing to participate in PERS, TRS and union retirement plans and entering into a new 218 agreement with the Federal Social Security Administration.

Existing union contracts will be inherited by the consolidated Borough. Unionized employees in the City and the Borough are represented by different collective bargaining organizations. The re-negotiation of new union contracts or employee votes to change representation is not necessary for consolidation. Section 4 of the Public Employees Relations Act states that the Act “is applicable to organized boroughs and political subdivisions of the state, home rule or otherwise, unless the legislative body of the political subdivision, by ordinance or resolution, rejects having its provisions apply.”

The City and its 306 employees are currently exempt from PERA. The Borough and its 113 employees are currently subject to the provisions of PERA. It is anticipated that this issue will be the subject of immediate consideration by the consolidated Borough’s Assembly, management and legal counsel.

6. **Executive Organization:** The greatest amount of duplication between the two former governments exists at the elected and appointed levels of the legislative and executive branches. These positions serve under term limits, contract, or at the

also exempt. Duplicated positions in the former City and Borough governments will be integrated. The following executive offices are duplicated and will be combined by the consolidation:

Borough Assembly and City Council
 Borough Manager and City Manager
 Borough Clerk and City Clerk
 Borough Attorney and City Attorney
 Borough Finance Director and City Finance Officer

During the period between the ratification of the consolidation by the voters and the first meeting of the new Assembly, applications will be accepted at either the City or Borough offices for appointment to any of the above executive positions. Applications will also be accepted for non-classified support staff. At the first meeting of the new Assembly, it is anticipated that a process for making appointments to the executive positions will be considered. Once appointed, the management of the consolidated Borough will select their support staff and assume control of their respective departments. Those not appointed will be terminated.

Funding of the consolidated Borough's legislative and executive branches will be derived from the consolidated Borough's General Fund and inter-divisional charges assessed against Ketchikan Public Utilities and other funds effective July 1, 2001, the first day of the consolidated Borough's initial fiscal year. The City of Ketchikan currently assesses Ketchikan Public Utilities for services rendered by the legislative and executive branches on the Utility's behalf. It is anticipated that the consolidated Borough will initially assess the Utility the same charges for services rendered:

Assembly of the Municipality 50%
 Attorney of the Municipality 37%
 Clerk of the Municipality 40%
 Manager of the Municipality 50%
 Finance:
 General Accounting 52%
 Data Processing 50%
 Office Services 25%
 Human Resources 33%

Other funds will also pay for services of the consolidated Borough's legislative and executive branches. It is anticipated that these charges will range between three and five percent.

7. **Executive Plan:** Not later than thirty days after the Manager's confirmation by the Assembly, the Manager will submit to the Assembly a detailed plan of organization of the administrative branch. A proposed executive staffing plan is

proposed plan will become law thirty days after it is submitted unless it is either adopted sooner with or without amendment, or rejected by the Assembly. If the proposed plan is rejected, the Manager shall submit an alternate plan to the Assembly within fifteen days of the rejection. If, within thirty days of submission of the alternate plan, the Assembly has adopted no such plan of organization, the alternate proposal submitted by the Manager becomes law. All pre-existing executive departments will remain in existence until the Manager's executive plan takes effect.

8. **Budget Transition:** The City of Ketchikan and the Ketchikan Gateway Borough operate on different fiscal years. The City fiscal year begins on January 1 and ends December 31. The Borough fiscal year coincides with the State fiscal year from July 1 to June 30. The proposed charter requires a July to end of June fiscal year. In order to consolidate the financial operations of the two former governments, the two fiscal years will need to be brought into synchronization. The consolidated Borough will inherit the budgets of the former governments of the Ketchikan Gateway Borough and City of Ketchikan. The consolidated municipality of Ketchikan will operate under these combined budgets until the new Assembly adopts the first budget of the consolidated Borough.

The Manager, in consultation with the Finance Officer, will, prior to the expiration date of the annual budget of the former Ketchikan Gateway Borough, prepare a proposed budget that will bring the consolidated Borough into a July 1 to June 30 fiscal year. The proposed budget will be submitted to the Assembly for approval and meet the requirements of the proposed charter Sections 10.02 (b) through (e).

