Mayor
Kristin Smith

Council Members
Debra Adams
Lee Collins
Aaron Hansen
Kasey Kinsman
Michael Mickelson
Wendy Ranney
David Zastrow

City Manager
Samantha Greenwood

City Clerk
Susan Bourgeois

Deputy City Clerk
Colette Gilmour

City Council Work Session
October 21, 2026 @ 5:45 pm
Cordova Center Community Rooms
Agenda

A. Call to order

B. Roll call
Mayor Kristin Smith, Council members Debra Adams, Lee Collins, Aaron Hansen, Kasey Kinsman, Michael Mickelson, Wendy Ranney, and David Zastrow

C. Work Session topic

1. 2027 Budget Development: Big Picture……..…. **(page 1)**
2. Parks & Rec Nonprofit Facility Use and Fee Schedule……..…. **(page 5)**

D. Adjournment

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 907-424-6200 for assistance; all City Council agendas and packets available online at www.cityofcordova.net

AGENDA ITEM 1
Budget Work Session Date: 10/21/26
CITY COUNCIL COMMUNICATION FORM

FROM: **Samantha Greenwood, City Manager**

DATE: **10/21/26**

ITEM: **2027 Budget Work Session – 2027 Big Picture**

_____	Ordinance	_____	Motion
_____	Resolution	__X__	Information

2027 Budget Development

In FY26, the City received $1.6 million in unexpected revenue from Forest Receipts and raw fish tax. At the same time, unprecedented inflation and poor fish returns created additional budget pressures. We can estimate the impact of increased costs for the remainder of the fiscal year, but the potential decrease in third-quarter sales tax revenue remains the biggest unknown.

We have identified expenses exceeding budget and revenue falling below projections, with the total impact currently estimated at approximately $600,000. As budget work sessions continue, we will provide updates on sales tax revenue and any additional inflation-related impacts. The primary areas of concern are:

1. Increased costs for goods and services.
2. Potential sales tax revenue shortfall, with a verbal update planned for the November 4 meeting.
3. An additional $181,000 in City contribution to school district.

Proposed FY27 General Fund Budget Assumptions

Staff would like to move forward with developing the FY27 General Fund budget using the following assumptions:

1. Fishing season: FY27 will reflect a return to a more typical fishing season rather than the poor returns experienced in 2026.
2. Carryforward revenue: Approximately $1 million of the $1.6 million in unexpected FY26 revenue will be available to carry forward into FY27.
3. Insurance savings: The budget will reflect anticipated savings from Alaska Electrical Trust Funds' health insurance coverage for exempt employees.
4. Fish tax revenue: Fish tax revenue will be budgeted at $300,000.

If Council agrees with these assumptions, staff can incorporate operational maintenance needs, as defined below, into the FY27 budget. Along with other identified savings, these assumptions are intended to allow the City to maintain current staffing levels, address operational maintenance needs, and enter FY28 in a more realistic and sustainable financial position.

Defining Maintenance

As often happens, I feel like I understand what council was looking for until I start digging in. I want to clearly identify which type(s) of maintenance the city council meant when they asked to see it in the FY27 budget. Below, I have defined the types of maintenance and how they are typically funded. We have facilities and equipment in all three categories. We can highlight and identify increases in operational maintenance across all departments.

Operational Maintenance

Operational maintenance is proactive and restorative and typically funded out of the operating budget. It consists of the regular, day-to-day activities needed to keep a facility or piece of equipment running smoothly in its current state. Operational maintenance does not add new value or change what the asset originally did.

Examples: Replacing a lightbulb, routine HVAC filter changes, patching a localized roof leak, equipment/vehicle oil changes/tune-ups, annual services, refrigeration, elevator, HVAC, fire alarms, garage doors, library book mending, museum exhibits.

Funding: Paid out of the annual operating budget

Deferred maintenance

Deferred maintenance occurs when an organization unintentionally or intentionally postpones necessary upkeep tasks because of limited budget, time, or staff. If left unchecked, deferred maintenance leads to higher repair costs, increased downtime, disrupted operations, reduced profits and productivity, and greater safety risks.

Examples: Ignoring a building's slightly leaky roof for two years, skipping scheduled oil changes on fleet vehicles, or delaying a multi-year backlog of facility inspections.

Funding: Unfunded liability; it remains on the books until budget is redirected to fix it. As deferred maintenance, it is not actionable; to reduce this, a capital project needs to be funded.

