

Regular City Council Meeting
May 15, 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 7:05 pm on May 15, 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, Jeff Guard, Melina Meyer, Anne Schaefer* and *David Allison*. Council member *David Glasen* was present via teleconference. Council member *Ken Jones* was absent. Also present were City Manager *Alan Lanning* and City Clerk *Susan Bourgeois*.

D. Approval of Regular Agenda

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

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

E. Disclosures of Conflicts of Interest and ex parte communications - none

F. Communications by and Petitions from Visitors

1. Guest speakers - City Lobbyist *John Bitney* called in to report to Council about the legislative session in Juneau. Today is the 121st day and it is obvious there will have to be a special session, so that information as to when and where will be forthcoming in the next couple of hours. Cordova items of interest: AMHS - the conference committee did make a decision on this and they went with the Senate numbers which means a \$40 million reduction - the summer schedule is supposed to remain intact and what is up in the air will be the schedule after September. What he's heard is maybe 2 trips/month out of Cordova and sounds like they were thinking to Valdez, we were hoping to push for that being changed to Whittier. We've set the stage to at least have a dialogue with the Governor about Cordova's need for Whittier instead - no date set on a meeting, but we have at least a commitment for a meeting. Good news: school bond debt reimbursement program did make it in as fully funded and fully funded K-12 education. Capital budget relevant issues for Cordova: PWSSC - EVOS request of \$17 million and a \$200K request and the Harbor grant program. Capital will not get solved tonight - it will be considered in the special session. We have to hope for this year's Harbor program to fund all the Tier One's on the list now so that we can hope to get in on next year's without having to compete with those. *Meyer* commented that the recent McDowell report on AMHS had Cdv-Wht leg listed on the highest revenue tables - maybe that will be a good point to use when meeting with Governor and his advisors.

The bills to take away shared fish taxes are dead in committee; Cordovans should be credited with doing a great job testifying when those were being heard.

2. Audience comments regarding agenda items

Mary Anne Bishop of 700 Fourth Street and President of the Library Board, spoke to agenda item 4a. specifically she said Title 4 of the City Code hasn't been reviewed in more than 7 years and it impacts a lot of the Library employees who have reached the top of their pay scales; the board would like to see this addressed because these employees have no room to grow and we'd like to see them stay with the City. Also, the employee development program within Title 4 needs looking at. The board is concerned about the reorganization plan, the charter states that the Library is under the administrative supervision and control of the Library Board and they would like to be part of the discussions as reorganization is discussed and moved forward.

Tammy Altermott of 811 Woodland Drive spoke to agenda item 13, Resolution 05-19-21, for funding level for Cordova School District. She spoke in favor of the resolution in the packet which is for the requested funding level at \$1,950,000. She said a lot of Cordova High graduates are moving back to Cordova, and if we want that to continue, we have to fund education. Last night at senior night, she said there were \$300,000 worth of scholarships mentioned for the graduating class, which is a testament to the school's successes. She also thanked the mayor and all the mayors for the letter written by AML to the legislature, it proved successful and school bond debt reimbursement is back in the budget.

Barb Jewell School Board Chair spoke in favor of the resolution on school funding. She also urged them to understand that the additional \$250k that was given in December they anticipated that being given in the first half of 2019. She made it very clear that they are asking for what they need, not just wishes and wants. She assured Council it is money well spent. She said the City received a large amount of unanticipated revenue in 2019 so that is why she doesn't think this is a hard decision to make, use some of that as an investment in the schools.

Cathy Renfeldt of 308 Railroad Row commented on the letters from the Library Board and Historical Society Board – she appreciated Council member **Schaefer's** comments in the work session about taking staff members opinions into account on reorganization, and obviously also these boards since they do get a say in that too. She said the CVFD also has codes that speak to their involvement in personnel matters; only having to report to City Council. She wondered if an anonymous way to give input could be helpful.

3. Chairpersons and Representatives of Boards and Commissions

- a. *Library Board* report to City Council
- b. *Cordova Historical Society* report to City Council

CCMCA Board – Board Chair **Greg Meyer** was unable to attend, **Kristin Carpenter** reported: 1) **Mitchell** and **Lanning** spoke to PERS and the liability that CCMC has is \$1.1 million, had been \$800K at end of 2018; 2) transition coming as **Scot** leaves, **Randall Draney** the CFO will be interim CEO; 3) **Katie Goss**, LTC Nursing Director will apply for the Nursing Home License, then she and **Randall** would both have that as backup; 4) CCMCA Board is interested in talking more with Council about the immediate short term support Council is interested in; 5) NVE, facilitator will meet in the small group on integrating hospital and clinic operations between the City and Ilanka.

