

**Regular City Council Meeting
December 19, 2018 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order

Vice Mayor David Allison called the Council regular meeting to order at 7:06 pm on December 19, 2018, in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

Vice Mayor Allison led the audience in the Pledge of Allegiance.

C. Roll call

Present for roll call were Council members *Ken Jones, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison* and *James Wiese*. Mayor *Clay Koplin* and Council member *James Burton* were present via teleconference. Also present were City Manager *Alan Lanning* and City Clerk *Susan Bourgeois*.

D. Approval of Regular Agenda

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

Vice Mayor Allison added **John Bitney**, city lobbyist as a guest speaker.

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

E. Disclosures of Conflicts of Interest

Jones disclosed that he had ex parte contact at a Harbor Commission meeting when the owner of the Polar Bear came in and spoke to the commission.

F. Communications by and Petitions from Visitors

1. Guest Speakers - **John Bitney**, City Lobbyist spoke about the CIP list resolution (Res 12-18-35), he praised Cordova for always being consistent with its priorities. In Juneau we haven't really seen a Capital budget in Juneau in about 5 years. He said the state has consistently funded the state harbor matching grant of \$5 million even in these no capital budget years. There is talk in Juneau about maybe some school repair money being available especially because of the earthquake damage to so many Anchorage and Mat-Su schools. *Dunleavy* has taken office and his adjustments to the budget puts it at a deficit of about \$1.6 billion - the *Dunleavy* administration is setting a goal of coming to the legislature with about \$1 billion in cuts to the state budget by second week in February. *Bitney* said the items that would have to be impacted to achieve that would be Medicaid, K-12 Education and Transportation. He said this session will probably be more about being defensive and promoting things like education and the ferry system.

2. Audience comments regarding agenda items

Matt McDaniel, former resident of Cordova, former Director of Eyak Corporation and here tonight in his capacity as Vice-Chair of Chugach Alaska Corporation. He spoke about agenda item 21. Chugach Alaska and all the small communities in the Sound have come out against the idea of Borough formation.

Kristin Carpenter of 507 Fourth Street, spoke about item 25 - Mike Smith request re Polar Bear. She spoke against the idea of letting the boat come back and be moored on public land. She also commented on the CIP list resolution, item 19 - she was grateful that hospital improvements and Cordova Center stairs were included, and she urged them to take Sawmill Ave extension off the list - doesn't think it serves a large population of people as a public safety issue.

Kara Johnson of 701 Lake Avenue # 4, spoke to item 10a and wondered how the finance department would get funded if half of the department budget goes to the contract for the interim finance director; on CIP list she agreed that Sawmill Ave project is unnecessary and would be filling wetlands for no real gain; she is against the formation of a PWS borough, not beneficial to Cordova and not the best place for us to spend our money.

Oshiana Black of 601 Spruce Street encouraged Council to fund schools more, she has subbed there for a few years and sees no extraneous spending there and education should be a priority.

3. Chairpersons and Representatives of Boards and Commissions

CCMCA Board - Chair *Kristin Carpenter* reported: 1) they should have their 2017 audit report by end of year; 2) the board will conduct the administrator evaluation in January; 3) state surveyors did Nursing Home survey last week - in terms of the medical care, this was the best survey CCMC has ever received - a couple of points they made were that there were zero medication errors observed, the CNA's and other staff were exceptionally cooperative and assisted when asked, they don't always get such cooperation during these surveys; she said there is a real culture shift happening which she and *Scot* are really pleased about.

Cordova School District Board of Education President **Barb Jewell** reported that a couple of students went to the state music competition, 2 wrestlers went to state, the volleyball team went to their state tournament, we are looking forward to the tipoff tournament and hosting basketball regionals in March. Staff and students all working hard to get ready for all these upcoming events. The audit is back, it was a clean audit with no findings, the firm is new to us as we went out for RFP last year, they were astonished as we finished the year within \$1,000 of budget. She gave kudos to the school district staff for that. **Allison** asked whether the ferry made it to Cordova and whether teams are travelling. **Jewell** said the ferry has returned and the girls' basketball team was in a 4A tournament last week and took third. This weekend JV and Varsity boys and girls travel to Redington and Houston for games.

4. Student Council Representative Report - **William Deaton** was in the audience, so he spoke for Student Council - he said they will be having officer elections in January (14-15), there will also be a survey conducted concerning the Wednesday schedule. He reported that student council had a holiday party, "deck the halls" was fun at the high school this year, the Junior Class won.

G. Approval of Consent Calendar

5. Resolution 12-18-37 A resolution of the City Council of the City of Cordova, Alaska, approving the final plat of 'Cabin Lake SLUP Lot'

Vote on the approval of the consent calendar: 7 yeas, 0 nays. Meyer-yes; Allison-yes; Wiese-yes; Schaefer-yes; Guard-yes; Burton-yes and Jones-yes. Consent calendar was approved.

