

Mayor

Clay Koplin

Council Members

Tom Bailer

Kenneth Jones

Jeff Guard

Melina Meyer

Anne Schaefer

David Allison

David Glasen

City Manager

Alan Lanning

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

Summer vacation

**Special City Council Meeting
August 28, 2019 @ 12:05 pm
Cordova Center Community Rooms
Agenda**

A. Call to order

B. Roll call

Mayor Clay Koplin, Council members Tom Bailer, Ken Jones, Jeff Guard, Melina Meyer, Anne Schaefer, David Allison and David Glasen

C. Approval of agenda..... (voice vote)

D. Disclosures of conflicts of interest

E. Communications by and petitions from visitors

- 1. Audience Comments regarding agenda items

F. Ordinances and Resolutions

- 2. Ordinance 1176..... (voice vote)(page 1)

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the General Reserve Fund (Permanent Fund) for the purpose of bringing current, PERS obligations for CCMCA – 1st reading

- 3. Council action on City Manager search – review of CMAC..... (voice vote)(page 5)
Recommendations (may be discussed in e.s.)

G. Audience participation

H. Council comments

I. Executive Session

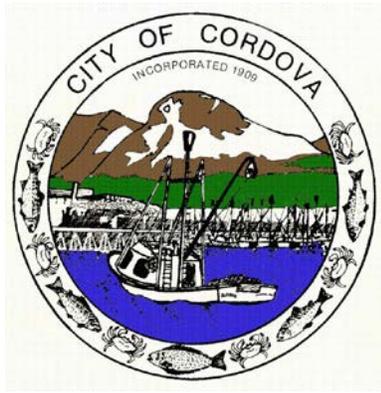
- 4. see item 3 above may be discussed in executive session for this reason: subjects which may be discussed are subjects that tend to prejudice the reputation and character of any person, provided that the person may request a public discussion, specifically, discussion of city manager applicants

J. Adjournment

Executive Sessions: Subjects which may be discussed are: (1) Matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government; (2) Subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion; (3) Matters which by law, municipal charter or code are required to be confidential; (4) Matters involving consideration of governmental records that by law are not subject to public disclosure.

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AGENDA ITEM # 1
Special City Council Meeting Date: 8/28/2019
CITY COUNCIL COMMUNICATION FORM

FROM: Alan Lanning, City Manager

DATE: 8/28/2019

ITEM: General Reserve Fund Transfer

NEXT STEP: Seeking Council Approval

- ORDINANCE
 MOTION
 INFORMATION
 RESOLUTION
-

I. REQUEST OR ISSUE:

Staff was directed to prepare the attached Ordinance-1176 for First Reading at the August 21, regular council meeting. The Ordinance is intended to transfer up to \$1,300,000 from the General Reserve Fund to CCMC to make PERS obligations current.

II. RECOMMENDED ACTION / NEXT STEP:

Council motion to approve Ordinance 1176, approving the transfer of up to \$1,300,000 from the Cordova General Fund Reserve or "Permanent Fund" to cover CCMC PERS obligations.

III. FISCAL IMPACTS:

The fiscal impact is \$1,300,000 reduction to the Cordova General Fund

Reserve.

IV. BACKGROUND INFORMATION:

The CCMC PERS issue has many parts. However, staff invited CCMC staff to provide an overview of the PERS issues, which were addressed in the Work Session. Essentially, PERS Audit notifications from previous years that have not been addressed, have created the current situation.

V. LEGAL ISSUES:

I believe Ordinance 1176 conforms to Charter Section - 5-22.

There shall be established as a separate fund within the finances of the City of Cordova to be known as Cordova General Reserve Fund and administered by city code, charter and state laws. The purpose for establishment of the fund is to provide for a continuing source of funding for capital and operating expenses for the city. The council may not consider any revenue from the fund as anticipated revenue for the purpose of funding operating expenses when preparing and approving the budget. The establishment of the fund is intended to assist in minimizing the tax burden to the citizens of Cordova, and preserve in trust assets of the city for the benefit of present and future generations of Cordova residents. The council may, from time to time, make deposits to the fund in the same manner as it makes other appropriations. Any funds received by the city from any source may be deposited into the fund. **The fund principal, once established, shall be appropriated only by ordinance.** An ordinance to appropriate funds from the principal of the Cordova General Reserve Fund shall require the favorable roll call vote of all seven city council members, or six city council members and the mayor, the results to be entered into the journal. The mayor shall be allowed to vote only if exactly six (6) council members vote in favor of any such ordinance.

And Section;

5.44.060 - Principal.

A. Fund principal may be appropriated only by ordinance. A public hearing shall be held on the introduction and first reading of such ordinance. The procedure for passage of any such ordinance shall be governed by subsection B of this section.

B. No ordinance to appropriate principal from the fund shall be passed, except upon the favorable roll call of all seven city council members, or six city council members and the mayor, the results of which shall be entered in the minutes of the meeting. The mayor shall be allowed to vote only if exactly six of the city council members vote in favor of any such appropriation.

In addition, failure to bring CCMC PERS obligations current could trigger additional audits, fines and penalties leading to additional costs.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

There are none anticipated.

VII. SUMMARY AND ALTERNATIVES:

Approve the Ordinance.
Deny the Ordinance.
Suggest other alternative.