The vote on the question of consolidation is expected to take place by either the fall of 2000 or early in 2001. The final vote on the consolidation to elect a new Assembly is expected to take place sometime between February and April of 2001. As a result, the City will be just completing a fiscal year or will be one or two months into its new fiscal year. The borough will be at the mid-point or will be one or two months past the mid-point of its fiscal year. The two-month to four-month period between the first meeting of the new Assembly and the end of the former Borough fiscal year will provide sufficient time to formulate and adopt a budget for the consolidated Borough. The first budget of the consolidated Borough may be for longer or shorter than a twelve-month period, in order to bring the financial systems of the dissolved municipalities into conformance with the consolidated Borough's fiscal year.

9. **Insurance:** The City and the Borough presently carry general liability and other insurance coverage through different carriers. The transition to a consolidated government will not necessarily require a change in insurance carriers. The transition to a new government with regard to insurance coverage will be simplified by the fact that the Ketchikan Gateway Borough and the City of Ketchikan presently retain the same broker to secure such coverage.

these taxes will change. The Ketchikan and Greater Ketchikan EMS Service Areas will have their real and personal property tax dedicated to providing services in the service areas. The consolidated Borough will have its real and personal property tax dedicated to providing services on an areawide basis.

In accordance with AS 29.45.240(b), the consolidated Borough will set the property tax levy on or before June 15, 2001. The property tax levy will be based on the assessment roll certified by the Assembly of the consolidated Borough in May 2001. The assessment roll will include the assessed values of all real and business personal property located within the former Ketchikan Gateway Borough as of January 1, 2001. The assessed values of new service areas created as a result of the consolidation will also be based on the assessment roll certified in May 2001.

Paragraph (b) of Section 16.06 of the proposed charter of the consolidated Borough obligates the Assembly, within one year of the first election under the charter, to “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 (2 1/2%) 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.” The express intent of this provision is to permit the Assembly to adjust the City of Ketchikan’s existing one percent Hospital sales and use tax, in order to fund existing services on an areawide basis. The provision is not intended to grant the Assembly the ability to levy any new sales and use taxes. The former City of Ketchikan’s one percent (1%) Hospital Sales Tax will be terminated effective July 1, 2001, the first day of the consolidated Borough’s initial fiscal year. Concurrently a one percent (1%) areawide Hospital Sales Tax will be assessed as a borough-wide sales tax to fund the consolidated Borough’s areawide Hospital and Mental Health/Substance Abuse powers.

Effective July 1, 2001 the former City of Ketchikan’s one percent (1%) Public Safety Sales Tax and one and one-half percent (1.5%) Public Works Sales Tax will be terminated and replaced by a Ketchikan Service Area one percent (1%) Public Safety and a one and one-half percent (1.5%) Public Works Sales Tax, in order to fund services provided by the Ketchikan Service Area.

Effective July 1, 2001 the City’s six percent (6.0%) and the Borough’s four percent (4.0%) transient occupancy tax will be terminated. Transient Occupancy Taxes will be assessed by the consolidated Borough on an areawide basis at the rate of six percent (6.0%) effective July 1, 2001, the first day of the consolidated Borough’s initial fiscal year.

Bond Issue, Principal Amount, Annual Payment, Date When Fully Paid

City of Ketchikan, General Obligation Bonds

1986 Series A,	\$ 2,005,000	\$ 572,000 - 584,000	2003
1994 Series Port,	\$ 2,880,000	\$ 284,000 - 299,900	2013
1997 Series Hospital,	\$ 10,100,000	\$ 864,000 - 895,000	2017
1997 Series Fire,	\$ 700,000	\$ 196,000 - 207,000	2003

Municipal Utility, Revenue Bonds

Series Q,	\$ 4,165,000	\$1,488,725 - 1,522,050	2002
Series R,	\$ 1,340,000	\$ 500,915 - 504,213	2002
Series S,	\$ 6,920,000	\$ 713,355 - 718,598	2014
Series T,	\$ 13,700,000	\$ 730,515 - 1,360,515	2017
Series U,	\$ 7,695,000	\$ 436,365 - 941,865	2012

H. IDENTIFICATION OF BOROUGH DEBT: The following is a list of the long-term debt of the borough proposed to be dissolved through consolidation:

Areawide**Bond Issue, Principal Amount, Annual Payment, Date When Fully Paid**

Ketchikan Gateway Borough, General Obligation Bonds

1989 Series A School,	\$1,200,000	\$ 1,280,400	2000
1996 Indoor Rec Center,	\$6,130,000	\$ 683,150 -799,650	2009
1999 School,	\$7,595,000	\$ 653,430 - 660,256	2019

