

**Regular City Council Meeting
December 21, 2016 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order

Vice Mayor Tom Bailer called the Regular Council Meeting to order at 7:00 pm on December 21, 2016 in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

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

C. Roll call

Present for roll call were Council members *James Burton, Tom Bailer, Robert Beedle, Josh Hallquist, David Allison* and *James Wiese*. Council member *Tim Joyce* was present via teleconference. *Mayor Clay Koplín* was absent. Also present were City Manager *Alan Lanning* and City Clerk *Susan Bourgeois*.

D. Approval of Regular Agenda

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

M/Allison S/Burton to add an agenda item allowing the Moose Lodge to open early on Sunday's during playoff football this year - add as item 28a.

Council member *Joyce* said he appreciated the effort but thought that by code we cannot add an action item to the agenda in this way. The City Clerk did not have that exact provision in front of her, she would look it up.

Vote on the motion to amend: 4 yeas, 3 nays (Hallquist, Bailer, Joyce). Motion was approved.

Vote on the main motion: 6 yeas, 1 nay (Joyce). Motion was approved.

E. Disclosures of Conflicts of Interest - none

F. Communications by and Petitions from Visitors

1. Guest Speakers - none

2. Audience comments regarding agenda items

Vickie Blackler of 901 Center Drive and representing the Moose lodge spoke on favor of item 28a that was added to the agenda.

3. Chairpersons and Representatives of Boards and Commissions

Beedle said that at the last Harbor Commission meeting they discussed harbor fees across the dock. *Mayor Koplín* was in attendance and he spoke about a possible funding source for harbor replacement. He said that they anticipate having about \$1.5 million in the harbor funds which could be used for matching funds. Upcoming workshop, January 12 @ 6pm - hope to come up with ideas, etc. if these funds come available. He welcomed a new Board member, *Andy Craig* and also *Ken Jones* was reappointed. He said Harbor Commission meets for regular meetings the second Wednesday of the month at 7pm - he'd love to see more participation.

Tim Joyce reported that HSB met on December 8, items discussed were: 1) LTC survey, a few deficiencies but one of the best had at CCMC in a long time; 2) they have reduced their budget request of the City and staff numbers are down from 75 to 66; 3) the required quality report on physicians was submitted timely in 2016 - kudos to *Lee Holter* and *Randy Apodaca* for that; 4) the hospital auxiliary held an appreciation day for the hospital staff on November 23 - 2 receptions, one for day shift, one for evening shift; 5) USCG met with *Mitchell* and they have a medic that is also a radiology tech and he will be working at the hospital in the near future on a part time basis.

Susie Herschleb reported that Parks and Recreation Commission has 2 meetings scheduled for January, one is for an audit of all services provided for strategic planning purposes and the regular meeting will focus on starting to review the master plan - they will also continue to work on possible new access points on Eyak Lake for public recreation. Special meeting will be January 10 and the regular meeting will be the last Tuesday of the month, January 31, 2017.

Leif Stavig reported about Planning and Zoning Commission - 2 items from that meeting are on Council's agenda tonight and also CRWP requested a lease on the South Fill for a recycle project and next month meeting will have agenda items such as: land disposal maps, elections for chair, vice-chair.

Alex Russin said holiday break starts tomorrow, Dec 22 - early release at 1pm until Thursday January 5. Toys for Tots has sent every child in the community a gift (school enrolled and outside of school) - to be distributed tomorrow. They are embarking on strategic planning as well - working initially on a mission statement/vision statement.

4. Student Council Representative Report – not present

G. Approval of Consent Calendar

Vice Mayor Bailer declared the consent calendar was before the City Council. Council member **Beedle** called out item 6 and the **Vice Mayor** said it would be placed as item 23a.

5. Resolution 12-16-39 A resolution of the City Council of the City of Cordova, Alaska, approving the final plat of ‘Lot 8A & 8B, Block 1, Pebo Subdivision’

6. Resolution 12-16-40 A resolution of the City Council of the City of Cordova, Alaska, authorizing the renewal of the line of credit with UBS bank USA in a principal amount of not to exceed \$750,000 for the purpose of borrowing in anticipation of the receipt of revenues of the city to finance city capital projects, and providing for related matters

7. Resolution 12-16-41 A resolution of the City Council of the City of Cordova, Alaska in support of the repairs to the “million dollar bridge” milepost 50 on the Copper River Highway

8. Resolution 12-16-42 A resolution of the City Council of the City of Cordova, Alaska, authorizing public employee’s retirement system participation agreement amendment number 5

9. Council approval of LWOP in excess of 10 days per collective bargaining agreement

Vote on the consent calendar: 7 yeas, 0 nays. Wiese-yes; Joyce-yes; Beedle-yes; Hallquist-yes; Allison-yes; Burton-yes and Bailer-yes. Consent Calendar was approved.