H. Approval of Minutes

M/Schaefer S/Guard to approve the minutes.

6. Minutes of the 11-21-18 Council Public Hearing

7. Minutes of the 11-21-18 Regular Council Meeting

8. Minutes of the 12-5-18 Council Public Hearing

8a. Minutes of the 12-5-18 Regular Council Meeting

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

I. Consideration of Bids - none

J. Reports of Officers

9. Mayor's Report - **Mayor Koplín** had no report to give.

10. Manager's Report - City Manager **Alan Lanning** reported 1) the draft audit is in and was sent by email to council - when we get CCMC's final, it will get wrapped into ours - then we will have the auditors come here to present; 2) on page 17 is the contract he signed with the recruiting firm GovTemps to get us a finance director for 6 months; 3) Attorney memo re fish tax implementation - the finance director that is coming may have Alaska fish tax experience, **Lanning's** hope is to bring Council a couple of options for fish tax implementation maybe in January.

a. Contract with GovTempsUSA for Interim Finance Director

b. Attorney email re Fish Tax implementation

Meyer said she was concerned about that contract being half of what was budgeted. She wondered if they could be kept aware of the budget over time. **Lanning** said the allotment for Finance Director in the budget was \$160K for the year and this is costing us \$91K for 6 months. So we are \$11K over, we'll make adjustments over the rest of the year. **Guard** asked if that was the budget for the whole department for personnel or just the one position - **Lanning** said just the Director position. **Burton** asked if this was required to have been approved by Council - because this is a signed contract in here and he didn't recall approving it. He was unsure if we missed a step here. **Lanning** said he was assured by the City Attorney that since it was filling a personnel slot and it was appropriated in the budget, it did not require Council action.

11. City Clerk's Report - **Bourgeois** had no report.

K. Correspondence

12. 11-27-18 Email from J. Reynolds re FY19 City Budget requests

13. 11-29-18 Letter from USFS re New Regional Forester for Southeast and Southcentral Alaska

14. 12-04-18 Mayor letter re support for Alaska Air and Essential Air Service

15. 12-05-18 Email from Superintendent A. Russin re Secure Rural Schools Funds

16. 12-07-18 Mayor letter to Alaska Air re Cargo Service in Cordova

L. Ordinances and Resolutions

17. Resolution 12-18-33 a resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2019 and appropriating the amount of ~~\$15,181,260~~ **\$15,288,342** as summarized pursuant to the following table

M/Jones S/Schaefer to approve Resolution 12-18-33 a resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2019 and appropriating the amount of ~~\$15,181,260~~ **\$15,288,342** as summarized pursuant to the following table

Jones said he would be open to an amendment for more funding to the schools, either using the permanent fund to pay some of the bond debt or raise the fish tax revenue by whatever amount we want to increase the school contribution to.

Guard opined that we were using a Ouija board with money by just raising fish tax, he thought the only way to really do it would be via the permanent fund. Council asked **Bourgeois** about permanent fund usage in that way. **Bourgeois** said you can approve the budget via resolution tonight using permanent fund transfer as part of the revenue then you would have to approve an ordinance moving the money from the permanent fund, later, via 7 yes vote (either all 7 council or 6 council plus the Mayor), 2 readings, public hearing, as usual. **Burton** offered kudos to the Cordova School District, mentioned his pride and gratefulness of having graduated from there. He had been hoping to get back to the pre-2017 contribution levels of \$1.7 - \$1.8 million. He thinks \$1.75 is doable and he hopes Council will agree. **Burton** said he asked the City Manager some questions today and didn't get the answers he wanted, actually, didn't get the answers at all - questions related to fish tax, because when we held strategic planning we discussed budgeting at \$800K knowing that if we received excess it would go into the permanent fund or into the general fund reserve - he has asked where the excess went this year and to the best of his knowledge that hasn't happened and he hasn't received an answer as to where that excess money is. He now would suggest upping the raw fish tax revenue line from \$800,000 to \$1,050,000 and give the \$250,000 to the Cordova School District.

M/Burton S/Jones to raise the raw fish tax revenue amount by \$250,000 and raise the contribution to the Cordova Schools by the same amount in the 2019 budget and for staff to adjust the numbers in the resolution as required.

Jones said the 10-year average fish tax is \$1.1 million and the last 2 years have been over that \$1.16 million and \$1.48 million - so he believes we are at a better cash position now than what we were a year ago. He thinks this is a good way to use the extra. **Schaefer** asked if we have seen a copy of the school's budget including the \$400,000 deficit? **Allison** said he thinks they don't finalize that budget until May. **Allison** said he would support \$250,000 not any more. **Guard** said he will support this, but he is not comfortable using the Fish Tax line-item as monopoly money. **Meyer** said she will support the amendment up to the \$250,000.