Questions: **Schaefer** asked when the audit is scheduled for – **Carpenter** said early June. **Meyer** asked what date they began being locked out of paying PERS? **Carpenter** said the arrears goes back to 2018. She didn't know, **Meyer** said it would be nice to know how long employees haven't been having their PERS paid. **Allison** said have you at least been stashing that money somewhere? **Carpenter** said we have actually sent them money, they have cashed the checks and it isn't reflected in our balance. **Allison** said we should know what we owe them, they shouldn't have to be telling us.

CSD School Board Chair **Barb Jewell** reported graduation is Saturday at 5:30 at the High School, strategic plan is almost completed, 21 students qualified for state, 2 came back with state level recognition, spring track has begun, and they are looking forward to wrapping up a very successful year.

4. Student Council Representative Report – was not present

G. Approval of Consent Calendar - none

H. Approval of Minutes

M/Schaefer S/Guard to approve the minutes.

5. Minutes of the 05-01-19 Regular Council Meeting

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

I. Consideration of Bids - none

J. Reports of Officers

6. Mayor's Report – **Mayor Koplín** reported: 1) Fisheries Development Committee submitted several commissioners permit applications – they have requested a meeting with ADF&G Director and Deputy Director, **Sam Rabung** and **Forrest Bowers** – we talked about CR Fishery and other items, help with shoulder season fisheries and moving management closer to the resources. **Admiral Gray** from Pacific Fleet, Navy – will be in town. Working on a helicopter from Northern Edge coming over to the community. Later next week some of us are going over to participate, distinguished visitors. US House passed a large infrastructure bill including harbor funding, **Gilman and Associates** and **Caleb Froelich** are 2 firms we've heard from about this as they've assisted coastal communities in such efforts in the past. If council is interested in pursuing some of this funding, this could be the time. **Mayor Koplín** thanked **Cathy Sherman** – we can largely attribute the success of this building to her work and dedication over the years, also the excellent Library and Museum and the educational opportunities those afford our school children and town, largely thanks to **Cathy**. There was an ovation from the audience.

7. Manager's Report

a. Introductions of new City staff members: **Manager Lanning** said none of these new City employees were present tonight, he'll do these introductions at a future meeting.

- **June James**, Finance Department

- **Tommy Marsh**, Parks and Recreation
- **Nolan Buehrle**, Refuse Department

City Manager **Alan Lanning** reported: 1) he's been in touch with Council by email – detailed the month by month accounting of the PERS debt for CCMC, we asked them what is our get out of jail number – he will get that to you as soon as they tell us – should be by the end of this week; 2) we received the grant for the Cordova Center stairs, we didn't get the 7th street portion; we continue to plunge forward with grants; 3) 2017 audit has been given out – 2017 was the slash and burn year, 2018 was a little better, but not much, 2017 shows cash surplus of \$83,000, 2018 will be different – there will be many line items that exceed what was budgeted. He said earlier there was a comment about how much extra money we received in 2018 – he wanted to give a flavor of what that looked like – **Baugh** has closed out a number of accounts that had been sitting there without really being accounted for – to the tune of \$1.8 million, so even with the extra revenues, our cash flow is actually down – we are seriously, seriously low on cash flow right now, it is concerning across the board. Questions: **Glaser** asked what those outstanding debts were? He applauds **Dean** for getting that cleared up, but that is not normal right? **Baugh** came to the table to explain – there were a few small items, but the 2 big ones were a \$1.225 million balance in the Cordova Center Fund and from way back in 2012 Snowpocalypse there was a \$541K deficit there based on we were looking for reimbursements from the State and it wasn't all reimbursed. He said someone asked why the auditors don't catch these kinds of things, he said because when all the funds are added together at year end and the City shows a surplus, the deficits are harder to notice but they were always there. So basically, what just got rolled into the General Fund was about a negative \$1.8 million, which is why the general fund balance is now sitting at about -\$500k. At year end 2017 you were at about \$1.3 million in cash, normally at year end you should have about \$3 million in cash but almost \$2 million was eliminated by this clean up. Beginning months of a year we don't see much revenue, so a good goal is to end a year with \$3 - \$4 million to get through until sales tax and property tax start rolling in. Technically you are at about the same place as you were last year, you are just being made aware of it now. **Bailer** asked about the increased revenues from last year, what were those again. **Baugh** said Fish Tax came in \$625k over anticipated and Forest Receipts were budgeted at \$0 and came in at \$613k.

