

DRAFT City of Edna Bay - Special Meeting (Postponed Regular Meeting)

1 — Meeting Date, Place and Call to order:

This Special meeting was held on Monday, June 15th, 2020 via Cisco WebEx teleconference. Mayor Poelstra called the meeting to order at 6:07 PM.

2 — New Roll Call:

Tyler Poelstra	- Mayor / City Council	(Present)
Karen Williams	- Vice Mayor / City Council	(Present)
Myla Poelstra	- Clerk + Treasurer / City Council	(Present)
Mike Williams	- City Council	(Present)
Sandy Henson	- City Council	(Present)
Doris Greif	- City Council	(Present)
Lee Greif	- City Council	(Present)

2.1 — Public Participants:

Sharon Wargi	Katie Buss	Louise DiPaolo	Roger DiPaolo
Becky Tenant			

3 — Consent Agenda:

A: Approval of Meeting Agenda:

The current agenda was read by Mayor Poelstra.

Consensus of the public attendants was taken in favor, and no objections were noted.

B: Approval of Prior Meeting Minutes:

The following minutes were presented for review:

- 1: Regular Minutes of May 11th, 2020 - No question or corrections.
- 2: Special Minutes of May 13th, 2020 - No question or corrections.

Consensus of the public attendants was taken in favor, no objections were noted.

Motion:

Mayor Poelstra moved to pass the consent agenda as presented.

- *Seconded by Councilor Henson*
- **Approved by unanimous vote of the council**

3.1 — Business:

New Business:

- a: *Producing New Financial Records for Record Requests, Discussion and Decision.*
- b: *Bulk Fuel Maintenance Items and Testing Services, Discussion and Decision.*

4 — Mayor's Report:

Mayor Poelstra reported there was a new issue with the Gasboy dispenser that has developed that is not impacting performance, but does seem to be an indication of failure. The Square Register also failed at the Bulk Fuel facility. Square has offered to replace the entire system free of charge under warranty.

The City Skiff is now registered, stickers are on the vessel and it is equipped with life vests and other required safety items. Mayor Poelstra reported that he was able to get out and inspect the new breakwater chains. They all appear tight and are not in need of maintenance at this time. He was able to move the shoreward sign to a new log and re-install with a new flashing aid to navigation.

Our local representative Johnathan Kreis-Tomkins has revisited the AP&T phone access issues in Edna Bay with new focus. Mayor Poelstra participated in a conference call with a representative from the ATA, AP&T CEO Mike Garret, Representative Kreis-Tomkins and his office staff regarding restricted access to phone services in Edna Bay. Updates will be provided as the process moves ahead.

Mayor Poelstra reported the inverter at the dock phone has been replaced, and the phone now powers up successfully. However, the line just opens with static and does not have a dial tone. He will be reaching out to AP&T to have them inspect the phone and resolve the issue.

The 2020 Census is under way and all residents are encouraged to participate in the survey. It can be completed online at my2020census.gov in about 5-10 minutes, by phone, or by mail in form. A Census ID is not required to complete the survey online. If locals have already done an online Census, they should not complete any other form of Census since it will result in a duplicate submission.

Mayor Poelstra recapped on his intent of following up on questions raised regarding the format of our City financial reports at the last meeting. He summarized his conversations with DCRA regarding the monthly Treasurer's Report and the Annual Certified Financial Statement format.

DCRA provided an avenue for the City to send its secure Quickbooks financial file to the State's contract Quickbooks expert for review. The State's Quickbooks specialist provided a report after her review of our financial file to help everyone assess a group of recommended changes the City could choose to make in order to help address ongoing financial summary record requests and repeated concerns being raised by an individual in town. DCRA acknowledged Quickbooks is a statewide standard for municipal financial tracking, and there are no requirements for how Quickbooks is used to present regular financial reports.

After his conversations with the Quickbooks expert, Joanna, Mayor Poelstra summarized that the current financial system used by the City tracks information and produces an annual certified financial statement with more data than the new Quickbooks file format would generally produce. The new format would provide some additional summary information each month to review, but result in less overall precision for the Certified Financial Statement than the system we are currently using. Mayor Poelstra felt it might make things a bit more clear to people who don't understand why the existing monthly report is structured to match our annual budget.

