

## **MAYOR REPORT FOR APRIL 20, 2017 REGULAR CITY COUNCIL MEETING**

### **CITY CALENDAR**

We are setting up a series of shared calendars for all City meetings, events, deadlines, etc. that can be shared (read-only) with the public.

This works with all Apple devices and Microsoft Outlook.

The clerk/treasurer and deputy clerk/treasurer both have read/write permissions to add or delete calendar items and to send subscription emails to interested persons.

Each calendar event can have documents attached for public download. Meeting agendas will probably be available along with other important documents.

Interested persons are invited to subscribe.

Just ask someone in City Hall to send you a subscription email. Click on the link in that email and follow the directions. Very easy.

### **BUDGET**

Every year the City prepares a budget for the coming fiscal year that must be approved as a non-code ordinance by the city council prior to July 1<sup>st</sup>.

Ordinances require two readings before the city council and we have the first reading scheduled for the May 18<sup>th</sup> regular council meeting and the public comment and second reading scheduled for the June 15<sup>th</sup> regular council meeting.

Budget preparation begins with the city council meeting to define broad objectives.

The first question is should the budget be a surplus, balanced or deficit budget? The city council opted for a surplus budget.

The next step is for each council member to declare any areas of special interest or focus. This was done.

Then the treasurer goes to work to prepare a preliminary budget with historical numbers and recommended new fiscal year numbers. This is in process.

The city council will meet on April 25<sup>th</sup> for our second budget workshop. This is the workshop where the city council reviews the recommendations prepared by the treasurer and mayor and makes any agreed upon modifications.

The third and final scheduled budget workshop will be on May 8<sup>th</sup>. This is where the city council will make second round modifications.

Public input is encouraged at all stages of this process.

### **HALIBUT CQE PROGRAM**

Last year, at the April 5, 2016 city council workshop, the council began looking into the halibut CQE situation.

We learned that our four community permits are granted by NOAA Fisheries under the Charter Halibut Limited Access Program.

There exist four permit types: Transferable Permits, Nontransferable Permits, Military Charter Halibut Permits, and Community Charter Halibut Permits.

Our permits are Community Charter Halibut Permits.

Municipalities in our geographical region are allowed four free permits and Coffman Cove has been granted four permits.

To qualify for these permits the local governing body must pass a resolution authorizing a non-profit, set up for only this purpose, to receive and administer those permits on behalf of the sponsoring community.

The city council passed Resolution 06-24 authorizing the Coffman Cove Community Quota Entity non-profit to do this.

The Coffman Cove Community Quota Entity (Alaska Entity #103083) is a non-profit corporation set up under the State of Alaska, independent of the City but intended to administer the permits in an open and competitive fashion for the benefit of the community.

The *Community Quota Entities – Individual Fishing Quota & Charter Halibut Permits, Management Manual* (June 7, 2012, NOAA) states on page 4 under Organizational Management:

*“The suggested organizational structure of the CQE is a membership model with representatives from the community sitting on a decision-making board. The seats on the board should represent invested entities such as the city government, tribal council, and the village corporation. Seats may be assigned to individuals or held as member seats to be filled by any individual designated by the community entity (city government, village corporation, or tribal council). An open seat to be filled by an “at-large” community member unaffiliated with the two or three community entities listed above may be voted on by other board members.”*

Also on page 4 under Allocation the manual states:

*“Individual fishing quotas and charter halibut permits should be distributed on an equitable basis in line with the explicit goals of the community to increase fishing activity, promote economic growth, and support community members wishing to continue or begin work in fisheries.”*

The *Community Quota Entities – Individual Fishing Quota & Charter Halibut Permits, Management Manual* is a complete guide to managing the permit program.

It is clear that the intention is for the governing body to indirectly control the program through the selection of non-profit directors and that those directors should be representative of the governing body and other invested persons or groups.

Allocation of the permits is intended to be an open and competitive process, following strict criteria defined in the management manual, conducted in full view of the public.