8. City Clerk's Report – **Bourgeois** had a written report in the packet – had been asking Council for the ok to purchase CR Fleece Vests for Council members instead of plaques or awards as members left council service. The majority of Council said that wasn't necessary and proclamations are sufficient.

9. Staff Reports

- CVFD, 1Q 2019 report, **Paul Trumblee**, City Fire Marshal
- Public Works and Harbor Grants: status report, PWD, **Sam Greenwood** and Harbormaster, **Tony Schinella**

K. Correspondence

- AML letter of April 3, 2019, signed by multiple mayors
- 04-18-19 CVFD, Mayor & Manager letter of thanks to Valdez for Fire Truck
- 04-25-19 Cordova Chamber of Commerce letter/update to Mayor & City Council

L. Ordinances and Resolutions

13. Resolution 05-19-21 a resolution of the City Council of the City of Cordova, Alaska, establishing the level of local funding and approving the budget of the Cordova Public School District for the fiscal year ending June 30, 2020

M/Allison S/Bailer to approve Resolution 05-19-21 a resolution of the City Council of the City of Cordova, Alaska, establishing the level of local funding and approving the budget of the Cordova Public School District for the fiscal year ending June 30, 2020.

M/Allison S/Meyer to amend the resolution in all the necessary places so that the city contribution is \$1,750,000 or \$200,000 less than the \$1,950,000 that is in the resolution.

Allison said he believes it was made clear when we last minute approved the extra \$250,000 upon approval the City 2019 budget back in December 2018 that the \$250k would be in the second half of the City's 2019 budget, i.e. June-December 2019. He believes there is still time to do this later if necessary, there is no reason to go so close to the max already.

Meyer said she agreed; she supports the amendment. **Guard** also agreed and said we are still not even sure what Juneau is going to wind up with. **Bailer** wanted to hear from the superintendent, to further understand what it is they need the extra \$200k for; he wants to know what the effects to the school would be. **Russin** approached the table. **Russin** said \$200k could be a lot of things such as: about 2 teachers, or no student activities. **Russin** said if the extra \$250k from December is given before June 30, 2019, then School would only be asking for \$1.75 million for next year. **Mayor Koplín** said what would it mean to the schools if we said we could give you more later. **Russin** said that would always help but anything that isn't guaranteed cannot be budgeted for, they have to get their balanced budget to Dept of Ed by July 15,

2019. *Schaefer* said she just knows that the public wants to fund the schools. *Glaser* opposes the amendment. *Bailer* appreciates the work that *Allison* has done, looking into this, attending school board budget work sessions, but he has a lot of faith in the schoolboard and school administration, he will go with what they are asking for.

Vote on the motion to amend: 3 yeas, 3 nays, 1 absent. Meyer-yes; Jones-absent; Schaefer-no; Guard-yes; Allison-yes; Glaser-no and Bailer-no. Motion failed.

Back to the main motion, to approve the resolution as written.

Allison said if we approve this and then we do our budget in November/December and don't have the money we will really be upsetting them to not fund them halfway through their year. *Schaefer* opined that if we raise this when discussing new or increased revenues, she thinks people will support those in order to support schools. *Guard* said he is opposed to this, we are \$-500k right now - he is conflicted. *Glaser* said we have to put our faith in the school board - he'd vote to take it from permanent fund if need be down the road.

Vote on the main motion: 3 yeas, 3 nays, 1 absent. Allison-no; Schaefer-yes; Guard-no; Meyer-no; Glaser-yes; Bailer-yes and Jones-absent. Motion failed.

Council decided to revisit this at pending agenda as it had to be accomplished before June 1.

At 8:39 pm, *Mayor Koplín* called for a 5-minute recess, with no objection from council, the meeting was recessed.

The regular meeting was back in session at 9:05. *Mayor Koplín*, with no objection from Council, reverted to audience comments regarding agenda items.