He noted the decision on whether to pursue the changes recommended by the State's Quickbooks expert is tied to the answer the City must provide to the group of record requests, since in order to provide them these changes will need to be made to our Quickbooks system first. As the City has already been made aware, the public is not privileged to access the City's Quickbooks system directly since it is a proprietary software system that contains confidential personnel information. Additionally, if the City agrees to change the Quickbooks system to produce new reports, it will also have to vote to retroactively create reports for the requested dates to satisfy the record requests. He noted that the City is not required to create new records that do not exist when requested, and has not done so before.

The answer to the requests would have automatically been "no - records requested do not exist", however Mayor Poelstra shared that in his conversations with DCRA, it was noted that a local has requested the State of Alaska start an investigation into the City of Edna Bay finances. The person requesting the investigation was directed to the local authorities to pursue further. The State made clear the format of the financial records is up to the Council and Public in regards to their preferred format; not an individual or the State. Although there are some State recommendations of formatting for RUBA Best Practices, and to more easily meet reporting requirement for some grants.

The City and State have not been provided a basis or specific reason for requesting an investigation, nor does the State have the facilities or funding to conduct one. Mayor Poelstra noted that he takes such a request very seriously, provided the small amount of business and finances the City works with. The Mayor felt the Council has done no wrong and acted under their oaths with integrity. He felt proud of all of the major accomplishments the City has achieved since incorporation, and is very confident in the responsibility of everyone involved.

Councilor Henson wanted it noted for the record that in Joanna's statement, when the City's Quickbooks file was sent in, she stated: "... Edna Bay has a very unusual Balance Sheet. The use of so many sub accounts for the Edna Bay bank account is an approach that requires meticulous accounting and is very hard to reconcile, as you need all of the paperwork to do it. That said, Myla is doing an amazing job of keeping track of all of those sub accounts ...".

Mayor Poelstra said this matter is not a personalities issue and is simply a "yes or no" business decision. Councilor (Mrs.) Williams disagreed, noting that she is offended by the inference that someone managing the finances is not doing their job or is taking money.

Louise DiPaolo felt unsure if this was the whole issue, but felt it was important for people to understand that the City can employ anyone they want to take care of local services. She feels that is the “hair” of what is causing the trouble. She added that, if the Fuel Farm was independent retaining its own employees, would it still be floating, and would be it be making money? She said the issue for the other local fuel business is whether the employees are being paid by City money or Bulk Fuel Money.

Mayor Poelstra said that is simple to answer, the O&M built into the fuel prices pays the employees, and the employees have always kept hours to a bare minimum to keep it from impacting fuel costs. He also noted that he has not heard of any other fuel companies announcing their local presence at a meeting before.

Mayor Poelstra wanted it noted that the Treasurer is a volunteer position. Any changes to Quickbooks, to produce these new records, is time the treasurer will have to give away when she has it. The City always does its best to be reasonable in responding, but the City is being pressured with terms like “FOIA Request” and a request for a time table on returning the documents as ongoing correspondence continues around the financial records being requested. He noted that FOIA requests only apply to Federal Agencies, not State and Local Governments. “Reasonable” is on the City’s time scale, not the person making the request.

Mayor Poelstra stated the amount of Administrative hours being spent looking into and working through these type of requests ends up using more time than is left for the Administration to spend on the work the Public sets in motion at meetings. He noted his frustration that it is holding up important work that needs to be done. Members of the Council shared their agreement with the frustration over the issue, and appreciation for the Mayor’s work on the matter.

5 — Clerk’s Report:

No report.

6 — Treasurer’s Report:

Myla Poelstra read back the treasurer’s report. No questions or comments.

7 — Committee Reports

7.1 — Dock Committee:

Tyler Poelstra (Dock Chairman) reported that the DOT Harbor project bid was awarded to Western Dock and Bridge, however due to ongoing delays caused by COVID the project has been pushed out to spring / summer of 2020. The breakwater was recently inspected, the signs checked and one of the signs moved and bolted to a better location. A new aid to navigation was installed on the sign that was moved.

