

**Regular City Council Meeting**  
**February 21, 2018 @ 7:00 pm**  
**Cordova Center Community Rooms A & B**  
**Minutes**

**A. Call to order**

*Vice Mayor David Allison* called the Council regular meeting to order at 7:00 pm on February 21, 2018, in the Cordova Center Community Rooms.

**B. Invocation and pledge of allegiance**

*Vice Mayor Allison* led the audience in the pledge of allegiance.

**C. Roll call**

Present for roll call were Council members *Ken Jones* (arrived @ 6:48), *Jeff Guard*, *Anne Schaefer*, *David Allison* and *James Wiese*. *Mayor Koplin* and Council members *James Burton* and *Robert Beedle* were absent. Also present were Student Council representative *Olivia Carroll*, City Manager *Alan Lanning* and City Clerk *Susan Bourgeois*.

**D. Approval of Regular Agenda**

*M/Wiese S/Schaefer* to approve the Regular Agenda.

Vote on the motion: 5 yeas, 0 nays, 2 absent (Burton & Beedle). Motion was approved.

**E. Disclosures of Conflicts of Interest**

**F. Communications by and Petitions from Visitors**

1. Guest Speakers - *Jennifer LeMay*, LeMay Engineering & Consulting summary of the Draft Hazard Mitigation Plan Update. She reported that the last plan was adopted 5 years ago and will expire in June. On February 28 the state will review the work that has been done to date on updating the plan. Between March 7 and April 30 it will be reviewed by FEMA and she hopes to have the final plan back before Council in May for adoption via resolution. Generally it outlines a list of hazards and gives the vulnerability of that hazard to occur in Cordova and then states the plans for mitigation of that hazard.

2. Audience comments regarding agenda items

*Gary Graham* 102 Kimmick Way, offered opinions on making up the budget shortfall with something other than new taxes.

*Dean Curran* 110 Sawmill Avenue, asked Council when the marijuana petition that he sponsored and has now been certified, will then go to a vote. *Vice Mayor Allison* said it will be discussed tonight at Pending Agenda.

*Tom Bailer* 304 Orca Inlet Drive, spoke to the January 17, 2018 minutes in the packet for approval. He said he would like to see the minutes amended because they state ... "he accused the City of leaving public information out of a council packet". He said, in fact, what he did was state a fact, there was a letter written by Copper River Seafoods that never made a P & Z packet, never made the P & Z minutes and then was not available at the Council meeting.

*Mark Frohnapfel* 813 Woodland Drive opined that both taxes should be repealed.

*Kristin Carpenter* 507 Fourth Street, spoke in favor of Council keeping the motor fuel excise tax in place.

*Don Scutt* 204 Boardwalk Way, spoke against both taxes, motor fuel and the cap being raised.

3. Chairpersons and Representatives of Boards and Commissions

*Kristin Carpenter* reported that they are searching for a new vendor for EMR on the hospital side. The long term care EMR will be operating by May or June. Permanent RN's still being sought. Plans of correction have been accepted for federal and state surveys. Financial records and a new payroll service are being worked on. She said the 2 biggest issues financially are PERS and Medicare/Medicaid contractual adjustments. The state is allowing CCMC to pay just the 5% on PERS instead of the full 22%. *Scot* is also working on specialty clinics. *Guard* asked about the PERS 17% that we are not paying - wondered if that would be digging a deeper hole - *Scot Mitchell* replied that interest is accruing on that debt. *Guard* wonders if that debt would fall back on the City or not. *Lanning* said he is in talks with the attorney about that.

*Allison* had questions about the budget that was included in the packet. He asked why the City contribution shows \$575,000 but he remembers the City budgeting \$625,000. *Mitchell* said that reflects the \$50,000 the hospital will pay back to the City this year as part of the pharmacy set-up costs. *Allison* also said that maybe this year they can get us the budget before we pass ours, which is in Code. Also, he thought the budget they get should have a little more detail than one page - this is really just a summary budget. *Schaefer* also asked if this was intended to just be a summary. *Carpenter* said it is the budget. *Scot Mitchell* said he and staff have a more detailed budget, but that hospital budgets are much different than City budgets. He then gave a "Paul Harvey" story about how hospital budgets work.

4. Student Council Representative Report – *Olivia Carroll* said that homecoming was a success. She and *Aaliyah Malazo* went to Juneau for a leadership conference and to speak with legislators about education funding. She reported that CHS robotics won state and the Cordova Yeti Crab team (*Makita DeCook, Marie Esguerra, Reed Williams* and *Cori Pegau*) won the NosBowl (National Ocean Sciences) competition and will attend nationals in Colorado in April. She said that *Cori Pegau* is one of only 1,100 National Merit Finalists nationwide, one of only two in Alaska.

#### G. Approval of Consent Calendar

*Vice Mayor Allison* declared the consent calendar was before the City Council.