Paul Trumblee, City Fire Marshal, said that for the past 3 years we've had to cut budgets, so much so that we've almost had to close the doors at the Fire Department but each year other entities come in and get their requests. A few months ago, the City Manager told us all to stop spending money because we don't have any money. The Finance Director just told you guys that we are at negative \$500 k in our general fund, this is ridiculous.

M. Unfinished Business - none

N. New & Miscellaneous Business

14. Certification of the 2019 property assessment roll

M/Allison S/Bailer to certify the 2019 property assessment roll as presented.

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

15. City's self-funded Health Insurance Plan

a. Council action on changing procedures for making amendments to plan

b. Direction to group delineated in a. to report back about amendment 5

M/Bailer S/Schaefer to discuss the city's self-funded plan.

Hearing no objection, the motion was approved.

Bailer led discussion, he said that the plan was somehow approved, maybe just by a concurrence of Council when the last manager, *Randy Robertson* told them about it. He said it seems as though the plan allows for one person to have the ability to sign amendments to the plan. *Bailer* continued that the amendments to date are varied, some have one signature, some 2 signatures, he just believes there should be a system in place that allows for checks and balances. He opined that a second signature as well as some kind of record of who was present, who assisted in formulating the amendment and the like; he just believed that was a more appropriate protocol for making such amendments to the employees' health plan. *Lanning* said this agenda item developed while he was on vacation, he is trying to figure out what the issue is here. *Lanning* said he heard through the grapevine that this is about him specifically having approved amendments 4 and 5 specifically for his benefit. Amendment 4, Medical Tourism - he said the plan was paying medical tourism benefits from the very inception; and the Premiera plan had medical tourism benefits as well. So, our third-party administrator brought up medical tourism and said it should be defined in our plan since it hadn't transferred over from Premiera as was intended. As far as travel reimbursement, he said inadvertently plan participants were seeking more than was allowed for the travel reimbursement, so it had to be better defined, amendment 5 was intended to put conditions on the travel reimbursement; this was also suggested by our third-party administrator. *Lanning* gave an example of a medical tourism claim, he said on that one travel alone, on the facility charge, the plan saved \$111,631. He said the plan since inception has saved over a million dollars, he is trying to figure out in his own mind, what is wrong with the plan; haven't seen increases in five years, you have the best plan for the money; there is nothing amiss with the plan. *Lanning* said he is making that statement because that is what he understands is what the concern was; *Bailer* said, well, it wasn't that. *Allison* agreed that the plan seems to be working well for the City. *Allison* said another set of eyes on the amendments, or whatever we have to do to abide by our code - if the amendments will cost more than \$25K, etc. He would be satisfied if the amendments formally were approved by Council. *Lanning* said he never initiated an amendment, they are initiated

by a provider like our prescription benefit provider, to clarify language or by the third-party administrator because they see a glitch in the plan. By amendment I cannot alter the coverage in the plan, I can clarify process and procedure. **Bailer** said he agrees that the plan is working and has been good; he agrees with a medical tourism provision, he's used that in a plan that he has. His point was to just suggest another set of eyes, he doesn't think it will hurt anything, it shouldn't slow anything down, we might not have any other amendments for a while. As far as amendment 5, **Bailer's** concern is if we hire people from elsewhere, it could be a costly benefit, we could be flying people to Florida, Hawaii, all over the place. **Lanning** said the travel reimbursement has to meet criteria for example, the travel cost needs to be less than the savings on the procedure, in order for it to be approved. He went on to say that all of these are out of our purview, he said the third-party administrator approves the claims on travel.

Meyer said she is of the opinion that per the memo and attorney advice, maybe the renewals should be approved by Council; in this way there would be a public record. **Mayor Koplín** asked **Lanning** about amendments, when those are approved do they get codified or distributed to the participants in some way. **Lanning** said they get codified. He reiterated that amendments are not coverage amendments, they are procedural amendments.

M/Bailer S/Glasen as amendments are made to the self-funded health care plan, Council shall be notified in a meeting before the amendment becomes effective.

Lanning said last summer we went 6 weeks without a meeting because we couldn't attain a quorum. **Guard** opined that he doesn't see why Council approval is needed for an administrative act like this. He is ok with a method so that there is a record of it. **Schaefer** agreed with **Guard**, she doesn't think Council needs to approve these, just made aware of them.