Capital Improvement Projects

A Capital Improvement Project goes beyond basic maintenance. It is a large-scale, strategic initiative designed to substantially upgrade, replace, expand, or add new infrastructure. These projects require significant financial commitments and extend the asset's lifespan.

Examples: Entire Roof replacement, structure/equipment/vehicles at the end of useful life, sewer & Water above and below infrastructure.

Funding: Paid out of a separate capital budget, capital reserves, bonds, or grants

Updated FY27 Budget Preparation Schedule

10/21 Regular meeting and Budget Work Session - Big Picture and P&R Fees

10/28 Budget Work Session - Big Picture follow-up and Enterprise Funds

11/4 Regular meeting and Budget Work Session: General Fund

11/11 Budget Work Session: General Fund and Fee Schedule

11/18 Regular meeting and Final Budget Work Session – Final FY27 Budget Review

Thanksgiving week - early in the week, budget work session may be scheduled, if needed

12/2 Regular meeting including Resolutions approving FY27 Budget (General Fund & Enterprise Funds) & FY27 Fee Schedule

12/9 if needed

12/16 Regular meeting (approval of budget and fee schedule if they haven't already been approved)

AGENDA ITEM 2
Budget Work Session Date: 10/21/26
CITY COUNCIL COMMUNICATION FORM

FROM: **Samantha Hagerthy-Schneider, Director, Parks & Recreation**

DATE: **10/21/26**

ITEM: **2027 Budget Work Session – Nonprofit Facility Use and Fee Discussion**

____	Ordinance	____	Motion
____	Resolution	__X__	Information

Purpose

In 2026, a fee schedule was introduced and passed with a nonprofit fee for facility use of all Parks and Recreation Facilities. The fee schedule was put on hold for reevaluation. At Council's direction, staff reached out to a nonprofit organization regarding facility use and potential fees but have not received a response to date. It is important to recognize that the nonprofit rate was intended and should be applied consistently among all nonprofit entities in the community.

Programs that are Separate from Nonprofit Facility Use and Fees

The pool has been a hot topic. At this work session we'd like to distinguish the difference between the school district's use of the pool and any nonprofit entities' use of the pool.

The City's support of the Mount Eccles Elementary School's Swim Program and CHS Wolverine Swim Team is separate from the nonprofit facility uses addressed in this memo. The City support of the School District swimming programs continues the Bob Korn Memorial Swimming Pool's original purpose by giving Cordova youth opportunities to learn to swim and develop water-safety skills.

Staffing and Operating Capacity

Facility use has costs even when no rental fee is collected, including staffing, utilities, cleaning, pool chemicals, maintenance, and facility preparation.

The Pool has $25,000 budgeted in FY26 for temporary staff. Using an estimated average wage of $22 per hour plus approximately 10% in employer payroll-related costs, that budget provides approximately 1,033 temporary staff hours. The Pool's current reduced schedule requires approximately 75.5 temporary staff hours per week. To maintain this schedule in FY27 it would require 3,926 temporary hours. These figures include school slots being replaced with public slots in the summer months, albeit overall summer usage of the pool is often slower and hours could be adjusted and flexible in those months. Notably, these figures represent temporary staff only and do not include any funding toward full-time staff required to operate the facility.

The separate, City-supported Mt. Eccles Elementary School swim program and CHS Wolverine Swim Team schedule will continue to be managed within available staffing, budget, and operational capacity. As a note, the requested CHS Wolverine Swim Team practice schedule has already been reduced from six days per week to three days per week because of current staffing and operational limitations.

CivicRec

Regardless of the direction Council chooses, all nonprofit facility use will be reserved through CivicRec. CivicRec allows Parks and Recreation staff to schedule facilities, avoid conflicts, and track actual use by facility, date, time, and hours. Maintaining accurate usage numbers when demonstrating facility use and participation is crucial for grant applications and funding opportunities. When fees apply, CivicRec will also be used for invoicing.

The Parks and Recreation Department is seeking Council direction on how facility use fees should be applied to all nonprofit organizations using City facilities and has provided three suggested ways forward.

Option 1 — Continue Providing Use at No Charge
All nonprofit facility use would continue to be provided at no charge. All use would still be reserved and documented through CivicRec.

Option 2 — Establish a Nonprofit Contribution
Council could establish a percentage of the applicable facility use rate that nonprofits would be responsible for paying, with the City continuing to subsidize the remaining portion. See Table 1 below.