H. Approval of Minutes

M/Burton S/Hallquist to approve the minutes.

10. Minutes of 12-7-16 Council Public Hearing

11. Minutes of 12-7-16 Regular Council Meeting

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

I. Consideration of Bids - none

J. Reports of Officers

12. Mayor’s Report – **Mayor Koplín** had a written report in the packet.

a. 2003 Revenue Committee report to City Council

13. Manager’s Report – **Lanning** said in consideration of the items before council he would not have a lengthy report – aid he had an attorney client privileged memo re sales tax that we could go in to an executive session about if necessary.

14. City Clerk’s Report – **Bourgeois** reported that the regular election will be March 7, 2017. She will be placing ads soon about the seats open – 2 council, 1 school board and 5 for the newly formed CCMC authority board.

K. Correspondence

15. October 31, 2016 email from PWSSC and NOAA praising Cordova Center staff and venue

16. December 7, 2016 letter from Mayor Koplín supporting NVE Tanner Crab proposal

17. December 10, 2016 letter from Mayor Koplín to Petterson re EVOS long term follow up study

18. December 9, 2016 email from Fulton’s re 2017 budget

19. December 15, 2016 letter from Jewell re city appropriation to CSD for 2017 budget

20. December 15, 2016 letter from Glasen re 2017 City budget

Beedle commented that items 16 & 17 he believes should be run by council before the Mayor writes these.

L. Ordinances and Resolutions

21. Ordinance 1149 An ordinance of the City Council of the City of Cordova, Alaska, creating a new Cordova municipal code title 15 to restructure the Cordova Community Medical Center, repealing the existing title 15. – 2nd reading

M/Beedle S/Burton to adopt Ordinance 1149 an ordinance of the City Council of the City of Cordova, Alaska, creating a new Cordova municipal code title 15 to restructure the Cordova Community Medical Center, repealing the existing title 15.

Beedle said this deserves a full time board, he is looking forward to this. **Joyce** said he will also support the ordinance.

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Joyce-yes; Hallquist-yes; Bailer-yes; Allison-yes; Wiese-yes and Burton-yes. Motion was approved.

22. Ordinance 1150 An ordinance of the City Council of the City of Cordova, Alaska, amending chapter 5.40.010 to adopt a one percent increase to the general sales tax imposed by the City of Cordova from April 1 through September 30 – 1st reading

M/Beedle S/Joyce to adopt Ordinance 1150 An ordinance of the City Council of the City of Cordova, Alaska, amending chapter 5.40.010 to adopt a one percent increase to the general sales tax imposed by the City of Cordova from April 1 through September 30.

M/Joyce S/Hallquist to refer to staff until we go through some strategic planning.

Joyce said he thinks we should pass a budget tonight but get through the strategic planning as soon as possible – he really urged Council to get to this early in January. He opined that after the strategic planning if it was determined that this might still be necessary, it could be approved in February and still be effective timely for the season it is intended for. **Wiese** said he would support this tonight. **Burton** said he is struggling with this – he is of the opinion that if we get to this in January and decided on this or any other new tax he'd want it to go right to the schools. **Hallquist** thought this could be a piece to help solve our problems but he wants to look at other revenue sources as well.

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

23. Resolution 12-16-37 A resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2017 and appropriating the amount of \$14,372,542 as summarized pursuant to the following table

M/Hallquist S/Beedle to approve Resolution 12-16-37 a resolution of the City Council of the City of Cordova, Alaska, adopting an operating and capital budget for fiscal year 2017 and appropriating the amount of \$14,372,542 as summarized pursuant to the following table

Hallquist thanked **Lanning** and **Stavig** – they and their team have done a fantastic job with all that has been asked of them.