Bailer said he would change his motion to that. The second concurred. So now before Council was this motion:

M/Bailer S/Glasen that the City Manager would bring before Council, in a council packet, all executed amendments to the City self-funded health plan.

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

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

Council wanted annual renewal of health care plan contract and subsidiary contract and all amendments put on the Pending Agenda. It was decided there would be a special meeting on **Friday May 24** at 6pm for 2 items, revisit school budget and funding resolution and also bid award for Bidarki roof. **Allison** suggested that, not immediately, but maybe for this fall, Council should look into an ordinance to change the dates for the school budget and funding level approval to coincide with Council's budget instead of in the spring. **Allison** also opined that Council should look at who has access to the attorney, some staff use the attorney more than they need to, perhaps every email/phone call to the attorney should go through the City Manager, he would like the majority of Council to be present for such discussion so maybe after summer season they could look at this. Council asked for an agenda item at the first June meeting to make a decision about whether or not to issue an RFP for a federal lobbyist. **Bailer** suggested we get back to the investment policy - **Lanning** said we will have a work session on that again next time - June 5. **Schaefer** asked **Lanning** to include materials in that work session packet - so they have a chance to look at information ahead of time. Joint CCMCA meeting soon and block out 2-3 hours for this, so preferably not on a regular meeting date. **Lanning** was directed to get with **Mitchell** and coordinate.

O. Audience Participation

Cathy Renfeldt of the Chamber of Commerce said the Alaska Business Development Center came to town offered business training, also there are online webinars available through the chamber for small business development. She thanked Council for their support of the economic summit which led to this great opportunity. They also installed a kiosk at the chamber with a work station setup where people can make appointments to use that to create a business plan, etc. they can meet with the Business Dev Center staff through that. Also, she mentioned Cleanup Day on May 25 - 10am start time at Cordova Center.

Kristen Carpenter of 507 Fourth Street said having heard about all of the needs of the school district and the medical center and the City having learned tonight about their own financial picture, she thinks back to the time and effort Council put in to strategic planning and financial sustainability and the motor fuel tax and other measures that were then overturned by the citizens, she wondered when they could look at putting that back in - she is discouraged that they had come up with a way to distribute the tax burden to the summer influx and it met the fate that it did.

P. Council Comments

Glasen said he wanted Paul Trumblee to know he likes the fire department too - the fuel tax only taxes about half the gas used in town when you think about the exempt entities. But, he agrees we will be raising revenues, as we have to.

Bailer thanked and congratulated **Sam Greenwood** for getting the grant for the Cordova Center stairs.

Guard thanked *Cathy* for her service.

Schaefer echoed the thanks and congrats - also thanked *Leif Stavig* for budget compilation it looks good.

Allison said baseball starts Saturday at 9:30 am. He also thanks *Cathy Sherman* and said without her hard work and effort we wouldn't be sitting in this building. He appreciated *Sam Greenwood* and staff and their work on grants. He commented that when a council member gets an email from someone he should forward to the Clerk so all of Council can have the same information. He was unsure why *Bailer* knew so much about the health insurance amendments, more than other Council members, it seemed. He opined that any correspondence between staff and the attorneys the manager should be cc'd on and if it is determined that maybe the Mayor or the rest of Council should be cc'd on also.

Meyer thanked *Cathy Sherman* for all her years of work at the City and everything she did for us to have this great building. Also, so exciting that the stairs that were in the original plans will be put in now too.

Bailer wanted to praise the DMV clerk that is so helpful and pleasant and an asset to the City, *Devena Whitcomb*.

Q. Executive Session

17. 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

~~18. Recommendations from City Attorney regarding Beecher v. City of Cordova - in executive session because the subjects which may be considered are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government~~

Agenda item 18 was not necessary tonight.

M/Allison S/Bailer to go into an executive session to discuss City Manager 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 (Jones). Motion was approved.

Mayor Koplín recessed the meeting at 9:32 pm to clear the room before the executive session.

Council entered executive session at 9:34 pm and came back into regular session at 10:57 pm.

Mayor Koplín stated that they discussed the City Manager's contract with him in the executive session and no action was taken.

R. Adjournment

M/Guard S/Glasen to adjourn the meeting.

Hearing no objection Mayor Koplín adjourned the meeting at 10:57 pm.

Approved: June 5, 2019

Attest: 
Susan Bourgeois, CMC, City Clerk