This is not how the Coffman Cove Community Quota Entity non-profit has been operated.

The city council became concerned with the management and conduct of the non-profit when we learned that permit lease payments had been paid directly to the City rather than to the non-profit.

Investigation revealed that, in addition to the payment irregularities, State of Alaska corporation reporting requirements had not been met and the non-profit had been placed into a state of *Involuntary Dissolution/Revocation* and was in imminent danger of being permanently dissolved as a corporation by the State of Alaska.

Federal law states that a non-profit in this status cannot legally lease permits and that permit holders cannot legally guide charter clients using these permits.

Unfortunately, at least two permits had already been leased with a third rumored to have also been leased for the 2016 charter season.

Worse, the non-profit had been placed into *Involuntary Dissolution/Revocation* status on March 28, 2015 meaning that any leased permits for the 2015 season had been fished illegally.

The city council has never learned the disposition of the fourth permit.

In an attempt to gain visibility into the operation of the non-profit the city council appointed two new directors, Dick Stewart and Mike Warner, to the Coffman Cove Community Quota Entity board at the May 19, 2016 meeting.

State law requires that a change in directors should result in a *Change of Officials* report being filed with the State of Alaska Department of Commerce, Community and Economic Development but none has been filed to date.

Alaska Statute 10.20.325, Grounds for involuntary dissolution, item 7 states: "*the corporation is 90 days delinquent in filing a notice of change of an officer or director as required by this chapter.*"

Next month marks a year since the city council appointed two new directors.

On the federal side, community halibut permits are issued by NOAA and there are annual federal reporting requirements whenever there has been activity on any leased permit in the year past.

Annual reports due to NOAA are also due to the sponsoring municipality governing body.

An inquiry to NOAA revealed that NOAA has never received an annual report from the Coffman Cove Community Quota Entity even though there has been activity on the permits. The City has also never received a copy of that report.

So, as the situation stands the non-profit is again out of reporting compliance with the State of Alaska and has never been in compliance with NOAA.

Potentially, the State of Alaska could dissolve the non-profit and NOAA could cancel our four permits at any time.

Since we first became aware of this situation the city council has repeatedly requested information and documentation from the non-profit without success.

We have also asked that the non-profit president and registered agent attend a council meeting to explain the status and activity of the community permits but again without any response.

We will be addressing how to move forward at our April regular council meeting.

### **ARTS & SEAFOOD FESTIVAL LOCATION DECISION**

At the March 16<sup>th</sup> regular council meeting the city council was given the choice between deciding the venue for the festival through a council motion or by putting the issue to a public vote.

The city council opted for a public vote with the choice being between the ferry terminal area and the boat launch parking area.

The public vote resulted in 46 for the ferry terminal and 6 for the boat launch.

The city council will make the final venue decision at the April 20<sup>th</sup> meeting.

### **PUBLIC VOTES**

Public votes conducted during federal, state or municipal elections are straightforward. We all know how those are handled.

Informal public votes, like the Arts & Seafood venue vote, are different and I'd like to explain how we handled this vote and our intentions for future similar votes.

To preserve privacy the ballots will be viewed and counted only by the clerk/treasurer and deputy clerk/treasurer with the mayor verifying the vote only in instances where the totals are in some question. In extreme cases the entire city council might also view and count the votes.

That is how we handled this vote with the exception of one other City Hall employee also viewing and counting the votes before we all understood the procedure.

Once the issue at hand is settled through official city council action the ballots will be destroyed.

These informal votes are advisory in nature with the city council required to formally act through motion, resolution or ordinance.

In cases where the votes are extremely close there might be contention on how to proceed but in cases where the votes clearly indicate the direction the community wishes the city council to move it should be more straightforward.

But, because these informal advisory votes are not legally binding on the city council it is advisable for concerned residents to attend the pertinent council meeting.

## **VISTA PROGRAM**

The City of Coffman Cove entered into a three year Memorandum of Understanding (MOU) with the Alaska State Library effective June 1, 2016 to host a VISTA worker in our community library.