Stavig had a few items that needed slight changes – refuse enterprise fund had a typo that needed adjusting. Info services required a deduction in the wages line-item for a staff member being reduced to part-time, and the temporary employees line-item needs to be \$10000. The difference there (approx. \$24k) is going to chip sealing. **Lanning** said that this version includes a one mil property tax increase – yielding an estimated \$240,000. Since last budget work session we reduced the school budget by \$51,500 as directed and the CCMC budget by \$160k (the directed \$51,500 and a capital item – a UPS, which we have other options to work on for this). Then we reduced the City operating expenses further by approximately \$237,000 and then the \$213,000 remaining was a reduction to staff, both temps, permanent and at some point there will be attrition and we reduced wages accordingly. **Beedle** said he was glad it was a balanced budget and every department will feel the haircut. **Allison** brought up some hospital issues and...after lengthy discussion, Council realized a need for a change to the budget regarding a capital item of a new blood refrigerator at CCMC.

M/Allison S/Bailer to amend the budget by adding \$16,000 to the transfer to CCMC and increasing the transfer from the permanent fund by that \$16,000 on the revenue side.

Vote on the motion to amend: 7 yeas, 0 nays. Allison-yes; Hallquist-yes; Bailer-yes; Beedle-yes; Wiese-yes; Burton-yes and Joyce-yes. Motion was approved.

Hallquist asked about the \$224k Cordova Center debt and wondered why it wasn't in the 2017 budget. The City Manager, **Cathy Sherman** and **Rich Rogers** explained the Cordova Center debt remaining. **Lanning** said he'd get with **Stavig** and work out a plan to retire this debt. **Allison** commented that he would like all the smaller entities that get City contributions each year to be prepared for the future to also look at their own budgeting and expect a cut for the future equivalent to the cuts that the City, Schools, Hospital have taken in this tough scenario.

Vote on the main motion as amended: 7 yeas, 0 nays. Beedle-yes; Allison-yes; Wiese-yes; Hallquist-yes; Bailer-yes; Burton-yes and Joyce-yes. Motion was approved.

23a. 6. Resolution 12-16-40 A resolution of the City Council of the City of Cordova, Alaska, authorizing the renewal of the line of credit with UBS bank USA in a principal amount of not to exceed \$750,000 for the purpose of borrowing in anticipation of the receipt of revenues of the city to finance city capital projects, and providing for related matters

M/Allison S/Joyce to approve Resolution 12-16-40 a resolution of the City Council of the City of Cordova, Alaska, authorizing the renewal of the line of credit with UBS bank USA in a principal amount of not to exceed \$750,000 for the purpose of borrowing in anticipation of the receipt of revenues of the city to finance city capital projects, and providing for related matters.

Allison said he likes this for staff in order to get payments made that are timely. He believes this allows for management of cash-flow. **Beedle** said he would not support this. **Joyce** said he will support this, it helps so the City does not have to sell investments and take a loss on them in order to pay bills when revenues are anticipated. **Hallquist** said he is not in support of this because he believes that this is the mechanism by which we overspent on the Cordova Center. **Burton** agrees it is needed for cash flow issues but he is concerned about its utilization. **Stavig** said if this isn't approved he will have to work with his cash flow to ensure he has it when necessary – this is a tool certainly not ever used for operating, strictly for project payments when grants run as reimbursements (such as ADEC grants currently). **Bailer** was not in support – he said we did without it until 2010. **Bourgeois** mentioned that the City's invested funds previous to 2010 were gaining

very low returns and when we moved to UBS for investments is when we set this up to offset the need to sell investments at a loss to make project payments in lieu of reimbursements.

Vote on the motion: 2 yeas, 5 nays. Wiese-no; Burton-no; Beedle-no; Hallquist-no; Allison-yes; Joyce-yes and Bailer-no. Motion failed.

M. Unfinished Business

24. Current CIP List – Resolution 09-16-33 – discussion/suggested revisions/additions

Council concurred to have this item brought back at the first January meeting.

25. Fisheries Advisory Committee authorizing Resolution from 2003 discussion/direction to Mayor and/or staff

Bourgeois led this with an explanation of what was in front of them. Two gentlemen have contacted the **Mayor** requesting to be placed on the Fisheries Advisory Committee and **Mayor Koplín** asked her to put the authorizing resolution in front of Council for discussion tonight. She believed that Council member **Beedle** then had a suggestion. His suggestion is to amend the resolution and create a Fisheries Development Committee in its place. **Beedle's** resolution language was read into the record and it was basically the exact resolution in front of Council with the word “advisory” replaced with “development”. **Bourgeois** said she would get with **Mayor Koplín** and work this up, she would have to consider language to disband the existing committee and then replace it with this one. Council gave concurrence to bring this back to them in such a manner.

