

Mayor

James Kallander

Council Members

Keith van den Broek

James Kacsh

David Allison

Bret Bradford

EJ Cheshier

David Reggiani

Robert Beedle

City Manager

Mark Lynch

City Clerk

Susan Bourgeois

Deputy Clerk

Robyn Kincaid

Student Council

Shyla Krukoff

**REGULAR COUNCIL MEETING
FEBRUARY 01, 2012 @ 7:30 PM
LIBRARY MEETING ROOM**

AGENDA



A. CALL TO ORDER

B. INVOCATION AND PLEDGE OF ALLEGIANCE

I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

C. ROLL CALL

Mayor James Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and Robert Beedle

D. APPROVAL OF REGULAR AGENDA..... (voice vote)

E. DISCLOSURES OF CONFLICTS OF INTEREST

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers

a. **Captain Michael Neussl**, Deputy Commissioner for..... (page 1)
Marine Operations AK DOT&PF (via teleconference)

b. **Buck Adams**, UBS Financial – City Investments (see quarterly reports)

2. Audience comments regarding agenda items..... (3 minutes per speaker)

3. Chairpersons and Representatives of Boards and Commissions

(Harbor, HSB, Parks & Rec, P&Z, School Board)

a. Student Council Representative

G. APPROVAL OF CONSENT CALENDAR..... (roll call vote)

4. Proclamation of Appreciation to Cara Heitz..... (page 2)

5. Proclamation of Appreciation to Jim Nygaard..... (page 3)

6. Waive right to protest renewal of liquor license..... (page 4)

Powder House – beverage dispensary Lic #919

7. Resolution 02-12-09..... (page 9)

A resolution of the City Council of the City of Cordova, Alaska, supporting the restoration and rehabilitation of the Cordova Pioneer Igloo #19 building

8. Record unexcused absence of Council member Allison 1/18/12 Regular Council Meeting

H. APPROVAL OF MINUTES

9. Minutes of 12-21-12 Regular Meeting..... (page 11)

10. Minutes of 01-04-12 Public Hearing..... (page 17)

11. Minutes of 01-04-12 Regular Meeting..... (page 18)

12. Minutes of 01-09-12 Special Meeting..... (page 23)

13. Minutes of 01-11-12 Special Meeting..... (page 25)

14. Minutes of 01-18-12 Regular Meeting..... (page 27)

I. CONSIDERATION OF BIDS

15. Award bid for cleaning of Spartan..... (voice vote)(page 29)

J. REPORTS OF OFFICERS

16. Mayor's Report

17. Manager's Report..... (page 33)

18. City Clerk's Report..... (page 34)

19. Staff Reports

a. **Josh Hallquist**, COR, Cordova Center Project

b. **Cathy Sherman**, Cordova Center Phase 2

20. Staff Quarterly Reports – 4Q, 2011

- a. **Buck Adams**, UBS Financial, City Investments..... (page 35)
- b. **Sam Greenwood**, City Planner..... (page 61)
- c. **Paul Trumblee**, City Fire Marshal..... (page 63)
- d. **Susie Herschleb**, Director of Parks & Recreation..... (page 65)
- e. **Moe Zamarron**, Director of Public Works..... (page 66)

K. CORRESPONDENCE

- 21. FY13 Population Determination from DCCED..... (page 69)**
- 22. Mayor letter to PWSSC & Harvill in re Fill Project help..... (page 71)**
- 23. Mayor letter to NVE in re Power to Hartney Bay (page 72)**

L. ORDINANCES AND RESOLUTIONS

M. UNFINISHED BUSINESS

- 24. Alaskan Wet Dog Race – Council discussion..... (page 73)**

N. NEW & MISCELLANEOUS BUSINESS

- 25. Council approval of Contract with DHI Consulting (voice vote)(page 78)**
Construction drawing and RFP preparation for the North Breakwater Extension and
Tideland Fill Proposal
- 26. Council approval of Contract with OAC Services..... (voice vote)(page 88)**
Constructability review and estimating for Cordova Center Phase II
- 27. Pending Agenda and Calendar..... (page 91)**

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

- 28. Council Comments**

Q. EXECUTIVE SESSION

- 29. Cordova Center Financial Update**
- 30. Union contract negotiations**
- 31. Personnel matter – Clerk Contract review**

R. 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.

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



Cordova, Alaska Snowpocalypse 2012 – it continues...



