

**Regular City Council Meeting
November 1, 2017 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order

Acting Vice Mayor David Allison called the Council regular meeting to order at 7:00 pm on November 1, 2017, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

David Allison led the audience in the pledge of allegiance.

C. Roll call

Present for roll call were Council members *Ken Jones, Jeff Guard, Robert Beedle* and *David Allison*. Council members *James Burton* and *James Wiese* were present via teleconference. *Mayor Koplin* and Council member *Josh Hallquist* were absent. Also present were City Manager *Alan Lanning* and Deputy City Clerk *Tina Hammer*.

D. Approval of Regular Agenda

M/Beedle S/Jones to approve the Regular Agenda.

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

E. Disclosures of Conflicts of Interest

F. Communications by and Petitions from Visitors

1. Guest Speakers - *Belen Cook* of NVE was present to speak to Council about the upcoming sobriety celebration. She gave Council, and the public, a rundown of events. She also thanked Council for the proclamation and the donation.

2. Audience comments regarding agenda items

Pete Hoepfner of the Cordova school board said that the school district has been cut \$450,000 or 26% from the previous year. He spoke in favor of increasing the school funding.

3. Chairpersons and Representatives of Boards and Commissions

CCMC Authority Board of Directors - CCMCA Board president *Kristin Carpenter* said the pharmacy is projected to open on November 15. State surveyors for LTC facility are here today and tomorrow. Audit for 2016 - presentation tomorrow night. The 2017 budget called for them having a \$250,000 loss by this time of the year and instead they have a net income of \$560,000. Largely due to increases in swing bed days and significant decreases in Professional Services line-item (local hires are abundant, 2 or 3 travelers remaining).

Cordova School Board - President of the School Board, *Barb Jewell* reported that reports and assessment results are now on the school district website. There is a lot of increased facility use. Volleyball and JH basketball both have home games this weekend. Parent-Teacher conferences are this week.

Harbor Commission - *Beedle* reported that there was a special Harbor Commission meeting last night and a resolution from Harbor Commission will be coming forward to Council next time.

4. Student Council Representative Report - not present

G. Approval of Consent Calendar

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

5. Continuation of and membership adjustments to Cordova Historic Preservation Commission

6. Record excused absences of Council members *Hallquist* and *Beedle* from the October 18, 2017 Regular Meeting

Vote on the consent calendar: 6 yeas, 0 nays, 1 absent. Beedle-yes; Hallquist-absent; Wiese-yes; Jones-yes; Allison-yes; Guard-yes and Burton-yes. Consent Calendar was approved.

David Allison read the proclamation into the record.

H. Approval of Minutes

I. Consideration of Bids

J. Reports of Officers

7. Mayor's Report - *Mayor Koplin* had a written report in the packet.

8. Manager's Report - *Lanning* read from a DEC report about the LT2 project outlining the success of that. *Lanning* also mentioned some of the partnerships that the City has been working: watershed project - recycling; science center - relocation; school district - structural and facility issues; CCMC - sharing of positions; NVE - security cameras,

collaborating with them and Dept. of Corrections on a diversion program; USCG - T-dock cameras. We are actively working these partnerships to help keep costs down.

9. City Clerk's Report - **Hammer** reminded everyone about the upcoming Special Election on Tuesday November 7 - polls open 7am - 8pm. Absentee in person through November 6 at City Hall.

K. Correspondence - none

10. 10-14-17 letter from **Fishers** re: variable tax proposal

L. Ordinances and Resolutions

11. 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 - 2nd reading

M/Guard S/Burton 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.

Guard said of the proposed ordinances this is the only one that can collect a meaningful amount of money - he is in favor. It gets the boats that come here in summer. **Burton** spoke in support - said we need to get more financially stable and this is a tool to get there. **Beedle** spoke against this, said he won't support it. **Jones** also spoke against this and all tax ordinances - he thinks there are other options to balance the budget. **Wiese** spoke in support of this, said he will vote yes. **Allison** said he supports this ordinance, it allows more revenue collection seasonally which gets the summer influx. He thinks it spreads it out at least a little bit. **Burton** said he's heard council members say there are other ways to balance the budget but he has not heard specifics on what those ways are. **Jones** said he believes enforcement on sales tax exemptions and budgeting a higher amount for raw fish revenue are two ways he would see to help balance the budget. **Jones** said he would also support a modest transfer from the permanent fund. **Guard** does not believe borrowing from the permanent fund to cover operations is doing a good job. He believes we have to cut services to a level we can afford or raise revenues to cover the services that we want.

Vote on the motion: 4 yeas, 2 nays, 1 absent. Jones-no; Guard-yes; Wiese-yes; Beedle-no; Burton-yes; Hallquist-absent and Allison-yes. Motion was approved.