Reservations, usage tracking, and invoicing would continue through CivicRec.

Option 3 — Phase In a Nonprofit Contribution Beginning in 2027
Council could establish a final nonprofit contribution and phase it in over three years, allowing organizations time to plan for the change. The nonprofit contribution would begin in 2027, increase in 2028, and reach the Council-established cap in 2029.

- For example, nonprofits could pay one-third of the final established contribution in 2027, two-thirds in 2028, and the full established contribution in 2029.

This approach allows Council to establish the final contribution while providing nonprofits a gradual transition.

Current Nonprofit Facility Use

The rental fee scenario below is based on an identified use, of approximately $45,637 that is being provided to a nonprofit organization at no charge.

City Subsidy	Nonprofit Pays	Estimated Nonprofit Portion	Estimated City Portion
100%	0%	$0	$45,637
95%	5%	$2,282	$43,355
90%	10%	$4,564	$41,073
85%	15%	$6,846	$38,791
80%	20%	$9,127	$36,510
75%	25%	$11,409	$34,228
70%	30%	$13,691	$31,946
65%	35%	$15,973	$29,664
60%	40%	$18,255	$27,382
55%	45%	$20,537	$25,100
50%	50%	$22,818	$22,819
45%	55%	$25,100	$20,537
40%	60%	$27,382	$18,255
35%	65%	$29,664	$15,973
30%	70%	$31,946	$13,691
25%	75%	$34,228	$11,409
20%	80%	$36,510	$9,127
15%	85%	$38,791	$6,846
10%	90%	$41,073	$4,564
5%	95%	$43,355	$2,282
0%	100%	$45,637	$0

Table 1. This is an estimate based on identified use and applicable facility rental rates. It is not guaranteed revenue. Actual revenue would depend on future facility use and the fee structure established by Council. These figures are provided for comparison only.

Summary

Parks and Recreation is requesting Council direction on whether nonprofit facility use should:

1. Continued to be provided at no charge;
2. Require nonprofits to pay a Council-established portion of the applicable facility-use rate; or
3. Transition to a Council-established contribution through a three-year phase-in beginning in 2027 and reaching the established cap in 2029.

Once Council provides direction, staff can return with the appropriate fee structure and implementation details. All nonprofit facility use will continue to be reserved through CivicRec to schedule facilities and maintain accurate usage records regardless of the option choice.

POOL TIMETABLE-OCTOBER 2026

<table>
<tr><th>Monday</th><th>Tuesday</th><th>Wednesday</th><th>Thursday</th><th>Friday</th></tr>
<tr><td>Swim Team
6:30a - 8a</td><td>Lap Swim
8a - 11:30a</td><td>Swim Team
6:30a - 8a</td><td>Swim Team
6:30a - 8a</td><td rowspan="3">Lap Swim
8a - 9:45a</td></tr>
<tr><td>Lap Swim
8a - 10a</td><td rowspan="2">School Swimming
12:30p - 3:30p</td><td rowspan="2">Lap Swim
8a -11a</td><td>Lap Swim
8a - 11:30a</td></tr>
<tr><td>Tot Time
10a - 11a</td><td>School Swimming
12:30p - 3:30p</td></tr>
<tr><td rowspan="2">School Swimming
12:30p - 3:30p</td><td>Lap Swim
4:30p - 7p</td><td rowspan="2">School Swimming
12:30p - 3:30p</td><td rowspan="2">Lap Swim
4:30p - 7p</td><td>School Swimming
10a - 11:30a</td></tr>
<tr><td>After School At the POOL!
3:30p - 5p</td></tr>
<tr><td></td><td></td><td></td><td></td><td>Rec Swim
5p - 7p</td></tr>
</table>

Bob Korn Memorial Swimming Pool
610 Railroad Ave, Cordova, AK 99574
(907) 424-7200
pool@cityofcordova.net
www.cityofcordova.net/pool

Lap Swim: Ideal for swimming and aqua-fitness.
Rec Swim: Ideal for the community to come enjoy the pool in a relaxed fun setting including the rope swing for strong swimmers.
Tot Time: A relaxed swim time designed for young children and their caregivers to enjoy the pool together. Tot Time provides a welcoming environment for little ones to become comfortable in the water, practice basic water skills, and have fun with a parent or responsible adult.

CITY of CORDOVA PARKS & RECREATION