5. Resolution 02-18-07 A resolution of the City Council of the City of Cordova, Alaska approving the final plat of ‘Saddle Point Too Addition No. 1’

6. Council concurrence of *Mayor Koplín’s* appointments to fill vacancies on the Library Board

7. Council concurrence of *Mayor Koplín’s* appointment of the 2018 Election Board

Vote on the consent calendar: 5 yeas, 0 nays. Burton-absent; Beedle-absent; Schaefer-yes; Wiese-yes; Jones-yes; Allison-yes and Guard-yes. Consent Calendar was approved.

#### H. Approval of Minutes

*M/Wiese S/Guard* to approve the minutes.

*M/Wiese S/Guard* to amend the minutes on page 17 of the packet by replacing “he accused the City of leaving public information out of the packet” to “he stated the City left public information out of the packet”.

By unanimous consent the minutes were amended.

8. Minutes of the 1-17-18 Council Regular Meeting

Vote on the motion as amended: 5 yeas, 0 nays, 2 absent (Burton & Beedle). Motion was approved.

#### I. Consideration of Bids

#### J. Reports of Officers

9. Mayor’s Report – *Mayor Koplín* had a written report in the packet.

- City Representative to the PWSAC Board of Directors, **Tom Bailer**, written report

10. Manager’s Report –City Manager *Alan Lanning* gave a quick visual of the city’s finances, i.e. balances in general fund, permanent fund and the excess fish tax that was collected in 2017. He explained how the balances in those accounts do not necessarily mean that there is that much in spendable cash, these accounts have certain amounts that have to remain intact for enterprise funds, etc. He went into the 2018 budget and all that was left out and all outside entities funded by the City. He was trying to aim at the narrow window that exists of what we could be doing differently; saving money on. People have been offering opinions but he was giving facts on reality of the budget and how tight it is.

11. City Clerk’s Report – *Bourgeois* explained her rules and procedures on correspondence. She will include things in Council packets when they are addressed to Mayor and Council. When something is addressed to the Planning Commission it will not be included in a Council packet. She thanked a couple of Council members recently who have noticed when correspondence has been sent to them but not me, that they will then forward to me so I have a copy for records and I can include in the next packet. *Bourgeois* mentioned the upcoming March 6 Regular Election, sample ballots are on the website and available at City Hall, absentee in person has begun and is available Mon-Fri 8am-5pm in the Clerk’s office until Monday March 5. On March 7 assessment notices will be in the mail, beginning the 30 day appeal period for 2018 property assessments.

#### K. Correspondence

12. 02-03-18 Branshaw email re Special Election for motor fuel excise tax and tax cap

13. 02-03-18 D. Sherman letter re Robert’s rules and motor fuel tax excise tax

14. 02-05-18 Mayor Koplín letter to NPFMC re ground fish IFQ program

15. 02-13-18 M. Lindsey letter re ordinances 1163 & 1164

16. 02-14-18 L. Vargas letter re ordinances 1163 & 1164

#### L. Ordinances and Resolutions

17. Ordinance 1163 An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.40.030(C), CMC 5.40.030(D) and CMC 5.40.030(AB) concerning sales tax exemptions, to decrease the cap on a single purchase transaction sale or service from \$7,500 to \$3,000 – 2<sup>nd</sup> reading

*M/Jones S/Wiese* to adopt Ordinance 1163 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.40.030(C), CMC 5.40.030(D) and CMC 5.40.030(AB) concerning sales tax exemptions, to decrease the cap on a single purchase transaction sale or service from \$7,500 to \$3,000.

*Jones* said he will support this he has spoken about it many times. He believes that when the fish tax came in so much

more than anticipated in 2017, he was not in favor of retaining these added taxes. He thinks it is apparent that this was targeting the fishing fleet. **Wiese** said he would support this because he doesn't believe these will get through the voters so why not do it now. He'd prefer this be at an amount that would not lose business to Anchorage, this is too high. **Guard** said he is not trying to drive business out of town. The reality of the budget is we are not even keeping up with our infrastructure. He wants to know what people would want to get rid of as a community. He is not in favor of passing these. Let the voters get the last say. **Schaefer** said she would not be in favor of approving these ordinances getting rid of that revenue unless we had another revenue generating idea. We need to think longer term, we have already cut the budget to the bone. She said that the strategic planning process was all about that, making a three year plan, but we have to stick with. She would be willing to look at a cap somewhere between the two numbers as a compromise. **Allison** said we've been accused of targeting the seasonal influx of people, he said absolutely, they were, and that is true. He said the idea was to reduce the burden to the year round residents. **Allison** asked the Clerk about initiated ordinances and if they pass the voters the time frame that Council can't touch that. **Bourgeois** said that the charter says that Council cannot repeal an initiated ordinance for 2 years but can amend it at any time but the vote on final passage of an ordinance amending it would need to be the same as votes on an emergency ordinance (which is 5 affirmative votes). **Allison's** point was that if they approve this tonight then they have the ability to make changes. **Guard** said he would prefer just letting the people have their way and vote on this.

Vote on the motion: 2 yeas, 3 nays, 2 absent. Jones-yes; Guard-no; Wiese-yes; Beedle-absent; Burton-absent; Schaefer-no and Allison-no. Motion failed.

