

Mayor

Clay Koplin

Council Members

Tom Bailer

Cathy Sherman

Jeff Guard

Melina Meyer

Anne Schaefer

David Allison

David Glasen

City Manager

Helen Howarth

City Clerk

Susan Bourgeois

Deputy Clerk

Tina Hammer

Student Council

vacant

**City Council Work Session
September 2, 2020 @ 6:00 pm
Cordova Center Community Rooms and
via YouTube and Teleconference
Agenda**

A. Call to order

B. Roll call

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

C. Work Session topics

1. FY 2020 City Financial Update

Ken Fay, Finance Director, report..... (page 1)

D. Adjournment

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.

Full City Council agendas and packets available online at www.cityofcordova.net

MEMO, City of Cordova

To: Mayor and City Council
Through: Helen Howarth, City Manager
From: Ken Fay, Finance Director
Date: August 27, 2020
RE: July 2020 Financial Report

Attached are the following 3 reports.

Fund Summary through 7/31/20
Covid/CARES expenses/analysis through 7/31/20
Investment balances as of 8/25/20

Fund Summary- The 1st page is a summary of income and expenses YTD for our General Fund while the 2nd page is a summary of the income and expenses for all our funds.

The highlights so far this year are listed on the Covid/CARES report, but are worthy of mention here. The largest hole in the actual vs. budgeted revenue is the reimbursement of school debt (\$387k) eliminated by Governor Dunleavy. We also had revenues of \$108k collected last year that were included in this year's budget. Finally, we reversed about \$25k of penalties that were erroneously recorded last year, thus lowering revenues this year.

On the expense side, our liability insurance has increased by \$145k, half of which will be recognized this fiscal year. This includes a \$18k increase in the school insurance that we pay. Our major dock repair came in \$75k higher than the \$200k budgeted due to more deterioration than we expected. We also have incurred \$14k of legal fees for negotiation of the sale of CCMC that was not budgeted.

Also, on the expense side, CCMC has obtained emergency funding so that we have only spent \$250k of the \$600k budgeted, yielding a savings of \$350k.

Covid/CARES Analysis– We have spent \$1.3 million through 7/31/20 on Covid expenses that are covered by the CARES Act funding. We project spending an additional \$2.5 million through the end of this year. The major projects are detailed.

Since first responders and many IMT members are paid from the general fund, the reimbursement of their salaries (\$750k) from CARES funding will infuse cash into the

general fund to support regular operations and address the revenue shortfalls or expense increases mentioned above.

. Investments –We have reversed all the losses (over \$1 million) that occurred earlier in the year.

It appears that the city has not had a detailed look at the investment policy since 2010. There are many variables and risks with investing that lead to complex questions regarding the city's fiduciary function. I recommend that we form an investment committee to review all the city's options for its investments. The committee can explore all the various options and recommend to the council a course of action that can be effected by year end.

