

Regular City Council Meeting
April 17, 2019 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes

A. Call to order

Mayor Clay Koplín called the Council Regular Meeting to order at 7:10 pm on April 17, 2019, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

Mayor Koplín led the audience in the Pledge of Allegiance.

C. Roll call

Present for roll call were *Mayor Clay Koplín* and Council members *Tom Bailer, Ken Jones, Melina Meyer, Anne Schaefer, David Allison* and *David Glasen*. Council member *Jeff Guard* was absent. Also present were City Manager *Alan Lanning* and City Planner *Leif Stavig*.

D. Approval of Regular Agenda

M/Allison S/Bailer to approve the Regular Agenda.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

E. Disclosures of Conflicts of Interest and ex parte communications

Mayor Koplín said that item 18 poses several different possibilities of conflicts of interest. As far as Cooperative members, he said for reason of necessity he will say those are not conflicts, since most council members are coop members and the body would be unable to vote if everyone was conflicted out. As far as Council members with spouses employed at the coop and/or with spouses on the board of the coop, it comes down to monetary gain and he is of the belief that voting on this item would not constitute the possibility of enough of a financial gain to any of those family relationships mentioned, so he was comfortable declaring none of those to be conflicted.

F. Communications by and Petitions from Visitors

1. Guest speakers - none
2. Audience comments regarding agenda items - none
3. Chairpersons and Representatives of Boards and Commissions

CCMCA Board - *Kristin Carpenter* wanted to touch on a few items they have been working on to improve the revenue picture. Improving the electronic clearing house method of receiving revenue. There is a new business office manager which is a position that has been vacant for a number of years - this will assist in capturing charges and getting bills through the system. A new Nurse Practitioner is coming on and a special skill that she brings is wound care - we've turned away some of that from swing beds of late due to not having such expertise, so she will assist in that lost revenue and will be able to provide training to others at CCMC as well. New permanent Physical Therapist, a new Tele-Psychiatrist, *Dr. Gifford* has done a pediatric clinic and he will continue to come quarterly. We have physician coverage through February 2020. *Carpenter* also spoke to the PERS issue stating that the State of Alaska made calculation errors a number of years ago and now several smaller entities are on the hook to cover that arrears for all State employees in PERS - all the different state departments, etc. She doesn't understand how such a small pool of employers has to make up for all of that.

CSD School Board President *Barb Jewell* reported for the School District and Board - she said four of them spent five days in Juneau speaking to anyone who would listen, including most of the House Finance Committee, several Senators to share Cordova's story - the whole picture - school bond debt reimbursement, raw fish tax, education funding, municipal revenue sharing etc. It is sort of a bleak picture - the message they got from all the legislators they spoke to was that they were needing to hear from individual citizens. Athletic awards are happening this evening, 21 musicians are attending state, pretty exciting. She can answer questions about the resolution before them tonight. Graduation is 4 weeks away. *Glasen* thanked *Jewell* for defending us well in Juneau, as he had watched some of her testimony. *Jewell* and *Mayor Koplín* both talked about an upcoming meeting with Superintendent, Mayor, School Board President to discuss School budget. *Jewell* said it is so dire that they have suspended negotiations with the teacher's union, the teachers have been generous and willing to do that because they realize the financial straits we might be in.

4. Student Council Representative Report - was not present

G. Approval of Consent Calendar

5. Record excused absences of **Mayor Koplín** and Council members **Ken Jones** and **Anne Schaefer** from the April 3, 2019 Regular Meeting

Vote on the approval of the consent calendar: 6 yeas, 0 nays, 1 absent. Meyer-yes; Schaefer-yes; Glasen-yes; Jones-yes; Allison-yes; Guard-absent and Bailer-yes. Consent calendar was approved.

H. Approval of Minutes

M/Bailer S/Jones to approve the minutes.

