

KETCHIKAN CHARTER COMMISSION

REGULAR MEETING

July 29, 2004

The regular meeting of the Ketchikan Charter Commission commenced at 6:00 p.m., Thursday, July 29, 2004, in the City Council Chambers.

Roll Call

PRESENT: OTTE, HARRINGTON, MCCARTY, FINNEY (Arrived at 6:15),
PAINTER, THOMPSON

ABSENT: KIFFER

A: Pledge of Allegiance

B: Ceremonial Matters/Introductions

NONE.

C: Public Comments

None

D. Informational Reports and/or Commission Presentations

THOMPSON said he hoped everyone had looked over the budget numbers.

OTTE indicated that an updated calendar was included in the packets. The City Council Chambers have been reserved for the Public Hearings.

E. Consent Calendar

M/S PAINTER/HARRINGTON to approved the minutes of the July 23, 2004 regular Charter Commission meeting.

There was no discussion. The motion passed by a unanimous voice vote.

F. Vouchers

NONE

G-1 Recess the meeting into worksession to consider the 2004 Draft Consolidation Petition, as well as the 2004 DRAFT Charter, as well as correspondence received addressing issues within the Petition and Exhibits.

Note: Work sessions are informal discussion sessions held for the purpose of exchanging and gathering information. No action may be taken, formal rules of order are relaxed, and there is no requirement that minutes be kept.

M/S PAINTER/HARRINGTON to recess in work session to consider the 2004 Draft Consolidation Petition.

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

THOMPSON suggested going through the budget in this meeting's work session and reviewing the document as time permits.

THOMPSON read comments on the budget document written to the Commission by Scott Brant-Erichsen, Borough Attorney. He was addressing sales tax issues, especially the Public Works 1.5% sales tax within the new Gateway Service area. There was considerable discussion about the fact that some of the funds from that tax should follow the new areawide powers.

PAINTER reminded the Commission about the section in the Charter dealing with monies and assets of service areas.

A difference was expressed regarding whether any changes would be made to the status quo, as opposed to making some small needed changes as a body now and suggest further steps the new Assembly should take for more efficiencies and cost savings.

OTTE said that if any changes in the taxes are included within the Petition document, the people, by approving the consolidation, are approving any tax changes as well.

Areawide and service area powers and the funding of those services were discussed. THOMPSON said it was possible to shift .25% of the Public Works Sales tax from the Gateway Service Area to areawide. He did say, however, this could be one of the items left for the new Assembly to tackle and the Commission could just leave it as status quo. HARRINGTON thought that this should be done now.

MCCARTY said that including any tax changes in the Petition documents shouldn't be done and that the issue should be a separate one apart from the consolidation. He also said that dedicating taxes in the Charter is not a good idea since over time situations change and the funds that were once needed to be dedicated are no longer needed, however, because they are in the Charter, they continue to be collected.

Marvin Hill, 808 Forest Park Drive, asked the Commission if it were legal for one arm of government to grant to another arm of the government a one-time transfer of funds? If there were a large surplus in fund A and fund B is in deficit, would it be legal to transfer funds between the two. It was pointed out that the Draft document does address service areas and joint ventures, sharing of revenues, equipment, property, personnel and assets, mutual assistance and other cooperative agreements provided that such service area is reasonably compensated in proportion to the revenues, equipment, property, personnel and assets it contributes. The answer to Mr. Hill's question is no, a one-time grant of funds wouldn't be legal.

HARRINGTON said that stipulation could be made in the Charter in the section that talks about the 1% Hospital tax going areawide to indicate that .25% of the Public Works Sales Tax would follow the powers (Library, Museum, etc.) to cover the costs of maintenance of those facilities that are going areawide.

The Commission took a break from 7:05 to 7:15.

George Tipton, Ketchikan Gateway Borough, suggested that language be inserted into the document that the service area decides what they want for their own services. Let the service area decide, since they're going to assess themselves anyway, and leave the option for each individual service area to determine what the bill-back for the Public Works usage which is essentially what happens now because of road maintenance, snow removal, or any of the other services that could be handled by the Public Works in the combined entity or any other small task. It doesn't mean that it still can't be contracted out, but you give them the option for the funding to come through.