12. 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 - 2nd reading

M/Guard S/Burton to adopt 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

Guard said not a lot of options to make our budget without borrowed dollars - he will support this. He believes this helps spread out the burden to the summer influx. **Guard** says he will support this but might be interested in looking at exemptions for this. **Burton** said he is in support of this - he thinks the cap is too low. He would be on board to exempt home packages and boat engines from this cap limit. **Jones** spoke against this ordinance saying it would drive business out of town. If it does he pass he hopes Council will consider exemptions. **Beedle** spoke against the ordinance and said he wouldn't vote for it. **Lanning** said he sees this as an enforcement issue - he thinks this is being misused, sales on a single invoice are being bundled to take advantage of the cap. He says as far as state law and our own code, we will be more prudent in enforcing this. **Wiese** said he will support and also favors the building package exemption; he is glad to hear about better enforcement in the future. **Allison** agreed that this is one of the most abused sections of tax code - he thinks raising the cap eliminates some of that; he is in favor.

Vote on the motion: 4 yeas, 2 nays, 1 absent. Hallquist-absent; Burton-yes; Guard-yes; Beedle-no; Allison-yes; Jones-no and Wiese-yes. Motion was approved.

13. 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 - 2nd reading

M/Beedle S/Guard 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

Jones said he would not support this - he thinks the businesses deserve this based on use of credit cards.

Vote on the motion: 4 yeas, 2 nay, 1 absent. Beedle-yes; Allison-yes; Wiese-no; Hallquist-absent; Guard-yes; Burton-yes and Jones-no. Motion was approved.

M. Unfinished Business

N. New & Miscellaneous Business

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

Allison wanted to get the word out that the Boards and Commissions have vacancies coming and we need people to submit letters of interest. *Lanning* also mentioned a vacancy on MTAB he has learned of - a seat usually filled by a Cordovan as *Dave Reggiani* has stepped down. *Cathy Long* would be getting it up on the chamber page and we'd get it on the City web page.

Jones asked if an item could come before them regarding the Adams Street project. *Lanning* said he would look into that but he said that the appropriation was made out of the permanent fund not the general fund. *Lanning* also said that the budget for action could be before Council at the first December meeting.

Guard asked about all the exempt properties in Cordova - he wondered if we could look into a fire service charge or police protection fee or some other way to charge those exempt properties? *Lanning* said he's look into this.

O. Audience Participation

Kristin Carpenter said she is frustrated that none of us seem to be paying any less in federal income and other taxes yet we are seeing less of that money coming back to this community. Secure Rural Schools funding was how we used to get a lot back - funded schools and projects, etc. We should all be talking to our delegation about that. She supports the measures that Council passed tonight - she said staff has become as frugal as possible but cheaping out on equipment and maintenance is not beneficial in the long run. She also promoted the Salmon Jam event which brings 800-900 people per night to ski hill and if the City moves towards continued and better promotion of these events, it is a smart idea. She welcomes support from the City, the chamber to get more people here.

Don Scutt of North Star Lumber wondered what Council said about enforcement - are they intending to pursue enforcement or not? He said he competes with 2 businesses that don't collect and remit sales tax at all, so why is he even paying his?

Wendy Ranney said she appreciates the work they are doing but they need to think of more than just a few of the businesses, events and package sales are also affected by changing the cap and it hurts. She asked that they look to some kind of stabilization. She said it's really tough to run a business in this town after passage of those three things tonight.

Chris Bolin 607 Birch Street spoke as the City mechanic - he has concerns with no money being put aside for vehicle replacement. He spoke as a citizen and is encouraged at enforcement on sales tax - he saw someone just today buying tax exempt groceries.

P. Council Comments

Wiese gave kudos to the water department crew for their recognition with LT2 project. As far as *Wendy Ranney's* comments - he thanked her for expressing those, he thinks this Council has been looking for input from business owners - they don't say they know everything they need information. He thanked *Don Scutt* for his comments and he'd really like to see something done about these competitors that he speaks of.

Burton echoed *Wiese's* comments about enforcement.

Jones thanked people for coming out, thanked *Lanning* for his efforts - glad he had a good trip home, hopefully his family can come up here sometime soon too.

Beedle encouraged people to come talk to Council and offer solutions.

Guard agreed that Council needs all the help it can get, encourages input.

Allison thanked *Beedle* and *Jones* for sticking to their guns on taxation opinions. No one likes taxes, he doesn't, but his goal is to spread the burden out as best as possible. As far as school funding - he hopes the school will approach council when they are really ready to cut teachers, cut programs, etc. He knows they used reserves this year to make it work but he hopes next year if they don't have that option, he thinks Council will assist. He also congratulated staff for the EPA award.

Q. Executive Session

18. Contractual Issues

M/Beedle S/Guard to enter an executive session to discuss contractual issues with Kristin (Carpenter) and Scot (Mitchell), matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

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

Hearing no objection the meeting was recessed in order to clear the room before the executive session.

Council entered executive session at 9:17 pm.

Council came out of executive session at 10:33 pm.

Acting Vice Mayor Allison said they had discussed contractual issues with the CCMC administrator and the President of the CCMC board, no action was taken and we will proceed as was discussed.

R. Adjournment

M/Beedle S/Guard to adjourn the meeting.
Hearing no objection the meeting was adjourned at 10:35 pm.

Approved: December 6, 2017

Attest: 

Susan Bourgeois, CMC, City Clerk