6. Minutes of the 4-3-19 Regular Council Meeting

7. Minutes of the 4-3-19 Regular Council Meeting

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

I. Consideration of Bids

J. Reports of Officers

8. Mayor's Report - **Mayor Koplín** said he has been in almost daily contact with City Lobbyist **John Bitney**, he has also been working on some correspondence - support for PWSSC was one such letter. He met briefly with our DC delegation, **Senator Sullivan**, **Senator Murkowski** and **Representative Young's** staff - reiterated our harbor infrastructure priority.

9. Manager's Report - City Manager **Alan Lanning** reported 1) two opportunities are coming forward - Build Grant and Tier I Grant - when those are completed those will give us good talking points/information to use in our favor; 2) he is working on looking at several investment firms, comparing rates/fees/returns, etc. he's reaching out to other managers in Alaska on this research too. **Bailer** said specifically he was interested in learning **how** they are paid; 3) he will be out of town April 26 - May 6; 4) **Lanning** said we should have budget talks soon, 2020 should be more like 2017 in the \$10 million range, compared to \$11 million this year - depending on how the legislature shakes out.

Questions: **Bailer** asked how Finance Director search is going. **Lanning** said he didn't see anything good in the first 5 applications he received - didn't meet his expectations. He also mentioned how we'd have to have an organizational discussion; he has a plan B in mind.

10. City Clerk's Report - the Clerk was not present.

11. Staff Quarterly Reports - 1Q 2019

a. Parks and Recreation Department, **Susan Herschleb**, Director

b. Finance Department, **Dean Baugh**, Interim Finance Director

Meyer commented on the quarterlies, said she appreciated the concise nature, all on one-page and the comparison to previous year on the finance report. **Bailer** agreed.

K. Correspondence

12. March 25, 2019 letter from Copper River Seafoods regarding Fish Tax

13. March 27, 2019 letter from Trident Seafoods regarding Fish Tax

L. Ordinances and Resolutions

14. Substitute Ordinance 1174 An ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code Chapter 5.41 Raw Fish Tax, the implementation of a voter approved 0.5% tax on the value of raw fish landed **sold** in the City of Cordova - 2nd reading

M/Bailer S/Schaefer to adopt Substitute Ordinance 1174 an ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code Chapter 5.41 Raw Fish Tax, the implementation of a voter approved 0.5% tax on the value of raw fish landed in the City of Cordova.

Bailer said he is in support; he had been interested in a flat fee for smaller buyers but that was voted down as an amendment last time. **Meyer** said she had always envisioned this as a tax more on the processors and not on the fishermen, more along the lines of the state's collection method; she is concerned that this will be on every fish ticket - the local tax will be listed on each settlement, she doesn't like that. She would rather get this right the first time. **Meyer** was in favor of putting it back to staff to have the attorney show us the differences between the processing tax and the raw fish sales tax. **Jones** said he is on the same page as **Meyer**, he also thought we voted on something different from how this sounds. **Schaefer** said functionally she doesn't know if it would be different - she does believe that this was written as the people voted and as has been explained to us. **Allison** said he agrees it should be on the fishermen, not necessarily on the 6 or so processors. He said it was our intent to spread this out among the most. **Allison** also agreed this coincides

with how the ballot measure read and was approved. **Mayor Koplin** asked if the City Attorney would assist, he can call her to see if she is available. **Bailer** and **Glaser** insisted that yes, we call the attorney and get this handled tonight.

M/Allison S/Meyer to table this item until after the other resolutions on the agenda and when the City Attorney can call in to assist.

Hearing no objection, the motion to table was approved and the motion to adopt Substitute Ordinance 1174 was tabled.