Vote on the motion to amend: 7 yeas, 0 nays. Meyer-yes; Jones-yes; Schaefer-yes; Guard-yes; Allison-yes; Wiese-yes and Burton-yes. Amendment was approved.

Vote on the main motion as amended: 7 yeas, 0 nays. Wiese-yes; Jones-yes; Meyer-yes; Schaefer-yes; Allison-yes; Burton-yes and Guard-yes. Motion was approved.

18. Resolution 12-18-34 A resolution of the City Council of the City of Cordova, Alaska, adopting City service fees, rates and charges for the 2019 calendar budget

M/Jones S/Schaefer to approve Resolution 12-18-34 a resolution of the City Council of the City of Cordova, Alaska, adopting City service fees, rates and charges for the 2019 calendar budget

Jones said he feels the pain of everyone in the audience about fees and rates going up, but repairs and maintenance costs have not been factored in adequately in the past and these enterprise funds need to cover their own costs. **Schaefer** agreed and said she will support this.

Vote on the motion: 7 yeas, 0 nays. Allison-yes; Schaefer-yes; Guard-yes; Meyer-yes; Wiese-yes; Burton-yes and Jones-yes. Motion was approved.

19. Resolution 12-18-35 A resolution of the City Council of the City of Cordova, Alaska, designating Capital Improvement Projects

M/Jones S/Wiese to approve Resolution 12-18-35 a resolution of the City Council of the City of Cordova, Alaska, designating Capital Improvement Projects

M/Jones S/Wiese to amend the resolution to make the list as follows:

1. Port and Harbor Renovations
 - a. South Harbor replacement (G, H & J floats priority)
 - b. Shipyard fill expansion
 - c. Harbor basin expansion
 - d. South Fill and Sawmill Avenue extension
 - e. General upgrades (north harbor sidewalks, waste oil building, harbor crane)
2. School Repairs
3. Large vessel maintenance facility (aka shipyard building)
4. Public Safety Building
5. Road Improvements / ADA Sidewalk Improvements
 - a. Cordova Center staircase
 - b. Adams, 6th & 7th Streets sidewalk/drainage project

c. Ferry Trail

6. Hospital Upgrades

M/Burton S/Guard to delete “and Sawmill Ave extension” from 1.d.

After some discussion, this motion was withdrawn by the maker and the withdrawal was agreed to by the second.

Vote on the motion to amend: 7 yeas, 0 nays. Amendment was approved.

Vote on the main motion as amended: 7 yeas, 0 nays. Motion was approved.

20. Resolution 12-18-36 A resolution of the City Council of the City of Cordova, Alaska, reinstating the E-911 surcharge implemented in Resolution 08-10-49 and repealing Resolution 03-12-20, which suspended the surcharge pending the acquisition and activation of an enhanced 911 system

M/Schaefer S/Jones to approve Resolution 12-18-36 a resolution of the City Council of the City of Cordova, Alaska, reinstating the e-911 surcharge implemented in Resolution 08-10-49 and repealing Resolution 03-12-20, which suspended the surcharge pending the acquisition and activation of an enhanced 911 system

Schaefer said she is supportive of getting this system up and running especially in collaboration with public safety, CTC, etal. She wondered if you get charged for cell phones and landlines or is there a way around multiple charges for one person or household. *Lanning* said he thinks it will be a per line charge and maybe there are waivers that can be applied for. *Guard* asked if we are coordinating with CTC on this; *Alan* said yes, we will approach all the entities and we will work together. *Meyer* asked *Lanning* why the \$2 per line, couldn't we start lower. *Lanning* said we'd like to collect the full amount to start, get the critical system components running then it could be adjusted later. *Allison* said he will not support this because there is no associated plan with this resolution, there is no budget, we've kept the public's money for 6 years and done absolutely nothing with it. He said he'd like to hear from *Bitney* maybe or someone else about what he's heard about the state developing a state-wide E-911 system.

M/Guard S/Meyer to refer to staff

Vote on the motion to refer: 7 yeas, 0 nays. Motion was approved.

M. Unfinished Business

21. PWS Borough Formation, Economic Feasibility Phase 1, informational for discussion

Barb Jewell as a representative of the committee came to speak to Council - she appreciated the staff that assisted with the committee, Leif and Susan. She said the committee met 3 times and based on the information that was presented they have determined that: in some instances a PWS Borough appears to be able to pay for itself and in certain circumstances it could lessen the tax burden for Cordova tax payers. The group felt like there were a lot of intangibles not accounted for in this first look and that didn't allow us to make any firm recommendations. A lot of unanswered questions still. The phase 1 deliverable was the excel spreadsheet that allows you to change out parameters to investigate economic viability. Phase 2 hasn't been funded yet, that would have to be decided among the groups as to who pays for what and how much. The Committee will next await Council's direction. *Jewell* said the committee had been directed to stick to the impact that this would have on Cordova.