**CITY OF CORDOVA, ALASKA
ORDINANCE 1176**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, AUTHORIZING THE TRANSFER OF \$1,300,000 FROM THE GENERAL
RESERVE FUND (PERMANENT FUND) FOR THE PURPOSE OF BRINGING
CURRENT, PERS OBLIGATIONS FOR CCMCA**

WHEREAS, the City Council of the City of Cordova, Alaska, has adopted the City Budget and appropriated funds for FY19 for the period of January 1, 2019 to December 31, 2019; and

WHEREAS, additional interfund transfers pursuant to this Ordinance are intended to provide a source of money to pay for additional budget appropriations as follows:

Fund #	Line Item Title	Purpose	Amount
101-902-57017	CCMCA Budget Appropriation	PERS	\$1,300,000
	Total		\$1,300,000

NOW, THEREFORE BE IT ORDAINED that the City Council of the City of Cordova, Alaska, hereby authorizes the transfer of up to \$1,300,000 from the General Reserve Fund (Permanent Fund) as follows: \$1,300,000 to the 101-902-57017, CCMCA Budget Appropriation for the purpose of bringing CCMCA PERS obligations current, which were not appropriated in the adopted or amended budget for fiscal year 2019.

This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska and published within ten (10) days of its passage.

1st reading and Public Hearing: August 28, 2019

2nd reading and Public Hearing:

PASSED AND APPROVED THIS xx DAY OF xx, 2019

Clay R. Koplín, Mayor

ATTEST:

Susan Bourgeois, CMC, Clerk

Cordova Community Medical Center
 PERS LIABILITY RE-CAP FOR 2017, 2018 AND 2019
 Updated at 7/31/19

2017 & 2018 PERS LIABILITY AS OF DECEMBER :	Amount due to State of Alaska	
	PERS liability	991,286.00
	Late fees	<u>108,519.00</u>
PERS Liability as of 12/31/18		1,099,805.00 Audited

2019 PERS LIABILITY AS OF JULY 31, 2019	Amount due to State of Alaska	
Unpaid Payrolls		
	1/12/19	41,284.13
	1/26/19	37,363.42
	2/9/19	37,876.14
	2/23/19	40,154.84
	3/9/19	47,153.93
	3/23/19	39,876.09
	4/6/19	40,505.46
	4/20/19	38,031.11
	5/4/19	30,842.73
	5/18/19	31,415.83
	6/1/19	32,625.95
	6/15/19	28,698.84
	6/29/19	29,084.85
	7/13/19	30,404.92
	7/27/19	29,485.00
	Late fees estimate	<u>46,260.00</u> *
Total PERS Liability as of 7/31/19		581,063.24 Est.

Total Pers Liability due to date:	1,680,868 Est
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*Estimate

Aug. Medicare/Medicaid 2018 payment due Aug. 2019	<u>(535,464.00)</u>
Amount Due after payment	<u>1,145,404.24</u> Est

Projected annual PERS cost:

Ave Payroll	Ave PERS cost/payroll	Pay periods	Total PERS	CCMC portion
\$ 118,960 Average Payroll	35,688	26	927,888	
17%	CCMC Fixed PERS costs	20,223	26	525,803
5%	CCMC Share Current	5,948	26	154,648
8%	Employe Share Current	9,517	26	247,437
30%		35,688	26	927,888
				680,451

2019 CITY MANAGER ASSESSMENT COMMITTEE							FIRST REVIEW AUGUST 23, 2019					
Applicants	Reviewer #1	Reviewer #2	Reviewer #3	Reviewer #4	Reviewer #5	Reviewer #6		TOTALS	AVERAGE	CMAC VOTES		
1 Kerin Kramer	0	26	35	39	29	29		158	26	4		
2 Ernest Weiss	15	26	33	35	24	36		169	28	4		
3 Emily Fasnacht	0	18	19	29	26	23		115	19			
4 Kelcey Young	0	30	31	30	24	25		140	23	3		
5 Richard Hicks	0	28	27	33	23	24		135	23	2		
6 Thomas Heck	18	31	27	24	27	25		152	25	1		
7 Darryl Verfaillie	20	22	33	30	28	0		133	22			
8 Dennis R. Sparks	0	28	26	32	23	0		109	18			
9 Dennis W. Cyphers	0	16	21	21	20	0		78	13			
10 Robert Smith	0	0	13	19	20	17		69	12			
11 John Ardaugh	21	31	26	32	23	0		133	22			
12 Helen Howarth	31	29	34	39	29	46		208	35	6		
13 John Cook	0	12	20	22	13	0		67	11			
14 Franklin Etheridge	0	26	30	32	28	0		116	19			
15 William Pope	0	28	29	24	27	0		108	18	1		
16 Alida Bus	0	20	25	28	28	45		146	24	5		
17 Rick Hohnbaum	26	24	19	37	19	0		125	21			
18 Christina Eckley	0	0	29	23	24	0		76	13			
19 Adam Beck	0	13	21	23	22	16		95	16			
#1 pick	Helen Howarth											
#2 pick		Kelcey Young	Ernest Weiss	Ernest Weiss	Kerin Kramer	Alida Bus						
#3 pick		Ernest Weiss	Alida Bus	Alida Bus	Alida Bus	Ernest Weiss						
#4 pick		Alida Bus	Kelcey Young	Kerin Kramer	William Pope	Kerin Kramer						
#5 pick		Kerin Kramer	Richard Hicks	Kelcey Young	Thomas Heck	Richard Hicks						