

Mayor

James Kacsh

Council Members

Kristin Carpenter

Tim Joyce

Tom Bailer

Bret Bradford

EJ Cheshier

David Reggiani

James Burton

City Manager

Randy Robertson

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

Summer Vacation

COUNCIL SPECIAL MEETING

JUNE 11, 2014 @ 6:30 PM

LIBRARY MEETING ROOM

AGENDA

A. CALL TO ORDER

B. ROLL CALL

Mayor James Kacsh, Council members Kristin Carpenter, Tim Joyce, Tom Bailer, Bret Bradford, EJ Cheshier, David Reggiani and James Burton

C. APPROVAL OF AGENDA..... (voice vote)

D. DISCLOSURES OF CONFLICTS OF INTEREST

E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

- 1. Audience Comments regarding agenda items

F. NEW BUSINESS

- 2. Substitute Resolution 06-14-25..... **(voice vote)(page 1)**

A resolution of the City Council of the City of Cordova, Alaska, setting the mill rates for 2014

G. EXECUTIVE SESSION

- 3. Cordova Center finances – Attorney advice / update

H. AUDIENCE PARTICIPATION

I. COUNCIL COMMENTS

J. ADJOURNMENT

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosures.

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A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

DATE: June 6, 2014

TO: Mayor and City Council

SUBJECT: Substitute Resolution 06-14-25

The 2014 Mill Rates need to be set by June 15, 2014. On May 21, 2014, Council certified the 2014 tax roll and saw mill rate scenarios presented by the City Clerk. For tonight's meeting I have prepared **SIX** different scenarios for Council to look at for the setting of the mill rates, these are slightly different than the ones that had been in the 06-04-14 regular meeting packet but these are the same ones that were distributed at that meeting as well as one additional scenario. There was an increase to the Alyeska property which had only been sent to us on Monday June 2:

SCENARIOS:

- 1) Last year's mill rates of 9.43 in the City and 8.43 in the rural area would put Cordova at property tax revenues of **\$1,655,167.51**.
- 2) Mill rates of 10.58 and 9.58 would achieve revenue of **\$1,861,624.56** – the closest I could get to \$1.862 million going out only 2 decimal places which was the revenue goal set when Council passed the 2014 budget.
- 3) Mill rates half way between the two above scenarios, i.e. 10.15 & 9.15 which give **\$1,784,427.58** of property tax revenue.
- 3.5) Mill rates of 11.33 and 10.33 which were suggested as an amendment after reconsideration on June 4, which would realize **\$1,996, 270.47** in property tax revenue.
- 4) Mill rates to attain a revenue equal to the budgeted amount plus the \$267K that Council spent out of cycle on the CCMC CT Scanner project would be 12.07 and 11.07 in order to garner **\$2,129,121.09** in revenue.
- 5) Mill rates to attain a revenue equal to the budgeted amount plus the \$267K that Council spent out of cycle on the CCMC CT Scanner project and plus the \$95K Council spent on street maintenance for 2014 would be 12.6 and 11.6 in order to have property tax revenue equal to **\$2,224,270.86**.

Resolution 06-25-14 was before Council on June 4, 2014 and after some discussion and an amendment, it passed with scenario four numbers inserted (i.e. 12.07 and 11.07 mill rates); the vote was 5-2. The resolution was reconsidered later in the evening and an amendment to 11.33 and 10.33 mill rates which would lower the revenue to \$1,996,270.47, failed by a vote of 3-4. Finally, the motion as original passed was back on the table and it passed, but this time 4-3, i.e. with scenario 4 as the chosen mill rates (12.07 & 11.07).

At this time, June 11, 2014, this is before Council again due to the attached Code provision, chapter 1.18 Resolutions, of the Cordova Municipal Code. This provision clearly requires a public hearing before passage of a rate setting resolution. I cannot see where this has been the practice in the past, but there are certainly public hearings before the passage of the rate/fee schedule resolution which occurs annually upon approval of the budget. In noticing the code section and in speaking with the

City Attorney, it was determined that the best practice would be to redo the resolution as Substitute Resolution 06-14-25 and abide by the aforementioned Code by conducting a Public Hearing on the resolution before the special meeting where it is up for approval. Since we are still constrained by the June 15 deadline of having to set a mill rate, we quickly acted to throw this special meeting, preceded of course by the required public hearing. Instead of the blanks in the resolution, this time, I included the previously voted upon and inserted mill rates for Council approval. Or, if so desired, amendments can still be made to the resolution once it has been moved and seconded for approval.

Recommended Motion: Move to approve Substitute Resolution 06-14-25

Staff Recommendation: Majority voice vote.

**CITY OF CORDOVA, ALASKA
SUBSTITUTE RESOLUTION 06-14-25**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
SETTING THE MILL RATES FOR THE 2014 TAX YEAR**

WHEREAS, Alaska Statute, Section 29.45.240 and Cordova Municipal Code 5.36.240 require that the mill levy be established prior to June 15, 2014; and

WHEREAS, in accordance with Cordova Municipal Code Section 5.36.245, property in the Rural Zone shall be taxed at a mill rate that is 1.00 mills less than all other property in the City; and

WHEREAS, in accordance with Cordova Municipal Code Section 1.18.010 A, this rate setting resolution requires a public hearing before passage.

NOW, THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, hereby sets the mill rates for 2014 real property at **12.07** mills for the City and **11.07** mills for the Rural Zone.

PASSED AND APPROVED THIS 11th DAY OF JUNE, 2014.