**CITY OF CORDOVA
FUND SUMMARY
FOR THE 7 MONTHS ENDING JULY 31, 2020**

GENERAL FUND

	7/31/20 ACTUAL	YTD ACTUAL	7/31/19 YTD ACTUAL	VARIANCE TO LAST YEAR	%	BUDGET	VARIANCE TO BUDGET	%
REVENUE								
TAXES	1,230,374	3,192,679	3,213,115	(20,436)	99	6,831,957	(3,639,278)	47
LICENSES & PERMITS	-	300	427	(127)	70	20,600	(20,300)	1
OTHER GOVERNMENTAL	-	620,905	1,105,994	(485,089)	56	2,352,166	(1,731,261)	26
LEASES & RENTS	30,946	185,555	187,371	(1,816)	99	294,200	(108,645)	63
LAW ENFORCEMENT	1,047	76,163	158,728	(82,565)	48	315,929	(239,766)	24
D. M. V.	13,375	49,043	40,389	8,654	121	60,700	(11,657)	81
PLANNING DEPARTMENT REVENUE	707	1,965	4,905	(2,940)	40	13,500	(11,535)	15
RECREATION DEPT REVENUE	545	20,689	51,465	(30,776)	40	90,500	(69,811)	23
POOL REVENUE	103	10,961	11,735	(774)	93	37,500	(26,539)	29
SALE OF PROPERTY	(50)	800	2,100	(1,300)	-	12,000	(11,200)	7
INTERFUND TRANSFERS IN	49,720	486,042	269,203	216,839	-	734,643	(248,601)	66
OTHER REVENUE	285	59,918	179,920	(120,002)	33	180,000	(120,082)	33
STATE DEBT SERVICE REIMBURSMEN	(312)	76,364	672,138	(595,774)	11	463,071	(386,707)	16
	1,326,740	4,781,383	5,897,490	(1,116,107)	81	11,406,766	(6,625,383)	42
EXPENDITURES								
CITY COUNCIL	146	849	8,423	7,574	10	10,250	9,401	8
CITY CLERK	19,057	155,336	157,485	2,149	99	283,612	128,276	55
CITY MAYOR	-	705	591	(114)	119	2,850	2,145	25
CITY MANAGER	27,579	179,911	188,274	8,363	96	309,396	129,485	58
FINANCE	29,487	230,158	239,600	9,442	96	445,432	215,275	52
PLANNING DEPARTMENT EXPENSE	8,200	68,173	70,574	2,401	97	125,102	56,929	54
PLANNING COMMISSION	-	447	860	413	52	2,900	2,453	15
DEPARTMENT OF MOTOR VEHICLES	7,293	45,047	42,308	(2,739)	106	71,418	26,371	63
LAW ENFORCEMENT	100,421	529,343	481,365	(47,978)	110	1,025,789	496,446	52
JAIL OPERATIONS	26,414	135,761	117,297	(18,464)	116	249,660	113,899	54
FIRE & EMS	21,483	186,229	216,153	29,924	86	372,429	186,200	50
DISASTER MANAGEMENT DEPT.	83	2,739	4,660	1,921	59	12,000	9,261	23
INFORMATION SERVICES	66,511	460,420	514,287	53,868	90	843,804	383,384	55
FACILITY UTILITIES	11,159	108,357	100,033	(8,323)	108	164,850	56,493	66
PW ADMINISTRATION	12,015	105,920	95,444	(10,476)	111	207,080	101,160	51
FACILITY MAINTENANCE	22,229	177,370	148,076	(29,294)	120	365,597	188,227	49
STREET MAINTENANCE	330,700	666,219	507,325	(158,895)	131	1,019,977	353,758	65
SNOW REMOVAL	-	44,789	12,932	(31,857)	346	70,449	25,660	64
EQUIPMENT MAINTENANCE	15,606	200,921	210,526	9,606	95	329,691	128,770	61
PARKS MAINTENANCE	10,240	50,409	61,102	10,693	82	101,772	51,363	50
CEMETERY MAINTENANCE DEPT.	662	3,388	7,844	4,456	43	20,537	17,149	16
RECREATION - BIDARKI	20,923	158,196	150,331	(7,865)	105	291,624	133,428	54
POOL	14,991	138,220	120,747	(17,473)	114	210,105	71,885	66
SKI HILL	1,750	38,118	71,590	33,472	53	87,012	48,894	44
NON-DEPARTMENTAL	82,419	261,833	345,264	83,431	76	264,013	2,180	99
LONG TERM DEBT SERVICE	-	485,628	1,276,593	790,964	38	1,826,511	1,340,883	27
INTERFUND TRANSFERS OUT	-	33,000	47,625	14,625	69	33,000	-	100
TRANSFERS TO OTHER ENTITIES	155,523	1,593,195	1,753,501	160,306	91	2,654,270	1,061,075	60
	984,892	6,060,681	6,950,811	890,131	15	11,401,130	5,340,449	53
	341,848	(1,279,298)	(1,053,321)	225,976	(18)	-	1,279,298	-