Tyler wants to add some new staples to the lashings installed during the last breakwater maintenance to keep them snug for the coming season. Any further repairs will require a substantial maintenance investment. He is confident the breakwater will make it through one last season, but this is certainly the last year of service life left in the structure. He wants to get new roofing put on the float plane float walkway areas to replace the worn tiles, and he will be looking into disposing of the remaining portion of the old finger float near the grid.

7.2 — Road Committee:

Mayor Poelstra noted there has been a request to put out to bid a roll of stabilizing plastic fabric left over from building the Bulk Fuel pad construction. He directed the question to Michael Williams (Road Chairman). He and all in attendance agreed to put it out to bid. A notice will be made including a picture of the material for sale with enough time for bids to close at the next meeting.

Consensus of the public attendants was taken in favor, no objections or questions were noted.

Motion:

Councilor (Mrs.) Poelstra moved to put the stabilizing fabric left over from Bulk Fuel construction out to bid, with bids closing at a Regular Meeting.

- *Seconded by Councilor (Mrs.) Poelstra*
- **Approved by unanimous vote of the council**

Mayor Poelstra will follow up with DNR regarding the Municipal Entitlement process for an update by the next meeting so we can begin to plan on where to cite municipal rock sources. A new person has taken over

the process at DNR.

7.3 — EMS Committee:

Karen Williams (EMS Administrator) reported that she has been asked to reiterate to people that as long as Alaska has mandates out, for people to be respectful and considerate to those following the mandates. She asked that people be supportive and courteous to those working with the State, Federal government, Post Office and other entities requiring compliance to help make this time as easy as it can be until the mandates are lifted.

Mayor Poelstra noted that as case counts increase in Alaska and showing up as close as Craig, he is concerned for EMS personnel who could respond to someone in critical condition with COVID due to exposure risk. He asked if there were EMS supplies that could be purchased using the COVID support funds to better prepare us for a response. Karen will double check on supplies.

Karen noted that Taquan is requiring masks and hand coverings for people flying in and out of town, and the USCG will not be performing a medivac without proper clearance from a doctor but Taquan said they will.

7.4 — Search & Rescue Committee:

No report.

7.5 — Fire Committee:

Lee Greif reported that the parts are here for the Fire Truck and hopes to see the truck back in shape soon.

7.6 — Fish & Game Advisory:

No report.

7.7 — Bulk Fuel:

Tyler Poelstra (Plant Manager) reported that the virtual USCG Inspection passed, and said now that there are more trained BFF Operators he would like to have Becky Tenant work on paint maintenance around the facility in areas where there is rust showing and paint starting to flake as she has time if she is interested, and when there is dry / sunny weather for the work.

Tyler noted that there is a need for some replacement parts on the Gasboy dispenser. The system started making a buzz sound that is not impacting performance, but to get the part that is needed to resolve the issue a larger component must be purchased that includes it.

Tyler noted that fuel prices are down but beginning to rise. He is going to work with Petro Marine to schedule a fuel delivery in early July to top off with the lowest price possible.

8 — Old Business

[No Old Business]

9 — New Business

Item A - Producing New Financial Records for Record Requests, Discussion and Decision:

Mayor Poelstra said he would like to keep discussion simple and to a “yes or no” decision. He reiterated the records do not exist in the format being requested at this time. He read back the specific items being requested as noted in two record requests from an individual in Edna Bay to those in attendance, and explained why the records do not exist.

The first record request states: “Gross Fuel Sales: per month, July, August, September, October November, December of 2019 and January February March, April of 2020: copy of ledger showing gross Fuel sales YTD FY 2020”. The second record request states: “city Financial records: FY 2020: complete Financial records July 1 2019 to April 30 2020 please bring copy For each month.”.

Councilor Henson asked if the information requested was all publicly available anyways? Mayor Poelstra indicated that most of it is included in the reports that are produced on consistent schedules, but some of the information being requested is specific to the Quickbooks system and would require new reports to be created

that are not filed on a monthly basis at this time.