Municipal Revenue Bonds

1980 Airport Improvements,	\$50,000	\$ 54,000	2000
----------------------------	----------	-----------	------

Non-Areawide

None

Service Area

None

The Borough has been authorized to issue revenue bonds for airport terminal and ferry improvements. As of the date of this petition, the Borough was preparing to issue 2000 Airport Terminal/Ferry Bonds in the amount of \$4 million. The bonds are expected to be priced to yield a net interest cost of approximately five percent (5%) with a final maturity of twenty years from the issuance date. Debt service will be provided on an areawide basis.

manner in which the debt will be integrated into the consolidated Borough. Specifically included is an explanation of the manner in which the debt of the existing City to be consolidated will be paid. Upon consolidation, the debt of the City and the Borough will be assumed by the new consolidated Borough. Integration of the debt will take place as described below:

General Obligation Bonds:

Port Improvements, Series 1994 - \$6,500,000: This bond was issued to finance improvements to the City's port facilities. Debt service for this bond is currently provided by revenues earned from port operations. Under the consolidated Borough, the debt will become an areawide obligation of the borough and debt service will continue to be provided by revenues from port operations.

Refunding, Series 1986, Amended 1993 - \$4,478,000: This bond was issued to finance the construction of a new police station, harbor improvements and wastewater utility system improvements. Debt service for this bond is currently provided by property taxes (49.5%), revenues earned from harbor operations (14.2%), and revenues earned from the operations of the wastewater utility system (36.3%). Under the consolidated Borough, debt service provided by property taxes will come from assessments against property owners located within the Ketchikan Service Area. Debt service related to harbor and wastewater utility system improvements will continue to be provided by revenues earned from the operations of the harbor and the wastewater utility system.

Special Assessment District No. 90-1, Series 1992: This bond was issued to finance the construction of a parking facility located within the Central Business District. Debt service for this bond is provided by assessments against property owners located within the boundaries of the local improvement district established prior to the construction of the parking facility. This bond will mature prior to the effective date of consolidation.

Hospital Construction, Series 1997 - \$10,700,000: This bond was issued to finance improvements to the municipally owned hospital. Debt service is currently provided by a one percent (1%) City sales tax. Upon consolidation, this debt will become an areawide debt of the municipality of Ketchikan. Under consolidation, the one percent (1%) City sales tax would be eliminated in favor of a one percent (1%) borough sales tax. Proceeds from the new one percent (1%) borough sales tax will be used to provide for debt service on this bond issue and other hospital facility improvements and health care services.

Fire Apparatus, Series 1997 - \$1,000,000: This bond was issued to finance the acquisition of two fire trucks for the City. Debt service is currently provided by a one and one-half percent (1.5%) City Public Works Sales Tax. Following consolidation, debt service for this bond will be the responsibility of the Ketchikan Service Area.

will be assessed against consumer sales within the service area. Proceeds from the Ketchikan Service Area sales tax would continue to be used to provide for debt service on this bond issue.

School Improvements Series 1989 A - \$9,600,000: This bond was issued to finance improvements for the Borough's school facilities. The State of Alaska reimburses the Borough for 80% of the annual debt service. The remaining 20% is paid for by an annual transfer from the Borough's Land Trust Repair and Maintenance Fund. No changes are anticipated to the present funding mechanism in place for providing the annual debt service as a result of consolidation. This bond will mature prior to the effective date of consolidation.

Indoor Recreation Center Series 1996 - \$7,500,000: This bond was issued to finance the construction of the Gateway Indoor Recreation Center. Debt service is currently provided by a one-half percent (.5%) Borough sales tax. Under consolidation, this borough sales tax would continue to be assessed against consumer sales taking place within the boundaries of the consolidated Borough for the purpose of providing for the annual debt service on this bond issue.

School Improvements, Series 1999 - \$7,560,000: This bond was issued in December of 1999 to finance improvements to local school facilities. Seventy percent of the debt service will be reimbursed by the State of Alaska under its School Debt Program. The balance of the debt will be provided by the Land Trust Repair and Maintenance Fund. The debt will become an areawide obligation of the consolidated Borough.

Revenue Bonds:

Airport Improvements, Series 1980 - \$410,000: This bond will mature prior to the effective date of consolidation. The consolidated Borough will not be assuming this debt.