From: Neussl, Michael A (DOT) [mailto:michael.neussl@alaska.gov]
Sent: Wednesday, January 25, 2012 8:37 PM
To: James Kallander Home
Cc: Susan Bourgeois
Subject: Council Meeting in CDV

Mayor Kallander:

It was good talking to you by phone today (1/24) about the challenges AMHS faces in providing ferry service to the residents and visitors of Cordova. This is a multi-faceted issue and we hit on several of the challenges. Generally speaking, the idea that the FVF crew would move to Cordova and establish residence there has not become a reality. Cordova is somewhat unique in that case since the vessel itself does not have quarters for the crew (one of 3 out of 11 AMHS ships that do not have crew quarters). For those FVF employees who bid their jobs on Chenega, they find it very difficult to find reasonably priced suitable living quarters during their two week shifts. Their alternative is to not bid the positions, in which case AMHS is forced to send relief employees to crew the vessel at great expense to the state in terms of travel and per diem for those reliefs. Virtually none of our unlicensed crew are bid holders. For the officers and engineers, they are becoming increasingly stressed financially to continue their bids (especially during winter when living expenses are even greater). I am open to ideas and suggestions from you on possible alternatives to alleviate this situation.

Mike

Captain Michael A. Neussl
Deputy Commissioner for Marine Operations
AK DOT&PF, AMHS
Juneau, AK
907-465-6977 (Office)
907-723-0642 (Cell)

CITY OF CORDOVA, ALASKA PROCLAMATION

PROCLAMATION OF APPRECIATION TO ALASKA'S 2012 TEACHER OF THE YEAR, CARA HEITZ

I, Mayor James Kallander, do hereby issue this Proclamation of Appreciation to Cara Heitz for her valuable contribution to the Students of Cordova Jr/Sr High School and for the honor she has bestowed upon all of Cordova by being named Alaska's 2012 teacher of the year.

WHEREAS, Cara Heitz became employed by the Cordova School District in 2006; and

WHEREAS, she has spent endless hours in the classroom and out of the classroom teaching students her love of science and empowering them to think freely; and

WHEREAS, she has helped her students develop skills such as questioning, provoking and challenging all things presented to them; and

WHEREAS, she has engaged her students by producing innovative lessons that have real life applications and has thus promoted learning to her students as a life-long endeavor.

NOW, THEREFORE, BE IT PROCLAIMED that the Mayor, City Council members and citizens of Cordova do hereby express their sincere appreciation to **Cara Heitz** for her commitment to education, learning and Cordova's students.

SIGNED THIS 1st DAY OF FEBRUARY, 2012

James Kallander, Mayor

CITY OF CORDOVA, ALASKA PROCLAMATION

PROCLAMATION OF APPRECIATION TO ALASKA'S 2012 SUPERINTENDENT OF THE YEAR, JIM NYGAARD

I, Mayor James Kallander, do hereby issue this Proclamation of Appreciation to Jim Nygaard for his valuable contribution to the students of Cordova School District and for the honor he has bestowed upon all of Cordova by being named Alaska's 2012 Superintendent of the year.

WHEREAS, Jim Nygaard became employed as Superintendent of the Cordova School District in 2007; and

WHEREAS, he has devoted the last eight years of his career to serving Alaskan schools and children; and

WHEREAS, he has been an incredible proponent of the facilities of the Cordova School District having been integral in a major renovation and addition at Mt. Eccles Elementary School as well as economical retrofits and new out buildings at the Cordova High School facility; and

WHEREAS, he has spent endless hours in School Board and City Council meetings always striving to encourage citizens' awareness of education in our town and always striving to better Cordova School District for the students.

NOW, THEREFORE, BE IT PROCLAIMED that the Mayor, City Council members and citizens of Cordova do hereby express their sincere appreciation to **Jim Nygaard** for his commitment to the community of Cordova.

SIGNED THIS 1st DAY OF FEBRUARY, 2012

James Kallander, Mayor

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: January 19, 2012
TO: Mayor & City Council
SUBJECT: Liquor License Renewal

The Clerk's office has received notification that the following local establishment has applied for renewal of its liquor license with the State Alcoholic Beverage Control Board. Police Chief Griffiths and Finance Director Ashley Royal have been advised and their suggestions to Council are attached hereto. A passage of the consent calendar is a vote to waive the City Council's right to protest (i.e. gives ABC board no reason to not renew the license).

License: Powder House – beverage dispensary license #919

Recommended motion: move to waive Council's right to protest the ABC Board's approval of the application for renewal of the Powder House's beverage dispensary liquor license #919.

Required Action: Majority voice vote or approval of the consent calendar.



State of Alaska

Department of Public Safety

Alcoholic Beverage Control Board

Sean Parnell, Governor
Joseph A. Masters, Commissioner

January 27, 2012

Renewal Application Notice - Cordova

City of Cordova
Attn: City Clerk
VIA EMAIL: cityclerk@cityofcordova.net

DBA	Lic Type	Lic #	Owner	Premise Address
Powder House	Beverage Dispensary	919	Libbie B. Graham	Mile 1 Copper River Hwy.