A per-month Gross Fuel Sales report does not exist. The City does not have a paper ledger and has never used a paper ledger. The ledger being requested is otherwise a component of the Quickbooks system and would require the Council to approve and authorize the Treasurer to spend time producing a new record from the system on a case by case basis, if the City feels there is merit. He cautioned of the precedent set by tasking the volunteer administrators of the City to spend time creating and giving out records that are not currently being produced and filed. The City satisfies record requests regularly for records that are in the folders and in the filing system that can be retrieved and copied, and does not have an issue performing that duty. However, the City is not required to create "new" records unless obligated by decision of the voting body.

He followed by stating the request for a "Complete Financial Records" document is a request for new Certified Financial Statements showing all line expenditures to be produced for each month that do not exist at this time. The City currently produces this type of record in October of every year, providing every purchase and expense down to the penny made by the City for the prior year. Mayor Poelstra clearly stated it is up to the voters to decide if they want to require these format changes to Quickbooks, a new monthly financial format and new records of that nature to be filed.

Does the City want to accept DCRA's recommendations for restructuring our existing municipal financial system, create the new record formats being requested, and retroactively produce them for prior months to satisfy these requests? He noted to keep in mind this is volunteer time that will be expended and it could take until the end of the year to implement the changes and produce the records. Mayor Poelstra noted his only concern is not the accuracy of the finances, but more specifically is how much additional volunteer time could be expended working to create a new financial model catered to larger cities when what he has been carefully adjusted over time with our small and efficient structure in mind.

Councilor (Mrs.) Williams said she believes the City does put out a treasurer's report every month that everyone is privy to, and other reports everyone is made aware of as they come and feels there is no reason for repetition.

Louise DiPaolo asked if the City would be doing anything wrong by keeping our Quickbooks system. Mayor Poelstra stated no, that Quickbooks is recommended by the State, and noted that the person requesting the records had indicated the State does not recommend Quickbooks and instead uses a different system. He noted because Quickbooks is so widely used in Alaska, that is the very reason why the State keeps an expert on retainer for \$100K+ per year to help towns like ours optimize their financial tracking.

Mayor Poelstra noted the Treasurer is the local financial specialist. It is up to the person looking to understand the system we have to take a Quickbooks course and learn about it. There is no State requirement that the City use a specific financial tracking system, including Quickbooks, nor are there for specific ways the financial tracking should be formatted. Guidelines and Best Practices standards exist, but they are not mandatory.

Mayor Poelstra noted in his conversations with DCRA it was understood most municipalities in Alaska use a monthly financial report like Edna Bay to keep business streamlined. The City can start down the road to implementing the recommendations made by the State's Quickbooks expert, or keep the system as-is. Joanna did not note any discrepancies in the finances, and it was noted that if a financial error or discrepancy is discovered, the State will offer assistance to help get things in order again through support and assistance.

Mayor Poelstra expressed in all of the work he has done on this question, at no point did it become evident that voting "yes or no" on how to format the finances would provide a basis for a Civil Suit. The State is not interested in scaring or penalizing the City into doing a good job, and instead prefers to help support getting towns in need back on track.

Mayor Poelstra shared that in his discussions with DCRA, if the Council and Administrating body are continually regarded with slander and libel claims, it is the individuals right to sue the person making the unfounded claims against their integrity. The State did not find any wrongdoing, the Bulk Fuel facility is one of the smallest in the State, and the routine financial business of the City is trivial which is how \$100's of thousands of local moneys have been saved up over the years. The State was impressed with how low our administrative costs are, and that the Treasurer is a volunteer position. They felt what we are doing makes sense for town this small, and there is no reason to structure our business like a town the size of Craig with 1000's of people.

