

KETCHIKAN CHARTER COMMISSION

AGENDA STATEMENT

NO G-1 & G-2

MEETING OF **September 10, 2004**

ITEM TITLE Work session to discuss the 2004 Draft Consolidation Petition and Exhibits, and the 2004 DRAFT Ketchikan Charter, as well as any other items of business of the Commission 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 2000 Charter. Similarly, the Commission intends to review and modify the City of Ketchikan's 2000 Consolidation Petition and Exhibits.

During this weeks' meeting, the Commission will recess into work session to review the Consolidation Petition and Exhibits, including the budget, as well as any upcoming business of the Commission. Attached for review is new Exhibit J-1 of the Draft Petition (the "Laundry List").

RECOMMENDED ACTION:

G-1 "I move to recess into work session to discuss the Draft 2004 Petition and Exhibits, including the budget, as well as any other Commission business."

G-2 "I move to reconvene into regular session to consider changes to the Draft documents and conduct the rest of the Commission's business.

¹ Work sessions are informal discussion sessions held for purpose of exchanging and gathering information. No action may be taken, formal rules of order are relaxed, and it is not required that minutes be kept.

EXHIBIT J-1
SUGGESTIONS TO THE NEW ASSEMBLY

The following is a list of recommended items that the Ketchikan Charter Commission feels are important for the consolidated Assembly to address. They are not listed in any order of priority. These were concerns that were discussed by the Charter Commission but were beyond the scope of our task or politically or economically not appropriate to address at the time this Petition was formulated:

- The Ketchikan City Manager is also the manager of Ketchikan Public Utilities. It is questionable whether this arrangement would be appropriate under a consolidated municipality given the increased responsibility of the municipal manager.
- Ketchikan Public Utilities is currently comprised of electric, telecommunications and in-City only water. There is concern that these individual utilities may be cross-subsidizing one another. This practice masks the true consumer costs and, in the case of the water utility, potentially creates an unfair subsidy of the Gateway Service Area by the general municipality.
- Some enterprise funds, for instance the airport, do not appear to be charged a Payment In Lieu Of Taxes (PILOT) and others that do are arbitrary.
- The power to collect and dispose of solid waste are separate. It is often more efficient to combine these powers and provide them on an areawide basis, however the borough has rejected mandatory collection in the past.
- The cost to provide 911 dispatch is over \$500,000 per year while generating only about \$100,000 in revenues. These costs and revenues associated with 911 dispatch should be reviewed. It is likely that 911 dispatch should be ancillary to police and/or fire dispatch which is provided solely within the Gateway Service Area.
- Public transit is operating at a significant deficit and ridership appears to be minimal. This operation should be revamped to match service provided with actual demand (need).
- Police powers were restricted to the Gateway Service Area due to cost and the desire to avoid the tendency of the State of Alaska to minimize trooper jobs in Ketchikan. It is noted that Ketchikan is the southern headquarters for the Troopers, so this concern may be unwarranted.

- Fire protection and EMS response has been limited to service areas. The roaded areas of the Borough all have some level of fire protection. The commission debated at length the efficiency of having areawide fire and EMS, however the level of service disparity and the costs, combined with political considerations, did not make this a feasible choice. The local fire departments conduct joint training and have mutual aid agreements in place. This issue should be continually monitored in the future for consolidation of the departments as conditions warrant that would increase service and efficiency.
- Sanitary sewer service will be exercised on an areawide, nonareawide or service area basis at the direction of the Assembly. The overall provision of service, service levels, and associated fees should be reevaluated to insure equity in costs versus service provided and public health issues and efficient use of assets (for example, both the current borough and city own a sludge pump truck where one might suffice).
- Many functions of the Gateway Service Area's public works department will be duplicates of areawide functions. These duplications in materials and personnel should be examined for cost efficiencies, especially facility and vehicle maintenance.
- There are disparities in wages and benefits between the City and Borough and these will need to be addressed. Additionally, the cost of insurance and PERS appear to be climbing annually at high rates. The insurance may be able to see some relief due to the larger entity, while the ever-increasing cost of PERS should be evaluated.
- The labor and staffing were minimally adjusted in the proposed budget. During the second year and beyond, there should be significant savings in staffing due to reduced workload. (It is anticipated that the workload in the first year after consolidation would be such that no reduction in staff would be feasible. In future years, the workload should ease somewhat.) A reduction in staff is indicated and the preferred method to accomplish this will likely be attrition.
- Sales taxes should be reevaluated and policies overhauled. There are different rates in the Gateway Service Area and the borough at-large. There are senior citizen and other exemptions as well as a cap. This makes for difficult management, collection and confusion on the part of business owners to comply with the various rules and policies.
- The Gold Nugget Service Area has been running at a deficit for quite some time. The services and costs should be re-evaluated and reset if necessary.

- The vehicle maintenance facilities of the current Borough, Airport, School District, KPU and Public Works should be combined to effect savings and efficiencies.
- Not only should KPU have a separate manager and the Water Department moved into the area served, the Assembly should consider an elected board (not advisory) to govern KPU and take it out of the over-all political arena.
- The Assembly should consider an elected advisory board for the Gateway Service Area. One staff person responsible for the oversight of all the service areas would be insufficient without a strong board for this largest and most complicated service area.
- Service area boards have felt un-heeded in the past. The new Assembly should be prepared to listen to the advice and desires of the service area boards and allow the citizens to make the decisions concerning their areas.
- The Assembly should consider a seasonal areawide tax hike to help offset the impact of the summer influx of persons into the community. The Ports & Harbors have the user fees to help offset their increased staffing and duties associated with the summer season, but the streets and library/museum and other public entities must rely on the same taxation rate year-round to offset the increased usage of facilities.
- The Commission heard from a group of citizens and property owners in Loring, a small enclave north of Ketchikan up Clover Passage who were considering forming a service area in order to tax themselves to provide a dock facility. The State of Alaska had recently removed the only dock due to safety concerns and were not going to replace it. As of the time of this Draft Petition, no formal paperwork had been received by the Borough from the Loring citizens to form a service area.
- The Ketchikan Gateway Borough has recently curtailed their plans for annexation of land in the surrounding areas. This issue may be raised again after the Draft Petition is filed, but at this time there is no action being taken by the Borough to annex surrounding acreage.
- Another area that should be scrutinized is the divestiture of KPU. The spinning off of the two utilities, Electric and Telecommunications, making them rate-payer owned public utilities would be of great benefit for the community and takes them out of the politics that now affect them so much. True, it would probably come under regulations it does not now come under, but it is time. Technology is changing very rapidly and before we know it the current KPU

infrastructure will be obsolete, and may already be so; now is the time to put it into the private sector where it belongs. The ratepayers have paid for the infrastructure and development of the utilities and should be the ones that benefit from this spin-off. In this way, if they are sold the ratepayers get the money, not the government.

- Establishment of the Port of Ketchikan, with the airport, the airport ferry, the ports and harbors department and the Ward Cove Industrial Park, along with other appropriate Borough and City properties should be considered. This would provide an opportunity for the development and coordination of the industrial and transportation infrastructure and other opportunities in the new municipality, on an area-wide basis. The ports of Tacoma, Seattle and Anchorage are all examples of what a port authority can do and could do in Ketchikan, given the right assets and managed as a business.