Further discussion was held regarding taking the Public Works Department of Ketchikan Charter Commission Minutes

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the current City of Ketchikan to an areawide level. As the documents stand, the Public Works Department will be as it is currently; the Borough's and the former City of Ketchikan's. Since these are parallel departments, it is expected that over time those departments would be merged.

THOMPSON discussed some of the other issues Mr. Brandt-Erichsen mentioned in his email. One of those items was the Capital Projects Fund and one of the reason he left it in the Gateway Service Area was because the source of the funding in that fund was from the constituents within the current City. Whether or not that fund should go areawide to fund capital projects is left to the pleasure of the Commission. There will be capital projects for the new Municipality and whether or not that fund should go areawide or stay within the Gateway Service Area is up to the Commission to decide how that should be done. It's in the narrative of Exhibit F.

It was determined that the projected budget was a best reasonable guess and the LBC is looking to whether there is fiscal reasonableness in the effort to join the two bodies. The Finance Directors of the City and Borough will probably review the budget document with a fine tooth comb and let the Commission know if there are errors in assumptions.

The Commission thanked THOMPSON for his heroic efforts in putting together the budget.

MCCARTY indicated he could live with most of the budget document, but he had a hard time with the mill levy cap. He said unfortunately, there were probably not 4 votes to get rid of it.

The Commission then started a page-by-page review of the Petition documents, focusing on highlighted items and those items brought up by Borough Attorney, Scott Brandt-Erichsen, in his June 11 memorandum. Changes were made and the Commission continued through the Petition document to Exhibit H.

A break was held from 8:15 to 8:25 pm.

G-2 Reconvene Into Regular Session

M/S PAINTER/HARRINGTON to reconvene the meeting into regular session with the caveat that the meeting of July 30th would also have a work session.

A unanimous voice vote passed the motion to reconvene.

H: Unfinished/Old Business

H-1: 2004 Draft Consolidation Petition

M/S PAINTER/MCCARTY to approve any changes to the 2004 DRAFT Petition discussed in work session.

A roll-call vote was taken on the motion.

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

AGAINST:

ABSENT: KIFFER

The motion passed 6-0.

**H-2 Amend Article XII, Sections 12.03 (2), 12.07 and 12.02 (c),
Areawide, Nonareawide and Service Area Powers (Second Reading)**

M/S PAINTER/HARRINGTON, in the second reading, to make the suggested changes to Article XII, Areawide, Nonareawide and Service Area Powers as shown above.

HARRINGTON pointed out that the newspaper had printed a big article that the Fire & EMS were going areawide and now he wanted it known that they are not.

A roll-call vote on the motion was taken.

FOR: OTTE, HARRINGTON, THOMPSON, PAINTER

AGAINST: FINNEY, MCCARTY

ABSENT: KIFFER

The motion passed with a vote of 4-2.

**H-3 Amend Article II, Sections 2.12 and 2.13 – Clerk and
Municipal Attorney (Second Reading)**

M/S PAINTER/MCCARTY to amend, in second reading, Article II, Section 2.12 -- Clerk, and Article II, Section 2.13-- Municipal Attorney by adding a sentence at the end of each section to read, Section 2.12: **The Assembly may suspend or remove the Clerk at any time by vote of the Assembly;** and Section 2.13: **The Assembly may suspend or remove the Municipal Attorney at any time by**

vote of the Assembly.

A roll-call vote was taken on the motion.

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

The motion passed with a vote of 6-0.

I: New Business

**I-1 Amend Exhibit F (Budget) and Acceptance of the Proposed Budget
(First Reading)**

M/S MCCARTY/PAINTER to amend Exhibit F (Budget) to the Petition and accept the proposed budget documents for the combined Municipality as presented.

MCCARTY congratulated THOMPSON for a great job on the budget, with concurrence by PAINTER.

A roll-call vote was taken on the motion.

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

**I-2 Amend Areas of the Petition and Charter as suggested by
Borough Attorney, Scott Brandt-Erichsen and/or City Attorney
Steve Scheppe**

THOMPSON suggested that I-2 be postponed until after the work session at the following night's meeting (July 30th). Some of the items were already approved as part of the approval of the changes to the Petition document in H-1. There was no objection voiced and the item was continued to the July 30th meeting.

J: Commission Comments

NONE

The meeting was adjourned at approximately 8:32 p.m.