Airport/Ferry Terminal Improvements, Series 1999 - \$4,000,000: This bond will be issued in the spring of 2000 to finance improvements to the terminal facilities at the Ketchikan International Airport and the acquisition of a replacement vessel for the airport ferry system. Upon consolidation, this debt will be an areawide obligation of the municipality of Ketchikan. Debt service will be provided from the proceeds of a federal passenger facilities charge against passengers using the Ketchikan International Airport facilities.

The following revenue bonds were issued by the City on behalf of Ketchikan Public Utilities, which is owned and operated by the City, for the purpose of financing improvements to Ketchikan Public Utilities' electric, water and telephone utilities. These bonds are secured by, and only by, the revenues of electric, water and telephone utilities.

issued to refund Municipal Utility Revenue Bond Series P, which was issued to primarily finance improvements for the municipal telephone utility system. Annual debt service for this bond is currently provided by the combined revenues of the City's municipally owned electric, telephone and water utilities, Ketchikan Public Utilities. Under consolidation, ownership of Ketchikan Public Utilities will transfer to the consolidated Borough. Annual debt service would continue to be made from the combined revenues of Ketchikan Public Utilities.

Municipal Utility Revenue Bond, Series R - \$9,600,000: This bond was issued to finance the construction of improvements to the municipal electric and water utility systems. Annual debt service for this bond is currently provided by the combined revenues of the City's municipally owned electric, telephone and water utilities, Ketchikan Public Utilities. Under consolidation, ownership of Ketchikan Public Utilities will transfer to the consolidated Borough. Annual debt service would continue to be made from the combined revenues of Ketchikan Public Utilities.

Municipal Utility Revenue Bond, Series S - \$8,625,000: This bond was issued to finance the construction of improvements to the municipal electric and water utility systems. Annual debt service for this bond is currently provided by the combined revenues of the City's municipally owned electric, telephone and water utilities, Ketchikan Public Utilities. Under consolidation, ownership of Ketchikan Public Utilities will transfer to the consolidated Borough. Annual debt service would continue to be made from the combined revenues of Ketchikan Public Utilities.

Municipal Utility Revenue Bond, Series T - \$13,700,000: This bond was issued to finance the construction of improvements to the municipal electric utility system. Annual debt service for this bond is currently provided by the combined revenues of the City's municipally owned electric, telephone and water utilities, Ketchikan Public Utilities. Under consolidation, ownership of Ketchikan Public Utilities will transfer to the consolidated Borough. Annual debt service would continue to be made from the combined revenues of Ketchikan Public Utilities.

Municipal Utility Revenue Refunding Bond. Series U - \$7,790,000: This bond was issued to partially refund Municipal Utility Revenue Bonds, Series R. Annual debt service for this bond is currently provided by the combined revenues of the City's municipally owned electric, telephone and water utilities, Ketchikan Public Utilities. Under consolidation, ownership of Ketchikan Public Utilities will transfer to the consolidated Borough. Annual debt service would continue to be made from the combined revenues of Ketchikan Public Utilities.

The rating agencies, the bond insurance companies and the paying agents will have to be notified that the City and the Borough no longer exist and that their debt has been assumed by the consolidated Borough. The consolidated Borough will also have to comply with SEC Rule 15c2-12(b)(5) which requires that information

J. INTEGRATION OF CITY AND BOROUGH ASSETS: In accordance with the schedule set forth in paragraph F of this Transition Plan, all assets of the City to be consolidated will become assets of the municipality of Ketchikan. As of December 31, 1998, the financial, real estate and fixed assets of the City totaled \$239,076,077. As of June 30, 1998, the financial, real estate and fixed assets of the Borough, including the School District (\$72,253,516), totaled \$146,606,051. Upon consolidation, the real estate and fixed assets of the City and Borough will be transferred to the consolidated Borough.

Assets of the former Borough that were reserved for the benefit of the former Borough's service areas will continue to be reserved for those service areas that continue under the consolidated Borough. As detailed below, however, certain assets of the former City will be reserved for the exclusive benefit of and use by the Ketchikan Service Area.

Services provided exclusively to the Ketchikan Service Area include fire suppression, police protection, solid waste collection, wastewater treatment, public works-engineering, public works-streets maintenance, public works-building maintenance, public works garage and warehouse, and water. Physical assets to be retained by the Ketchikan Service Area are detailed below:

Assets that will be reserved to provide fire suppression services to the Ketchikan Service Area include two fire stations, all fire trucks and support vehicles, one fireboat, and all office and operating equipment presently used in the fire suppression efforts by the Ketchikan Fire Department.