15. Resolution 04-19-17 Joint Resolution of the City Council of the City of Cordova, Alaska and the Cordova School District Board of Education opposing Governor Dunleavy's FY20 budget proposal

M/Schaefer S/Bailer to approve Resolution 04-19-17 Joint Resolution of the City Council of the City of Cordova, Alaska and the Cordova School District Board of Education opposing Governor Dunleavy's FY20 budget proposal

Schaefer said this is a well-crafted message with many voices behind it which makes it stronger and it is also a fair assessment of the situation and we should express what the budget could mean to our schools and town. **Bailer** thanked the author of this, well-written and he will support it.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

16. Resolution 04-19-18 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY19 budget in the amount of \$398,075 to account for CIP carry forward projects and grant funding

M/Schaefer S/Glaser to approve Resolution 04-19-18 a resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY19 budget in the amount of \$398,075 to account for CIP carry forward projects and grant funding

Lanning explained that this is housekeeping, Interim Finance Director **Dean Baugh** is just helping with corrections to our FY19 budget. This is not new money it is carrying forward money into the appropriate funds.

Bailer said he will not support this because one of the items in here is the comprehensive plan and as part of the last hiring process we were told that could get done in house, so he can't support this.

Vote on the motion: 4 yeas, 2 nays (Jones & Bailer), 1 absent (Guard). Motion was approved.

17. Resolution 04-19-19 A resolution of the City Council of the City of Cordova, Alaska, approving the Collective Bargaining Agreement between the City of Cordova and the International Brotherhood of Electrical Workers local union #1547

M/Bailer S/Schaefer to approve Resolution 04-19-19 a resolution of the City Council of the City of Cordova, Alaska, approving the Collective Bargaining Agreement between the City of Cordova and the International Brotherhood of Electrical Workers local union #1547

City Manager **Lanning** said we tried to equal this up with the City's calendar year, this agreement is 2.5 years long to accomplish that. The wages will increase 2% in May 2019, 2% in January 2020 and 2% in January 2021. We held the line on a number of items. There is also a slight increase in accrual rate of annual leave and in the rate of accrual by a year or so, obviously there were some concessions made. He stated that the 2% for this May was already budgeted, the following years will need to be taken into consideration at future budgets. **Allison** said the appendix which includes the step levels was not included but on page 42 of the packet, page 10 of the contract, he said that the old vs. the new step increase rates seem that we've given quite a bit. **Lanning** explained that what has happened is that many employees were given step and merit increases off cycle and so now many are at the top end. That was within the manager's purview and now we have very many at the top end. **Allison** said, how this new contract reads, though, is that everyone will be maxed in seven years. **Lanning** said, they wanted much more than that, he was able to cut in half what they were asking for, he doesn't know what else to say; the difference is he intends to stay on schedule. **Lanning** said its to reward those for sticking around, he has not granted a merit increase since he's been here - since 2016; he doesn't know what else he could have done. **Allison** said, he guesses he wouldn't have cut these step increase time-frames so drastically. **Lanning** said we held the line in other places. **Lanning** said he took every one of the union's requests and attached a dollar amount to it and, he'd have to look at his notes, but surprisingly, these steps do not cost as much as other things they were seeking. He wanted to stay within a framework dollar amount that we would be able to maintain for years to come. **Schaefer** asked if there was a dollar figure that he could put to this new contract. **Lanning** said the 2% is minimal, but he doesn't have in front of him the accrual increases dollar figure, he apologized for that. **Bailer** said he will support this but his comment is, are we down to the number of employees that we can be down to; he wants that number to be pared down and then he wants those employees taken care of, paid well, benefitted well, offered the appropriate training, and to be held accountable. He agrees we have to have employees who make good livable wages then they are encouraged and want to stay here; but heavy on the accountability.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

M. Unfinished Business

18. Council action on a proposal for Lots 3 & 4, Block 6, Original Townsite

M/Allison S/Meyer to approve the proposal from Cordova Telecom Cooperative for Lots 3 & 4, Block 6, Original Townsite.