18. Ordinance 1164 An ordinance of the City Council of the City of Cordova, Alaska, repealing chapter 5.39, "motor fuel excise tax" - 1<sup>st</sup> reading

**M/Jones S/Wiese** to adopt Ordinance 1164 an ordinance of the City Council of the City of Cordova, Alaska, repealing chapter 5.39, "motor fuel excise tax"

**Jones** said he would echo comments from the previous ordinance - fishing fleet contributes to the City revenues. He thinks it also targets one single business in town. **Wiese** said he doesn't think this will survive the voters. **Guard** said he would be interested in maybe a half a percent sales tax increase, but he isn't willing to get rid of this until that could be put in place. He asked the City Manager to speak to that. **Lanning** said, that the private business that this is said to target, can at any time raise its rates without asking anyone for approval, in order to make up margins. They are the only distributor in town which is why they are the only entity collecting this tax. He said he wishes we could see the data, if we just pause and see how this pans out.

Vote on the motion: 1 yea, 4 nays, 2 absent. Allison-no; Beedle-absent; Jones-yes; Guard-no; Wiese-no; Burton-absent and Schaefer-no. Motion failed.

## **M. Unfinished Business**

### **N. New & Miscellaneous Business**

19. Council action on disposal and method of disposal for Lots 1 & 2, Blk 6, Lots 3A, 4 & 5, Blk 8 all in the North Fill Development Park

**M/Jones S/Wiese** to dispose of Lots 1 & 2, Blk 6, Lots 3A, 4 & 5, Blk 8 all in the North Fill Development Park as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with the harbor department to lease or purchase the property.

**Jones** said there were some South Fill Planning meetings a few years back and the consensus was to further develop the North Fill launch site and a maintenance area there to alleviate the stress on the South Fill side. He believes these lots are important for that and he knows the department and the Harbor Commission are in favor so he supports this. **Wiese** spoke in favor of this. **Guard** said he's not disputing whether it's the best use for this land, he just said it seems like 2 parts of the same competing with themselves. **Guard** thought we should get the Planning Commission's opinion. **Allison** reminded him that Planning Commission did see this and recommended Council retain the lots. **Schaefer** opined that they shouldn't act on this until after the joint meeting with Planning and Zoning about land disposal methods which is on the docket. Also she wanted some planning about waterfront development to occur before such a disposal. **Jones** said that the 2013 public meetings on the South Fill were the planning meetings. **Allison** said he didn't have any problem with the harbor having these lots but he would want the lease to be at fair market value because he believes those lots to belong to all the citizens of Cordova. **City Manager Lanning** said he doesn't think this is a good idea at all. He hasn't spent the money for a legal opinion but would tend to believe that the Harbor department doesn't have any standing to be owners of land.

**M/Wiese S/Guard** to refer to staff to come up with a better solution.

Vote on the motion to refer: 5 yeas, 0 nays, 2 absent (Burton & Beedle). Motion was approved.

**20. Pending Agenda, Calendar and Elected & Appointed Officials lists**

Calling a special meeting was discussed. Council asked to see the Code on Special elections/initiatives to determine how quickly it could be called. **Jones** asked staff to look into the RFP for developing the mud-flat near the shipyard. There is an upcoming Planning & Council joint work session and Council asked to invite Harbor Commission as well. That will be on March 7. The March 21 work session will be the 2016 financial audit presentation. Strategic planning work sessions would start up in April. **Allison** asked if 2017 year-end was ready. **Lanning** said that would be to them shortly. **Schaefer** asked about the birds on the Cordova Center roof. **Lanning** said we did look into this, he would send out the bid they received on this issue. **Jones** wants the impound lot looked at for harbor use.

**O. Audience Participation**

**Gary Graham** 102 Kimmick Way, spoke about the number of sales tax exemptions he heard the manager mention. He opined that the exemption for resale is something we should think about getting rid of.

**Mark Frohnapfel** 813 Woodland Drive, appreciated the Council talking about other revenue sources, like a 1% sales tax increase. He said if we lose the big boats for fuel ups then we lose business and sales tax for the other stores they would have spent money in as well. He said a 1% sales tax increase would generate \$100,000 from Shoreside alone.

**Don Scutt** 204 Boardwalk Way, said it is bad what they have done with sales tax. He has no incentive to collect sales tax for the City anymore.

**P. Council Comments**

**Jones** said that **Scot's** (Mitchell) story reconfirmed to him why government needs to be out of healthcare. He said we've looked at sin taxes before, he'd be interested to see those numbers again. He fought hard on the taxes because he doesn't want to see us run business out of town. Now it will go to the voters and we can focus on growing the pie.

**Schaefer** thanked everyone for coming.

**Guard** said he is in favor of seeing what we can do to fine tune this. As far as maintaining the cap at a lower level for house packages and maybe marine engines, etc.

**Allison** appreciates that these will now be in the public's hands at the polls, he doesn't mind that at all, hopes people will educate themselves on these upcoming ballot measures.

**Q. Adjournment**

Hearing no objection Vice Mayor Allison adjourned the meeting at 9:44 pm.

Approved: April 4, 2018

Attest:   
Susan Bourgeois, CMC, City Clerk