N. New & Miscellaneous Business

26. Action on disposal method for City land, Lot 20, Block 23, Original Townsite

M/Beedle S/Burton to dispose of Lot 20, Block 23, Original Townsite as outlined in Cordova Municipal Code 5.22.060 B by #1 negotiating an agreement with Carl and Jane Jensen to lease or purchase the property.

Hallquist asked if there was a dollar amount. **Greenwood** answered questions for Council – she said that fair market value would be established and pursued in negotiations.

M/Hallquist S/Wiese to amend to #2 invite sealed bids to lease or purchase the property.

After discussion of the difference between bids and proposals, **Hallquist** withdrew the amendment with concurrence of the second.

M/Hallquist S/Allison to amend to #4 invite sealed *proposals* to lease or purchase the property.

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

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

Mayor Koplín arrived at the meeting at 9:00 pm and took over as chair of the meeting.

27. Proposed sales tax and excise tax ordinances – council discussion

28. Current City sales tax exemptions – council discussion/direction

Items 27 and 28 were both moved to be discussed during the next regular meeting or to be hashed out during pending agenda.

28a. Moose Lodge request

M/Allison S/Hallquist to authorize that the Moose Lodge be allowed to open early on Sundays during the 2016 – 2017 NFL playoffs.

Joyce called for a point of order as he believed this to be an illegal motion as we are not allowed to add action items to the agenda. He cited Code 3.12.060 D.

Beedle thought if we could give the Moose an idea that this would likely pass at the next meeting, but then handle it legally at the next meeting that might assist them for purposes of planning for their event. **Joyce** suggested a special meeting at noon on Friday.

M/Joyce S/Bailer to postpone action on this until Friday at noon in a special meeting.

Wiese agreed, let's keep it legal – I can be here noon Friday for this.

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

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

Bourgeois asked for no Regular Meeting on January 4 as a lot of staff, including the City Manager and City Clerk would be gone the entire week previous which would be when agenda items are prepared, approved, created. Council concurred and suggested to get started on strategic planning including the sales tax items pushed from tonight's meeting at a Special Meeting on Thursday January 5. Also the Special meeting on Friday December 23 would include the Moose item as well as the CIP resolution and the Fisheries Advisory/ Development Committee item.

O. Audience Participation

Mark Frohnapfel of 828 Woodland Drive, he said everyone thought we would have a balanced budget tonight but we seem \$240k short for the Cordova Center and we have a \$30k typo, he said, that doesn't seem balanced to me. He said that some of the contributions to the Cordova Center, like his company's annual contribution, gets put into the general fund and then gets spent. He said that Council should stop throwing bombs at the people who are spending it because it didn't happen without some sort of council approval. He also thought it inappropriate to bring up a \$16k capital item for the hospital that has been talked about for a year; that should have been handled outside of tonight's final budget approval and discussion.

P. Council Comments

Joyce thanked **Alan** and he looks forward to the strategic planning.

Burton thanked staff and to the audience he said it is clear to him and it is challenging for them as well as Council - he knows Council's work is not done, they had to pass this budget and now they'll move on to the strategic planning where he hopes to see audience members to assist.

Beedle he thanked the hard work and effort - he wants the people to know that their words aren't lost - we hear you - don't give up. He looks forward to strategic planning for the future economic health of Cordova.

Allison echoed thanks to **Alan** and staff - he said what he said about schools already - he wants to find a way to get them more money by the time their new year begins. He'd like to see staff come up with a plan to pay past due bills (i.e. Cordova Center conversation). He ended with thank you and Merry Christmas.

Bailer he echoed all of those comments and thanked **Alan**, said he was sorry they had to put him in such a tough place with this budget. He thanked all of City staff, he knows there has been stress regarding jobs and budget cuts and he appreciates that.

Hallquist thanked staff, Merry Christmas and Happy New Year.

Wiese echoed the thanks to **Alan** and staff - the time spent and the hard cuts made. He wants all the people in the audience to keep showing up for meetings.

Mayor Koplín thanked **Vice Mayor Bailer** for chairing the meeting.

Q. Adjournment

M/Bailer S/Allison to adjourn the meeting.

Hearing no objection the meeting was adjourned at 9:41 pm.

Approved: January 18, 2017

Attest:



Susan Bourgeois, CMC, City Clerk