Allison said, same as he said last time, it is a good proposal, from a good corporate citizen who has the resources to do what they say they will do and at the same time it will relieve the City of a liability, he supports it. *Meyer* agrees and said it's a good proposal, she likes to see Main Street having a building rehabbed that has needed to be for a very long time, she is in support.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

N. New & Miscellaneous Business

19. Council action on recommendation to AMCO re Liquor License Renewals for Tiny Wings dba Anchor Bar & Grill and Anchor Liquor Store

M/Schaefer S/Glasen to 1) waive it's right to protest approval of the renewal of liquor license #62 (Anchor Liquor Store) for Tiny Wings, Inc. and 2) recommend renewal of Liquor License # 61 with the condition that Tiny Wings, dba Anchor Bar & Grill, pays all delinquent sales taxes owing by July 1, 2019 while remaining current on new sales incurred, or the City will protest the renewal with AMCO at that time.

Schaefer wondered how realistic July 1 is as a payback date. *Lanning* said the finance director has a specific plan setup with this business, they are aware.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

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

Mayor Koplín asked to add a future work session or a Special Meeting on Waterfront Development, which is a City capital priority - there was Council support - there was also concurrence to have that as a joint work session with the Harbor Commission - possibly May 8. Council member *Glasen* wondered if Council could do a resolution or a letter to urge the State to do something about Whitshed Road (approximately mile 3) where it is narrow and eroding, others concurred and *Mayor Koplín* said he'd get a letter drafted.

City Attorney *Holly Wells* called in and the motion to adopt Substitute Ordinance 1174 was placed back on the table.

M/Bailer S/Schaefer to adopt Substitute Ordinance 1174 an ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code Chapter 5.41 Raw Fish Tax, the implementation of a voter approved 0.5% tax on the value of raw fish landed in the City of Cordova.

Mayor Koplín asked *Wells* to clarify sales tax vs. landing tax. She said it is confusing, but the state has more leeway regarding landing because state waters are more easily defined, she said she specifically wrote the ballot prop with the intent that it would be a raw fish tax (therefore a sales tax). She also said the ordinance is taxing what is allowable to the greatest extent possible according to how the voters approved the ballot language. *Wells* went on to say that the State of Alaska taxes fisheries business in four distinct ways, according to species, cities often go with a raw fish tax which gets a proportion of the fish sold within the city. Council and *Wells* had a lengthy discussion; they asked very many specific questions and asked about specific examples of what ifs. In the end, most were of the opinion that the ordinance as written was what was intended and that if in the next year or more something arises that needs to be changed, they can do so by writing another ordinance. *Jones* said he will not support this, he thinks that this is not what the voters voted on.

Vote on the motion: 4 yeas, 2 nays, 1 absent: Jones-no; Guard-absent; Glasen-yes; Meyer-no; Bailer-yes; Schaefer-yes and Allison-yes. Motion was approved.

O. Audience Participation - none

P. Council Comments

Meyer thanked CCMC and School Board for all the work they are doing, it was good to have the joint meeting with CCMC earlier.

Bailer thanked everyone for their attendance.

Q. Executive Session

Mayor Koplín suggested postponing this executive session because *Guard* is not here, and he originally had asked for this and also, he only just this afternoon sent the last evaluations to the 2 new Council members.

Council opted to have it tonight.

21. Council discussion with City Manager concerning contract renewal - in executive session because the subject is one that may tend to prejudice the reputation and character of any person; provided that the person may request a public discussion - City Manager has not requested a public discussion

M/Allison S/Jones to go into an executive session to with the City Manager concerning contract renewal – in executive session because the subject is one that may tend to prejudice the reputation and character of any person; provided that the person may request a public discussion – City Manager has not requested a public discussion
Vote on the motion: 6 yeas, 0 nays, 1 absent (Guard). Motion was approved.

Mayor Koplín recessed the meeting at 9:05 pm to clear the room before the executive session.
Council entered executive session at 9:10 pm and came back into regular session at 9:41 pm.

R. Adjournment

M/Bailer S/Glasen to adjourn the meeting.

Hearing no objection Mayor Koplín adjourned the meeting at 9:41 pm.

Approved: May 1, 2019

Attest: 
Susan Bourgeois, CMC, City Clerk