**CITY OF CORDOVA
FUND SUMMARY
FOR THE 7 MONTHS ENDING JULY 31, 2020**

CONSOLIDATED / ALL FUNDS

	7/31/20 ACTUAL	YTD ACTUAL	7/31/19 YTD ACTUAL	VARIANCE TO LAST YEAR	%	BUDGET	VARIANCE TO BUDGET	%
REVENUE								
GENERAL FUND	1,326,740	4,781,383	5,897,490	(1,116,107)	(23)	11,401,130	(6,619,747)	42
CITY PERMANENT FUND	11,640	(77,461)	817,520	(894,982)	1,155	272,123	(349,584)	(28)
FIRE DEPT. VEHICLE ACQUISITION	-	8,427	11,866	(3,439)	(41)	40,000	(31,573)	21
VEHICLE REMOVAL/IMPOUND FUND	-	15,422	-	15,422	100	21,730	(6,308)	71
2019 CARES	-	1,702,001	-	1,702,001	100	-	1,702,001	-
GENERAL PROJ & GRANT ADMN	1,769	30,382	159,958	(129,576)	(426)	271,771	(241,389)	11
CHIP SEAL C.I.P.	-	-	-	-	-	138,000	(138,000)	-
HARBOR ENTERPRISE FUND	490,155	1,008,198	1,054,056	(45,858)	(5)	1,561,293	(553,095)	65
SEWER ENTERPRISE FUND	80,057	451,242	463,796	(12,554)	(3)	879,294	(428,052)	51
WATER ENTERPRISE FUND	124,714	416,302	435,809	(19,508)	(5)	806,767	(390,465)	52
REFUSE ENTERPRISE FUND	120,637	605,798	904,349	(298,551)	(49)	1,203,897	(598,099)	50
ODIAK CAMPER PARK	30	582	18,917	(18,335)	(3,151)	101,150	(100,568)	1
LT2 COMPLIANCE PROJECT	-	-	9,500	(9,500)	-	64,625	(64,625)	-
HARBOR FUND DEP'N RESERVE	-	150,000	150,000	-	-	192,000	(42,000)	78
SEWER FUND DEP'N RESERVE	-	100,000	100,000	-	-	150,000	(50,000)	67
WATER FUND DEP'N RESERVE	-	50,000	50,000	-	-	100,000	(50,000)	50
REFUSE FUND DEP'N RESERVE FUND	-	75,000	50,000	25,000	33	75,000	-	100
LANDFILL FUND	-	50,032	50,190	(158)	(0)	250,000	(199,968)	20
HEALTH INTERNAL SERVICE FUND	69,258	390,497	655,746	(265,249)	(68)	986,260	(595,763)	40
E-911 SPECIAL REVENUE FUND	-	-	-	-	-	75,000	(75,000)	-
	2,225,000	9,757,805	10,829,197	(1,071,391)	(11)	18,590,040	(8,832,235)	52
EXPENDITURES								
GENERAL FUND	984,892	6,060,681	6,950,811	(890,131)	(15)	11,401,130	5,340,449	47
FIRE DEPT. VEHICLE ACQUISITION	-	1,973	1,909	64	3	28,000	26,027	93
VEHICLE REMOVAL/IMPOUND FUND	1,761	5,114	8,056	(2,942)	(58)	21,730	16,616	76
2019 CARES	204,184	507,226	-	507,226	100	-	(507,226)	-
GENERAL PROJ & GRANT ADMN	25,389	158,691	303,148	(144,457)	(91)	271,771	113,080	42
CHIP SEAL C.I.P.	-	138,000	-	138,000	100	138,000	-	-
HARBOR ENTERPRISE FUND	79,943	830,649	930,632.17	(99,983)	(12)	1,743,767	913,118	52
SEWER ENTERPRISE FUND	50,893	474,250	505,074.06	(30,824)	(6)	879,294	405,044	46
WATER ENTERPRISE FUND	50,879	389,431	421,869.00	(32,438)	(8)	806,767	417,336	52
REFUSE ENTERPRISE FUND	83,796	706,041	919,533.32	(213,492)	(30)	1,185,873	479,832	40
ODIAK CAMPER PARK	3,559	24,395	38,358.16	(13,964)	(57)	93,984	69,589	74
LT2 COMPLIANCE PROJECT	-	7,509	10,620	(3,111)	(41)	64,625	57,116	88
HARBOR FUND DEP'N RESERVE	-	-	-	-	-	42,000	42,000	100
SEWER FUND DEP'N RESERVE	-	-	19,579	(19,579)	-	50,000	50,000	100
WATER FUND DEP'N RESERVE	-	-	-	-	-	50,000	50,000	100
LANDFILL FUND	-	-	-	-	-	200,000	200,000	100
HEALTH INTERNAL SERVICE FUND	130,913	1,028,088	545,846	482,242	47	986,260	(41,828)	(4)
E-911 SPECIAL REVENUE FUND	-	-	-	-	-	75,000	75,000	100
	1,616,209	10,332,048	10,655,437	(323,389)	(3)	17,838,201	7,706,153	43
	608,792	(574,243)	173,760	(748,003)	130	751,839	1,326,082	176