We have received a renewal application for the above listed licenses within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Alcoholic Beverage Control Board
5848 E Tudor Rd - Anchorage, AK 99507 - Voice (907) 269-0350 - Fax (907) 272-9412

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. GIFFORD
Director

/s/ Christine C. Lambert
Christine C. Lambert
Records & Licensing Supervisor
269-0359
Christine.lambert@alaska.gov



Cordova Police Department

Phone: (907) 424-6100 Fax: (907) 424-6120
P.O. Box 1210 Cordova, Alaska 99574
cpdadmin@cityofcordova.net

January 24, 2012

Susan Bourgeois
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: Powder House #919

Dear Susan,

I have no reason to protest the renewal of the liquor license for the Powder House #919 Beverage Dispensary.

Sincerely,

A handwritten signature in black ink that reads "Shannon Joekay".

Shannon Joekay
Assistant to the Chief of Police

CITY OF CORDOVA



January 25, 2012

FROM: Ashley Royal, Finance Director
TO: Mayor and City Council, City Manager, City Clerk
RE: Powder House #919

I have reviewed the status of the Powder House regarding compliance with the Cordova City Code relating to Business License, Sales Tax and Utility Services.

From such review, I found no reason to protest the renewal of Powder House liquor license #919

Respectfully,

Ashley Royal
Finance Director
City of Cordova

**CITY OF CORDOVA, ALASKA
RESOLUTION 02-12-09**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
SUPPORTING THE RESTORATION AND REHABILITATION OF THE
CORDOVA PIONEER IGLOO #19 BUILDING**

WHEREAS, the building is located at Block 3, Lots 26, 27 Original Townsite of Cordova (on First Street); and

WHEREAS, The Pioneers of Alaska is a social organization established in 1907 at Nome, Alaska and the mission is to preserve the names of all Alaska pioneers and preserve Alaska pioneers on its rolls; further the Pioneers strive to collect and preserve the literature and incidents of Alaska's history; and to promote the best interests of Alaska; and

WHEREAS, The Pioneers of Alaska are a cultural preservation organization committed to conserving the history of individuals who have contributed to building Alaska and the membership is made up of individuals who have lived in Alaska at least 30 years; and

WHEREAS, Cordova Igloo #19 was established in 1920, and the Igloo building on Cordova's Main Street is one of the oldest buildings remaining in Cordova and is among Alaska's oldest Pioneer Igloo buildings, having been constructed in 1927 on land donated by Dr. William H. Chase, a founding member and an important historic figure; and

WHEREAS, for 85 years the Cordova Igloo #19 building has been an integral part of the community and continues to be a social center for Cordova offering the building to the public for many events including weddings, dinners, meetings, pie socials, dances, memorials, school events, and training seminars; and

WHEREAS, the building is now in need of rehabilitation and restoration and such a project will preserve the facility by stabilizing the log walls, rebuilding skirting/foundation, over hauling mechanical systems, strengthening the roof, replacing windows, re-siding and painting the building, insulating and providing weatherization for energy efficiency and this effort will ensure that community services will be continued and that the Pioneer building will maintain a presence on Cordova's Main Street as part of the town's historical character; and

WHEREAS, the progress to date is as follows: in 2010 efforts were begun to stabilize the structure, and \$28,000 dollars was raised and \$14,000 has been spent on the stabilization effort, however, there is much more work to be done; and

WHEREAS, this year Cordova Pioneer Igloo #19 has partnered with the National Park Service and Historical Architect Mr. Grant Crosby who conducted a site visit and prepared a condition assessment report with recommendations for treatment; and

WHEREAS, Cordova Pioneer Igloo #19 has also contracted with BBFM Engineers for a site visit to conduct a structural investigation and report and to produce recommended repairs

and design drawings capable of being put out to bid and a local contractor was hired to produce as-built drawings of the building; and

WHEREAS, the approval of this project would allow Cordova Pioneer Igloo #19 to do the necessary restoration and rehabilitation work on this historic structure and preserve it for the future while maintaining the historic character.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, hereby supports any and all work that helps with the restoration and rehabilitation of the Cordova Pioneer Igloo #19 building.

PASSED AND APPROVED THIS 4th DAY OF FEBRUARY, 2012

James Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

**CITY COUNCIL REGULAR MEETING
DECEMBER 21, 2011 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kallander called the Council Regular Meeting to order at 7:30 pm on December 21, 2011, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Kallander led the audience in the Pledge of Allegiance.

C. ROLL CALL

Present for roll call were *Mayor James Kallander* Council members *Keith van den Broek*, *David Allison*, *Bret Bradford*, *David Reggiani* and *Robert Beedle*. Council members *James Kacsh* and *EJ Cheshier* were absent. Also present were City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/Allison to approve the Regular Agenda.