Assets that will be reserved to provide police protection services to the Ketchikan Service Area include one police station, the police vehicle fleet, and all office and operating equipment presently used in the police protection efforts by the Ketchikan Police Department.

Assets that will be reserved to provide solid waste collection services to the Ketchikan Service Area include refuse collection packers and other support vehicles, and other office and operating equipment presently used in the City's solid waste collection efforts. Fees for services will be assessed against the users of solid waste collection services.

Assets that will be reserved to provide wastewater collection, treatment and discharge services to the Ketchikan Service Area include secondary treatment plant facilities, pump stations, collection systems, rolling stock, and other office and operating equipment presently used in the City's efforts to collect and treat wastewater. Fees for services will be assessed against the users of wastewater collection and treatment services. Since wastewater collection, treatment and

wastewater system.

Assets that will be reserved to provide public works-engineering services to the Ketchikan Service Area include support vehicles and all office and operating equipment presently used in the public works-administration efforts by the Ketchikan Public Works Department. The Public Works Department will provide engineering services outside the Ketchikan Service Area. Such services will be billed accordingly as an inter-divisional charge or as a direct charge to an areawide function or service area.

Assets that will be reserved to provide public works-streets maintenance services to the Ketchikan Service Area include rolling stock, operating equipment, and supplies inventory presently used by the Ketchikan Public Works Department to maintain city streets. The Public Works Department may provide street maintenance services outside the Ketchikan Service Area. Such services will be billed accordingly as an interdivisional charge or as a direct charge to an area-wide function or service area.

Assets that will be reserved to provide public works-building maintenance services to the Ketchikan Service Area include support vehicles and operating equipment presently used in the building maintenance efforts of the Ketchikan Public Works Department. The Public Works Department may provide building maintenance services outside the Ketchikan Service Area. Such services will be billed accordingly as an inter-divisional charge or as a direct charge to an area-wide function or service area.

Assets that will be reserved to provide public works-garage and warehouse services to the Ketchikan Service Area include facilities and operating equipment presently used to maintain City-owned vehicles and store maintenance inventories. The Public Works Department will provide garage services outside the Ketchikan Service Area. Such services will be billed accordingly either as an interdivisional charge or as a direct charge to an area-wide function or service area.

Exhibit F projects the City's financial assets as of December 31, 1999. Those assets specifically not reserved to the City of Ketchikan Service Area shall be remitted to the consolidated Borough as of July 1, 2001, the first day of the consolidated Borough's initial fiscal year.

More detailed information regarding the integration of the City and Borough assets can be found in Exhibit F, Three Year Annual Budget and Financial Plan and Exhibit F-4, Disposition of City and Borough Assets and Liabilities.

K. EXISTING TAXES: The type and rate of each tax currently levied by the City and Borough proposed to be consolidated is listed below:

Real and Personal Property	6.4 mills
Sales	3.5%
Transient Occupancy Tax	6.0%

Borough Taxes:

Tax Type	Tax Rate
Borough Areawide Real and Personal Property	7.5 mills
Borough Nonareawide Real and Personal Property	.93 mills
Sales	2.0%
Nonareawide Transient Occupancy	4.0%

EXHIBIT K

INFORMATION RELATING TO PUBLIC NOTICE

This exhibit offers information relevant to the provision of public notice of the consolidation proceedings. Included are details about local media, municipal governments within and adjacent to the territory proposed for consolidation, places for posting public notices relating to the proposed consolidation, the location where the petition may be reviewed by the public, and parties that may warrant individual notice of the consolidation proceedings.

The following is a list of the principle media serving the area within the current and proposed boundaries of the City:

Name of the newspaper(s) serving the territory proposed for consolidation and adjacent regions:

Name: Ketchikan Daily
Address: P.O. Box 7900
Ketchikan, Alaska 99901
Telephone #: (907) 225-3157
Fax #: (907) 225-1096

News The Local Paper
516 Stedman Street
Ketchikan, Alaska 99901
(907) 225-6540
(907) 225-6435

Name of the radio station(s) serving the territory proposed for consolidation and adjacent regions:

Name: KFMJ FM Radio
Address: 516 Stedman Street
Ketchikan, Alaska 99901
Telephone #: (907) 247-3699
Fax #: (907) 247-5365