The State trusts that those who are elected by a majority of the public carry the Trust of the public, and so do they the Trust of the State in regards to the accuracy of the finances. The City is authorized to investigate its

own finances, and could elect to hire a CPA. DCRA has noted that a CPA can cost around \$25K to perform a complete financial inspection. 1st Class Cities are required, and 2nd Class Cities are over a certain financial expenditure threshold. He noted that the City files monthly Bank Statements and the annual Certified Financial Statement in October of every year that contains most all of the information being requested, line by line. The issue with the requests seems to be the expediency of access, not the amount of information filed on schedule. Even if the changes are made to our financial system, the time it will take to make the changes will mean the Certified Financial statement for 2020 will be the go-to complete financial record for this year regardless.

Mayor Poelstra noted the main issue with this precedent would be that it would allow one member of the public to determine the volunteer and administrative overhead, instead of the voters and Council who attend the regular meetings and work together to guide municipal business by vote.

Consensus of the public attendants was taken in favor of not changing out current financial process, or to create new records for the noted record requests. No objections or questions were noted.

Motion:

Councilor (Mr.) Williams moved that we do not change our current Financial process to create new financial records for records requests.

- *Seconded by Councilor (Mr.) Greif*
- **Approved by unanimous vote of the council**

Item B - Bulk Fuel Maintenance Items and Testing Services, Discussion and Decision:

Mayor Poelstra indicated that as noted during the Fuel report, a set of maintenance components are needed for the Bulk Fuel facility. The Gasboy component will be \$762.78, and Tyler would also like to have some new filters purchased and on the shelf ready to use.

Consensus of the public attendants was taken in favor of purchasing the Bulk Fuel parts. No objections or questions were noted.

Motion:

Mayor Poelstra moved to approve purchase parts to maintenance the Gasboy Dispensers with a not-to-exceed cost of \$1000.00.

- *Seconded by Councilor (Mr.) Williams*
- **Approved by unanimous vote of the council**

Mayor Poelstra reported that Sam Johnson called to see if the City would like to re-certify it's transfer headers and pipes while he was in the area. Sam noted that if anyone needed a quote, he would do the work for less than \$1000 this time and be ready to come to Edna Bay in the next two weeks. The USCG requires regular re-testing of the transfer headers. Tyler asked that we include \$200 extra for un-accounted expenses that might come up during the process.

Consensus of the public attendants was taken in favor of hiring Sam Johnson to perform Bulk Fuel header and transfer pipe recertification. No objections or questions were noted.

Motion:

Mayor Poelstra moved to approve \$1200.00 to pay Sam Johnson for pressure testing and pump certification of the Bulk Fuel Facility.

- *Seconded by Councilor (Mr.) Greif*
- **Approved by unanimous vote of the council**

Mayor Poelstra said we have a unique City because of the way we run our process. Every person has the lawful right to be involved in every single part of the meeting, including the Treasures report. Everyone can ask questions, get answers and have their concerns heard. This is an open format, and even the people who may feel they're not included are included. He felt it sets our City apart, and values that everyone participates and has a chance to share their feelings. He noted he trusts our process because it does involve everyone.

Councilor (Mrs.) Williams said she realizes we have people in this community who even are not on the Council who do things for the City for nothing because they love being here and want to participate. She feels that everyone needs to be aware that no one has a right to start vicious rumors and libel situations against people who have done nothing and feels it's nice to know we have an avenue to turn to if we feel we are being charged with libel statements and we can take action against those people.

Louise DiPaolo said that it's so easy to be suspicious of people and think wrong, but finds it to be very dark and appreciates what was said about hearing everyone equally but feels that suspicions equal darkness. She feels that there are a lot of good people here and there's nothing to be suspicious about.

Katie Buss wanted to thank the Council for their integrity and dedication, because without them the City would not be a unique and wonderful place to live. She said she appreciates everyone.

Sharon Wargi, Mike Williams, Sandy Henson seconded Katie's comment.

Becky Tenant shared that one of the reasons they moved to Edna Bay was for this type of Government. She said if we want to keep this going on and keep people moving to this community, we need to keep it and not destroy it.

Adjournment

Mayor Poelstra moved that the meeting be adjourned.

Motion to adjourn seconded by Councilor (Mrs.) Poelstra.

Meeting adjourned at 7:27 PM.