James Kacsh, Mayor

ATTEST:

Susan Bourgeois, CMC, City Clerk

Chapter 1.18 RESOLUTIONS

Sections:

1.18.010 Resolutions.

1.18.010 Resolutions.

A. Resolutions are acts of council which are not required to be enacted by an ordinance, such as authorizing a municipal official to undertake certain acts and acts not being of a permanent nature. Resolutions creating or establishing rates shall require adequate public notice with one public hearing before passage. Resolutions are formal acts of council required in accordance with charter, code, state and/or federal law.

B. All resolutions are a permanent record of the city and shall bear the following:

1. The heading "City of Cordova, Alaska";
2. Serial number as "Resolution _____":
 - a. Annually the serial number first number(s) shall denote the month; the second number(s) shall denote the year; and the third number(s) shall denote consecutive numbers indicating the total number of resolutions passed during a calendar year;
3. Resolving clause "PASSED AND APPROVED THIS _____ DAY OF _____, _____(YEAR)" with designated lines for the mayor and clerk's signatures;
4. Passage of a resolution may be by a majority vote of a quorum present unless specifically required by charter or code to require a majority vote of all the members of the city council.

MILL RATE SCENARIOS 2014

**TOTAL TAXABLE VALUE IS \$179,527,870
THEREFORE, EACH MILL GAINS \$179,527.87 IN PROPERTY TAXES**

IF MILL RATES STAY THE SAME AS LAST YEAR				
1			Total Tax Revenue by Area	
	In Town Total Taxable	\$141,747,570.00		\$1,336,679.59
	in town mill rate		9.43	
	Out of Town Total Taxable	\$37,780,300.00		\$318,487.93
	out of town mill rate		8.43	
	total taxable	\$179,527,870.00		\$1,655,167.51
				TOTAL PROPERTY TAXES

CLOSEST TO BUDGETED REVENUE AMOUNT OF \$1.862M				
2	mill rate increase of 1.15 mills or 12.2% or \$115 per year per \$100K of a/v			
			Total Tax Revenue by Area	
	In Town Total Taxable	\$141,747,570.00		\$1,499,689.29
	in town mill rate		10.58	
	Out of Town Total Taxable	\$37,780,300.00		\$361,935.27
	out of town mill rate		9.58	
	total taxable	\$179,527,870.00		\$1,861,624.56
				TOTAL PROPERTY TAXES

HALF WAY BETWEEN THE ABOVE TWO VALUES				
3	mill rate increase of 0.72 mills or 7.64% or \$72 per year per \$100K of a/v			
			Total Tax Revenue by Area	
	In Town Total Taxable	\$141,747,570.00		\$1,438,737.84
	in town mill rate		10.15	
	Out of Town Total Taxable	\$37,780,300.00		\$345,689.75
	out of town mill rate		9.15	
	total taxable	\$179,527,870.00		\$1,784,427.58
				TOTAL PROPERTY TAXES

MILL RATE SCENARIOS 2014

**TOTAL TAXABLE VALUE IS \$179,527,870
THEREFORE, EACH MILL GAINS \$179,527.87 IN PROPERTY TAXES**

SUGGESTED AMENDMENT THAT FAILED AT THE 06-04-14 MEETING AFTER RECONSIDERATION

3.5	mill rate increase of 1.9 mills or 20.15% or \$190 per year per \$100K of a/v		
		Total Tax Revenue by Area	
In Town Total Taxable	\$141,747,570.00		\$1,605,999.97
in town mill rate		11.33	
Out of Town Total Taxable	\$37,780,300.00		\$390,270.50
out of town mill rate		10.33	
total taxable	\$179,527,870.00		\$1,996,270.47
			TOTAL PROPERTY TAXES

CLOSEST TO BUDGETED AMOUNT PLUS \$267K PLUS \$267K = \$2,129,000

4	mill rate increase of 2.64 mills or 28% or \$264 per year per \$100K of a/v		
		Total Tax Revenue by Area	
In Town Total Taxable	\$141,747,570.00		\$1,710,893.17
in town mill rate		12.07	
Out of Town Total Taxable	\$37,780,300.00		\$418,227.92
out of town mill rate		11.07	
total taxable	\$179,527,870.00		\$2,129,121.09
			TOTAL PROPERTY TAXES

CLOSEST TO BUDGETED AMOUNT PLUS \$267K PLUS \$95K = \$2,224,000

5	mill rate increase of 3.17 mills or 33.67% or \$317 per year per \$100K of a/v		
		Total Tax Revenue by Area	
In Town Total Taxable	\$141,747,570.00		\$1,786,019.38
in town mill rate		12.6	
Out of Town Total Taxable	\$37,780,300.00		\$438,251.48
out of town mill rate		11.6	
total taxable	\$179,527,870.00		\$2,224,270.86
			TOTAL PROPERTY TAXES

sample property actual increases when increased a/v and increased m/r are both considered

if scenario 1			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	9.43	0.00%
	\$2,825.23	\$2,966.68	5.01%
	\$141.45 per year	\$11.79 per month	

if scenario 2			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	10.58	12.20%
	\$2,825.23	\$3,328.47	17.81%
	\$503.24 per year	\$41.94 per month	

if scenario 3			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	10.15	7.64%
	\$2,825.23	\$3,193.19	13.02%
	\$367.96 per year	\$30.66 per month	

if scenario 3.5			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	11.33	20.15%
	\$2,825.23	\$3,564.42	26.16%
	\$739.19 per year	\$61.60 per month	

if scenario 4			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	12.07	28.00%
	\$2,825.23	\$3,797.22	34.40%
	\$971.99 per year	\$81.00 per month	

if scenario 5			
	2013	2014	
02-083-407	\$299,600	\$314,600	
mill rate	9.43	12.6	33.62%
	\$2,825.23	\$3,963.96	40.31%
	\$1,138.73 per year	\$94.89 per month	