N. New & Miscellaneous Business

22. Council approval of City Manager bonus and amendments to City Manager's contract

Vice Mayor Allison said for clarification we are just voting on the amendment to the City Manager's contract, after the last executive session, we directed the Mayor to handle the other items, the bonus and the leave adjustment so tonight we are voting only on the amended contract.

M/Wiese S/Schaefer to approve the bonus and the amendments to the City Manager's contract.

Vote on the motion: 7 yeas, 0 nays. Wiese-yes; Burton-yes; Meyer-yes; Schaefer-yes; Allison-yes; Jones-yes and Guard-yes. Motion was approved.

23. Council action to declare a City owned property as **available** re CoHo, Lots 3 & 4, Block 6, Original Townsite

M/Guard S/Jones to declare the CoHo Lots as available on the City Land Disposal Maps.

Guard said get it in somebody else's hands. *Jones* said sell it.

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

24. Council action on disposal and **method of disposal** re CoHo, Lots 3 & 4, Block 6, Original Townsite

M/Schaefer S/Guard to dispose of Lots 3 & 4, Block 6, Original Townsite as outlined in Cordova Municipal Code 5.22.060 B by method 2. requesting sealed proposals to lease or purchase the property.

Schaefer said, just like what we said a minute ago - sell it. *Guard* said I am concurring with Planning Commission's recommendation.

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

25. Council direction to Manager regarding Mike Smith request re Polar Bear

Mike Smith approached the table and was requesting that Council would allow him to move the Polar Bear back and the sticking point has been that he hasn't shown proof of insurance. He wanted to self-insure the vessel. After much

discussion, the Council direction that was given was that the Manager should stick to the rules and continue this course, i.e. requiring insurance of any vessel that would moor in the Cordova Harbor or on City owned tidelands. Council advocated for compliance to the existing rules.

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

Jones said he would like to direct staff to come back with a resolution opposing a PWS borough. *Wiese* said he would be the second on that. *Burton* said he would like a sin tax and bed tax discussion. There will not be a quorum and there won't be much staff, so Council opted to not hold the January 2 regular meeting and so January 16 will be the next regular meeting.

O. Audience Participation

Barb Jewell neglected to report that Robotics will also be going to state having won best design which is great considering the program has only been in existence for 2 years. Also, congratulations to *William Deaton* who was nominated to be a page in DC and will be going there for second semester. She appreciated the conversation about school funding and the increase.

Tammy Altermott thanked council for the budget adjustment to the schools and said that all the budget work session had no actual agendas and no place for public comment, so this was the first opportunity for that. She also said she is not in favor of a borough.

Chris Bolin of 607 Birch Street said he agrees that deferred maintenance is why the fleet is where it is at, we are happy to get the maintenance money budgeted to work on what we have.

Katrina Hoffman of 301 South Second Street thanked Council for upholding standards for vessel owners in Cordova. She thanked Council for having good policies that protect the marine environment.

Mark Frohnafel of 813 Woodland Drive opined that the City needs to pursue addressing, that is a gigantic first step that we need to move forward and that may take funding, if so he encourages Council to fund it.

Mike Smith said his point about hydrocarbons was that it is a smaller amount than a seiner and he keeps his boat above the high tide line.

P. Council Comments

Burton commented that it was nice to hear from the audience tonight and he wished everyone a Merry Christmas and Happy New Year.

Wiese thanked the audience for attending, it helps the process. He especially called out *Wendy Ranney* for encouraging citizen involvement at all levels.

Mayor Koplín said that CEC is the 4th Wednesday of the month so if we do a special in January can we do it on the 5th Wednesday.

Jones thanked the citizens for their attendance, he appreciates it suggested they come more often, encouraged them to vote come March, he encouraged support for the Harbor efforts and wished everyone happy holidays.

Schaefer echoed the attendance thanks and encouraged people to fill out the comprehensive plan survey online and comment on the interactive map.

Meyer echoed all the remarks and said the deadline for the comp plan survey is 31st and the map is a good thing to look at with friends to get some ideas tossed around.

Guard echoed most of what was said and encouraged people to continue to stay involved not just last minute.

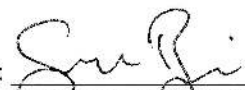
Allison said we should give door prizes at the end of Council comments as three quarters of the attendees are gone now - we are helped when there is input from people. Also said Merry Christmas and Happy New Year.

Q. Adjournment

Hearing no objection Vice Mayor Allison adjourned the meeting at 10:15 pm.

Approved: February 6, 2019

Attest:



Susan Bourgeois, CMC, City Clerk

