

Regular City Council Meeting
October 18, 2017 @ 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 7:03 pm on October 18, 2017, 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 *Ken Jones, Jeff Guard* and *David Allison*. Council members *James Burton* and *James Wiese* were present via teleconference. Council members *Robert Beedle & Josh Hallquist* were absent. Also present were City Manager *Alan Lanning* and Deputy Clerk *Tina Hammer*.

D. Approval of Regular Agenda

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

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

E. Disclosures of Conflicts of Interest

F. Communications by and Petitions from Visitors

1. Guest Speakers - none

2. Audience comments regarding agenda items

Don Scutt of 204 Boardwalk Way representing North Star Lumber on 701 First Street offered his opinion on the sale tax ordinances before Council. He was not in favor of any sales tax increase as he felt that would run more business out of town. He would like the exemptions looked at to see if revenue can be raised that way.

Greg Meyer of 1 Cannery Row said that the feedback he got from most business owners is they don't like the split sales tax idea. He felt the split was cumbersome for some businesses and offered up the idea of a flat 6.5% tax year round. He supported the increase on the sales tax cap which would generate more revenue from big electricity and fuel consumers.

Mark Frohnäpfel of 813 Woodland Drive spoke on ordinance 1156. He brought to council's attention that the ordinance referenced a floating fuel dock located in the small boat harbor which we don't have. He supports the cap increase but is not a proponent of the split sales tax and thinks it's a heavy lift for the vendors and businesses in town.

3. Chairpersons and Representatives of Boards and Commissions

CCMC Authority Board of Directors - CCMCA CEO *Scot Mitchell* discussed his annual report, written in tonight's packet, to council as mandated by City Code. This is the same document that is required by the Centers for Medicare and Medicaid Services. 2 full time doctors that live in Cordova as well as over half of nurses - that has been a big impact. Solid year to year consistency in administration has been huge for staff. CT scanner, fewer medevacs which lead to more patient days in the hospital here. Turnover in the past has hurt our quality reports, we now have a full time quality control nurse who also does infection control.

Cordova School Board - no report

4. Student Council Representative Report - not present

G. Approval of Consent Calendar

Mayor Koplín declared the consent calendar was before the City Council.

5. Resolution 10-17-26 A resolution of the City Council of the City of Cordova, Alaska, requesting that the State of Alaska prioritize the stabilization of Power Creek Road

6. Record excused absence of Council member *Hallquist* from the October 4, 2017 Regular Meeting

Vote on the consent calendar: 5 yeas, 0 nays, 2 absent. Burton-yes; Jones-yes; Beedle-absent; Hallquist-absent; Guard-yes; Allison-yes; Wiese-yes. Consent Calendar was approved.

H. Approval of Minutes

M/Allison S/Guard to approve the minutes.

7. Minutes of 10-04-17 Council Regular Meeting

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

I. Consideration of Bids

J. Reports of Officers

8. Mayor's Report – **Mayor Koplín** reported there are new executive council members seated on PWSAC board and the new executive director will be announced in a forthcoming press release. Council member **Jones** reported on several of PWSAC projects. The Mayor's written report is in tonight's packet.

9. Manager's Report – **Lanning** said he's been working the ordinances and the waste oil plan from May is being updated. He reminded council that he will be gone for ten days until October 30th. The Polar Bear tideland lease agreement has been signed and updated council on the Adams Street sidewalk project.

10. City Clerk's Report – **Hammer** said the assessors have started their 2018 review of property. The Clerk will be gone until November 2nd and there will be a special election on November 7th.

11. Staff Quarterly Reports – the written reports are in tonight's packet

a. Cordova Police Department, **Mike Hicks**, Police Chief

b. Cordova Harbor & Port, **Tony Schinella**, Harbormaster

c. Information Services, **Cathy Sherman**, Museum, PIO, Library, IT, Cordova Center

d. Parks and Recreation, **Susan Herschleb**, Director

e. Public Works Department, **Rich Rogers**, PWD/City Engineer

f. City Investments, **Chad Adams**, UBS Financial

g. Cordova Fire Department, **Paul Trumblee**, Fire Marshal

K. Correspondence - none

12. 09-28-17 Letter from Office of the State Assessor re 2017 Full Value Determination

L. Ordinances and Resolutions

13. Ordinance 1156 An ordinance of the City Council of the City of Cordova, Alaska, adopting chapter 5.39, "motor fuel excise tax" and imposing an excise tax of \$.04 per gallon on motor fuel dispensed into vehicles and watercraft from a fuel facility within Cordova – 1st reading

M/Allison S/Guard to adopt Ordinance 1156 an ordinance of the City Council of the City of Cordova, Alaska, adopting chapter 5.39, "motor fuel excise tax" and imposing an excise tax of \$.04 per gallon on motor fuel dispensed into vehicles and watercraft from a fuel facility within Cordova.

Allison and others seemed on the fence about this but willing to pass on first reading.

Vote on the motion: 4 yeas, 1 nay (Jones), 2 absent (Hallquist, Beedle). Motion was approved.