KGTW FM/KTKN AM Radio
526 Stedman Street
Ketchikan, Alaska 99901
(907) 225-2193
(907) 225-0444

Name of the local television scanner serving the territory proposed for consolidation and adjacent regions:

Name: Alaskan Cable Network
Address: 2030 Sea Level Drive
Ketchikan, Alaska 99901
Telephone #: (907) 225-2191
Fax #: (907) 225-4943

Name(s) of other media serving the territory proposed for consolidation and adjacent regions:

Name: KRBD FM Radio/Rainbird
Broadcasting Company
Address: 123 Stedman Street
Ketchikan, Alaska 99901
Telephone #: (907) 225-9655
Fax #: (907) 247-0808

The Ketchikan Channel

P.O. Box 7900
Ketchikan, Alaska 99901
(907) 225-3157
(907) 225-1096

PLACE AND TIME WHERE THE PETITION AND RELATED MATERIALS ARE TO BE MADE AVAILABLE FOR PUBLIC REVIEW

A full set of petition documents, including responsive briefs, reply briefs, and reports of the Department of Community and Economic Development will be made available for public review by the petitioners' representative at the central and convenient location(s) listed below. The materials will be available from the first date of publication of notice of the filing of this petition through the last date available for reconsideration of the final decision under 19 AAC 10.580. The materials will be available for review during normal working hours. The petitioners' representative will accommodate requests for public review of the petition documents at reasonable times in the evening and on weekend days.

LOCATION: Office of the City Clerk
City of Ketchikan
334 Front Street - Fourth Floor
Ketchikan, Alaska 99901

DAYS/TIMES NORMALLY OPEN: 8:00 a.m. to 12:00 p.m. and 1:00 p.m. to 5:00 p.m., Monday through Friday.

LOCATION: Ketchikan Public Library
City of Ketchikan
629 Dock Street
Ketchikan, Alaska 99901

DAYS/TIMES NORMALLY OPEN: 10:00 a.m. to 8:00 p.m., Monday through Wednesday; 10:00 a.m. to 6:00 p.m., Thursday through Saturday; 1:00 p.m. to 5:00 p.m., Sunday.

PLACES SUGGESTED FOR POSTING OF NOTICES RELATING TO THIS PROPOSAL

The following three or more public and prominent places within the territory proposed for consolidation are designated for posting of notices concerning this consolidation proposal.

Office of the City Clerk
City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901
(907) 228-5658

Ketchikan Public Library
City of Ketchikan
629 Dock Street
Ketchikan, Alaska 99901
(907) 225-3331

City Hall 2nd Floor Bulletin Board
Attn.: City Clerk
City of Ketchikan
334 Front Street
Ketchikan, Alaska 99901
(907) 228-5658

Office of the Borough Clerk
Ketchikan Gateway Borough
344 Front Street
Ketchikan, Alaska 99901
(907) 228-6605

MUNICIPALITIES ADJACENT TO THE PROPOSED BOROUGH

The following is a list of cities and boroughs whose boundaries extend within 20 miles of the proposed boundaries of the territory petitioned for consolidation.

City of Saxman
City of Ketchikan
Ketchikan Gateway Borough

PARTIES THAT MAY HAVE A PARTICULAR INTEREST IN THIS CONSOLIDATION PROPOSAL.

The following is a list of names and addresses of parties whose potential interest is the consolidation proceedings may warrant individual notice of the proceedings relating to this petition:

Ketchikan Gateway Borough
Borough Manager & Assembly
344 Front Street
Ketchikan, Alaska 99901

City of Ketchikan
City Manager & Council
334 Front Street
Ketchikan, AK 99901

Frank Murkowski, Governor
State of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Ernest Boyd
P.O. Box 6831
Ketchikan, Alaska 99901

Senator Bert Stedman
50 Front-203
Ketchikan, Alaska 99901

Representative Bill Williams
50 Front-203
Ketchikan, Alaska 99901

Forest Park Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Gold Nugget Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Mud Bight Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Gold Nugget Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Waterfall Creek Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Shoup Street Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Long Arm Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Nichols View Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Vallenar Bay Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Mountain Point Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

Deep Bay Service Area
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

S. Tongass Fire District
c/o KGB Manager's Office
334 Front Street
Ketchikan, Alaska 99901

North Tongass Fire & EMS Service Area
c/o KGB Manager's Office
334 Front Street Route
Ketchikan, Alaska 99901

City of Saxman
2 Box 1-Saxman
Ketchikan, AK 99901