One of the requirements that the City agreed to was the provision of a Site Supervisor to provide day-to-day supervision of the VISTA member. In our conversations with the Alaska State Library VISTA coordinator we learned that this committed us to a minimum of two hours of direct supervision each day.

Another requirement that the City agreed to honor was that the VISTA worker would not be asked to perform any duties beyond those agreed to in the *VISTA Assignment Description (VAD)*.

Julie Niederhauser, Alaska State Library VISTA Coordinator, notified us that we were in violation of these two provisions of our agreement and in danger of having our VISTA worker pulled from our library.

Julie agreed to call in to the April 4<sup>th</sup> Library Commission quarterly meeting to discuss her concerns and to explore options for salvaging the VISTA program here in Coffman Cove.

As a result of our meeting discussion Julie agreed to give us one more opportunity to retain our VISTA worker with the provision that our new interim Librarian, Julie Snodgrass, provide an hour of site supervision per day, Monday through Friday, plus extended supervision during Julie's volunteer hours and that our VISTA worker, Jackie Duden, be allowed to relocate her work space to City Hall.

These conditions were agreed to.

Unfortunately, the next communication we received was notification from Julie Niederhauser on April 6<sup>th</sup> that April 7<sup>th</sup> would be Jackie's last day as our VISTA worker.

The MOU that the City signed with the Alaska State Library extends through 2019 but it is unclear where we now stand with respect to the VISTA program.

## **LIBRARY CHANGES**

At the April 4<sup>th</sup> Library Commission meeting our Library Director, Lynn Bateman, submitted her resignation from both that position and from her seat on the commission. The commission voted to accept her resignation and then voted to accept Julie Snodgrass as our interim Librarian, subject to city council approval.

Julie has agreed to serve as Librarian until the City can appoint a permanent volunteer Librarian.

The Librarian will head the Library Commission and serve as the Library Director (a requirement of our Public Library Assistance grant).

We would like to fill the Librarian position as soon as possible and all interested persons are encouraged to submit a letter of interest to the City Clerk.

## MAIN CITY DOCK ELECTRICAL USAGE

There appears to be a serious problem with our electrical service at the main dock that began shortly after we replaced our drive down ramp.

Part of the replacement project was to disconnect and then reconnect the main power cables that run down the ramp. Electrical usage began to climb shortly after reconnection and continues in that trend.

The table below is a record of usage and costs.

Meter Number	From	To	Days	Previous	Current	Multiplier	kWh Usage	Amount
11455073	12/20/15	1/16/16	27	946	990	40	1760	\$144.45
11455073	1/16/16	2/20/16	35	990	1035	40	1800	\$198.44
134518044	2/20/16	3/23/16	32	0	23	40	920	\$158.13
134518044	3/23/16	4/22/16	30	23	23	40	0	\$13.85
134518044	4/22/16	5/20/16	28	23	23	40	0	\$13.85
134518044	5/20/16	6/21/16	32	23	46	40	920	\$156.01
134518044	6/21/16	7/20/16	29	46	103	40	2280	\$364.91
134518044	7/20/16	8/20/16	31	103	157	40	2160	\$346.44
134518044	8/20/16	9/20/16	31	157	217	40	2400	\$383.39
134518044	9/20/16	10/20/16	30	217	291	40	2960	\$481.43
134518044	10/20/16	11/20/16	31	291	410	40	4760	\$725.49
134518044	11/20/16	12/20/16	30	410	552	40	5680	\$866.54
134518044	12/20/16	1/20/17	31	552	697	40	5800	\$1,288.43
134518044	1/20/17	2/20/17	31	697	826	40	5160	\$1,144.12
134518044	2/20/17	3/20/17	28	826	972	40	5840	\$1,297.96

We cannot account for this level of kWh usage and are troubleshooting/diagnosing the problem.

Thanks.

PJ Olson.

Mayor, Coffman Cove.