14. Ordinance 1158 an Ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code chapter 5.40 to decrease sales tax from 6% to 4% from October 1st through March 31st and increase sales tax from 6% to 8% from April 1st through September 30th - 1st reading

M/Allison S/Guard to adopt Ordinance 1158 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code chapter 5.40 to decrease sales tax from 6% to 4% from October 1st through March 31st and increase sales tax from 6% to 8% from April 1st through September 30th

Allison said he does not support this – not in favor of a split tax, maybe in the future he'd be open to sales tax change but not now. **Guard** said the will of what they heard tonight was the people do not want the split. He wondered what an increase of 1% or a half a percent would equate to. The response was approximately \$520K for each percent of sales tax.

M/Guard...to increase sales tax year round to 6.5%. This motion failed for lack of a second.

Jones said he is opposed to this. **Burton** said he doesn't want us to wind up at 8% year round so he fears passing this.

Vote on the motion: 0 yeas, 5 nays, 2 absent (Hallquist, Beedle). Motion fails.

15. Ordinance 1159 An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code section 5.40.030(c) and CMC 5.40.030(d) to increase the cap on sales tax from \$3,000 to \$7,500 – 1st reading

M/Allison S/Guard to approve ordinance 1159 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code section 5.40.030(c) and CMC 5.40.030(d) to increase the cap on sales tax from \$3,000 to \$7,500

Allison believes there may be some abuse here and he is even in favor of eliminating the cap (although he doesn't believe there is enough Council support for that yet) – he thinks this will improve revenues and he supports this. **Burton** spoke in favor of this, he especially likes the capture of bulk fuel purchases, more sales tax on big boat projects, etc. **Jones** spoke against this, he thinks it will send people outside to buy their goods.

M/Jones...to amend this to a \$5,000 cap instead of the \$7500. This motion failed for lack of a second.

Guard spoke in favor of this ordinance. He said we have pared our budget as far as possible. We cannot keep pulling from the permanent fund. We need these revenues to balance the budget. **Wiese** spoke in favor of the ordinance at \$7500, he said he would support this.

M/Jones...to amend this to include an exemption for house packages, building materials and boat engines (i.e. keep the exemption for these specific purchases at the \$3000 cap). This motion failed for lack of a second.

Vote on the motion: 4 yeas, 1 nay (Jones), 2 absent (Hallquist, Beedle). Motion was approved.

16. Ordinance 1160 An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code Chapter 5.40 to repeal CMC 5.40.090, eliminating the compensatory collection discount from sales tax – 1st reading *M/Guard S/Allison* to adopt ordinance 1160 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code Chapter 5.40 to repeal CMC 5.40.090, eliminating the compensatory collection discount from sales tax

Guard spoke in favor of this – to get more money to help balance the budget. *Allison* supports this motion but he still believes that overall we can reduce staffing and he'd like to see that done to assist in balancing the budget. *Jones* spoke against this based on a belief that credit card sales force business owners to in fact pay part of the cost of sales tax that they are collecting on behalf of the City. *Burton* spoke in favor of the motion and believes that credit card fees are part of a business's cost of doing business not just on the sales tax but on the entire purchase.

Vote on the motion: 4 yeas, 1 nay (Jones), 2 absent (Hallquist, Beedle). Motion was approved.

M. Unfinished Business

Lanning gave his opinion of the sales tax exemptions and exceptions that exist in Cordova's code. He said there are so many varied of these that he believes may have been put in place for specific interests and relations over the years and each one is an enforcement nightmare for staff. He offered that we could more than pay for a position to enforce these. He showed a slide with an approximation of a typical Cordova family income and expenses and cost of living.

N. New & Miscellaneous Business

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

Burton said he was glad that the topic of exemptions came up, he would like to see exemptions come before them again. *Jones* asked for another budget work session where expenses could be discussed. Draft marijuana ordinance will be before Council on December 6. *Mayor Koplín* wondered if Council wanted a community vote on Marijuana on the March 2018 ballot.

O. Audience Participation

Don Scutt of 204 Boardwalk Way said Council should clean up the exemptions before raising the tax cap.

P. Council Comments

Jones – tell friends and family to come out and voice opinions.

Allison – thanked *Jones* for email questions and the manager's response to those.

Guard – he is also not in favor of raising taxes but he's in favor of the community telling us what services that they can do without.

Burton – agrees with Council member Guard. He appreciates audience participation – he likes the YouTube live stream.

Wiese – thanked Council and the varied opinions.

At 8:36 pm *Mayor Koplín* recessed the meeting with no objection from Council in order to clear the room before the executive session.

Q. Executive Session

18. City Manager's Annual Evaluation

M/Allison S/Guard to enter an executive session to discuss subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion.

Hearing no objection Council entered executive session at 8:40 pm.

Council came out of executive session at 10:34 pm.

Mayor Koplín said they had discussed the Manager's performance evaluation and compensation.

M/Allison S/Jones to direct the Mayor to proceed as we discussed in executive session

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

R. Adjournment

M/Allison S/Guard to adjourn the meeting.

Hearing no objection the meeting was adjourned at 10:35 pm.

Approved: November 15, 2017

Attest:

Susan Bourgeois, CMC, City Clerk