CARES Projects upcoming / in process

100,000 Shipyard restroom
75,000 Portable shower pad, water, sewer and electricity
75,000 Portable shower unit lean to, wind fence and gate
59,000 Lap tops and computers
45,000 Remainder for portable shower unit
35,000 Bidarki upgrades
30,000 Ambulance bay upgrades
22,500 Snack shack upgrades
20,000 Phone and infrasystem upgrade
20,000 Hand Washing Stations
15,000 Bidarki curtains
15,000 Wifi benches for library
6,000 Drop box

405,000 E911

922,500

NOTABLE BUDGET VARIANCES

387,000 State School Debt
145,000 Increase in liability insurance (though we negotiated our our brokerage fee from a % to fix fee saving \$27k and this includes an \$18k increase on the school)
108,421 State shared revenue paid last year - they paid their FY19 and FY 20
25,000 Penalties that were reversed this year
14,000 Legal fees - negotiation of the sale of CCMC
(350,000) CCMC support not needed

329,421

TAX NOTES

- Sales tax is tracking strong to both budget and last year. 64% has been received this year when 58% of the year has passed
And it is \$50k higher this year compared to last
- Sintax is lower than budgeted but we've got the 3rdQ to see if it can pick up. Only 25% has been collected compared to budget
- State fish tax estimate confirmed with state to be what was budgeted. \$1.2 million

	<i>Original CARES budget</i>	<i>Through 7/30</i>	<i>Expected thru 12/30</i>	<i>TOTAL</i>	<i>Adjustments</i>	<i>ADJUSTED TOTAL</i>
1st Responders and IMT Payroll (all 1st responders less reimbursements, IMT time worked)	900,000 (A)	780,000	250,000 (50k/month)	1,030,000 (A)	(280,450)	749,550 (B)
CARES Act Admin & Non-Payroll Expenses (ambassadors, strike team. Legal, PR, etc)	250,000	235,172	175,000 (25 legal+50k/month for 3 months)	410,172		410,172
Facility Enhancements & PPE	1,189,908	263,563	922,500 (see list)	1,186,063		1,186,063
Non=Profit Grants	75,000	-	75,000	75,000		75,000
Individual Assistance Grants	1,000,000	-	1,000,000	1,000,000		1,000,000
	<u>3,414,908</u>	<u>1,278,735</u>	<u>2,422,500</u>	<u>3,701,235</u>		<u>3,420,785</u>
						Under/(Over) budget (5,877)

NOTES

(A) This amount will be reduced by other revenue that pays for 1st responders, such as

Jail Contract	164,000
Dispatch Services	36,450
Airline Security Service	80,000
	<u>280,450</u>

(B) Since these expenses are expenses that we would be paying anyway this reimbursement goes to the general fund to help offset current year revenue short falls and increased expenses

Investment Balances at UBS

	Account	8/25/2020	7/31/2020	CHANGE
Permanent Fund	544	1,094.77	1,094.75	0.02
	545	1,188,061.06	1,181,099.25	6,961.81
	546	7,018,241.87	6,863,049.65	155,192.22
		<u>8,207,397.70</u>	<u>8,045,243.65</u>	<u>162,154.05</u>
Balance 12/31/19		<u><u>8,057,547.04</u></u>		
Capital Fund	046	584,289.86	583,908.93	380.93
	543	2,867.96	2,867.15	0.81
		<u>587,157.82</u>	<u>586,776.08</u>	<u>381.74</u>
	Balance 12/31/19		<u><u>551,265.75</u></u>	
Total Investments		<u><u>8,794,555.52</u></u>	<u><u>8,632,019.73</u></u>	<u><u>162,535.79</u></u>
Balance 12/31/19		8,608,812.79		
CHANGE		185,742.73		