Vote on motion: 5 yeas, 0 nays, 2 absent (Kacsh & Cheshier). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST – None

Cheshier joined the meeting at 7:32 pm

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**1. Guest Speakers**

Tim Joyce, MTAB (Marine Transportation Advisory Board) member, 1001 Pipe St. *Joyce* reported that they had a meeting in Anchorage last week and discussed Cordova's ferry dock and the repairs that will be made to the dock. When the bad storm hit on November 16th they were undergoing some construction to correct some deficiencies the dock had from its original construction. As a result the stern berth did separate and there was some damage to the electrical which has now been repaired. One of the ballast floats was cracked and is now repaired. The floating dock that Cordova has is not able to be fortified against another such storm. It was designed to be inside a harbor. Several storms hit South East docks this year. The makeup schedule issue that happened with the ball teams being stuck in Valdez is being addressed. A new ferry is being constructed and will be done this summer called the "Alaska Class Ferry" which will be primarily for South East ferry travel. The Governor released \$60M to be spent on the project. MTAB also asked for an additional \$60M to be put into a savings account for additional ferry's in the future, one of which will be replacing the Tustumena as it is 50 years old. *Beedle* asked about the Aurora. *Joyce* said some have said that the makeup schedule issue could have been avoided if we had the Aurora here instead of the fast ferry. However, with those particular storms even the Aurora would probably not have run. The only difference would be that the Aurora would be running 7-days a week so a makeup schedule wouldn't have to happen but they could have the fast ferry run 7-days a week. They are looking into the many possibilities. *Mayor Kallander* stated that he has been in discussions with *Deputy Commissioner Michael Neussl* who is in favor of the Aurora for Cordova. The passengers like the fast ferry but the freight guys like the Aurora. Much of the issue is the union with the crew on scheduling. He will be having a meeting this summer with *Neussl* about this issue. *Joyce* added that the fast ferry requires special certificates for the captains so if they let the fast ferry sit during the winter they will have to spend more money to get their crew recertified.

Paul Voelckers, MRV Architects, reported that he is here doing some inspections on the Cordova Center. We see lots of activity on the framing. The studs are in and they are getting ready to receive windows and siding. They are concerned that they have been a little tardy on the windows and siding submittals. **Cathy Sherman**, **Josh Hallquist** and he meet tomorrow to go over phase II. **Mayor Kallander** stated that he is happy to see him here and he hopes he keeps coming on a weekly basis because things move much more smoothly when he or **Corey** are onsite.

Mayor Kallander introduced **Katrina Hoffman** the new PWSSC (Prince William Sound Science Center) President/CEO. She stated that she is also the Executive Director for the OSRI (Oil Spill Recovery Institute) which is co-located with PWSSC. She added that this is a turning point in the timeline for the Science Center's history as they seek to develop a new facility. She knows that the City and Council have cooperated and worked on their behalf and hopes to continue that spirit of collaboration.

2. Audience comments regarding agenda items - None

3. Chairpersons and Representatives of Boards and Commissions

Harbor Commission, **Beedle** reported that they went through the budget and discussed the Science Center proposal. The Commission does have a recommendation for Council for a future meeting.

P&R, **Bradford** reported that they elected a new **Chair Allison Bidlack**, **Vice-Chair Daniel Reum**. They are reviewing the 10-year master plan and making plans for the old skate park.

P&Z, **Reggiani** reported that there is a resolution in the packet from their last regular meeting and that they are reviewing, chapter 18, zoning.

HSB, **Allison** reported that they have reviewed the draft contract with Providence.

G. APPROVAL OF CONSENT CALENDAR

Mayor Kallander informed Council that the Consent Calendar was before them.

4. Proclamation of Appreciation to Lauren Padawer

5. Proclamation of Appreciation to Noel Pallas

Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Kacsh). Cheshier – yes, Reggiani – yes; Beedle – yes; van den Broek – yes; Allison – yes and Bradford – yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Cheshier S/Reggiani to approve the minutes.

6. Minutes of 11-15-11 Budget Work Session

7. Minutes of 12-07-11 Regular Meeting

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

I. CONSIDERATION OF BIDS - None

J. REPORTS OF OFFICERS

8. Mayor's Report

Mayor Kallander reported that the breakwater is back in engineering's hands. The contract with Providence has been approved by the HSB. Code change for the hospital administration and governance will be in steps in order to keep in compliance with PERS requirements. He and **John Bitney** met with the Department of Administration. The meeting went well; we will need to have a termination study for the hospital administrator's position. **Bill O'Halloran** from DOT is bringing two people to Cordova in charge of the 36 mile bridge project and suggested a town hall type meeting on January 18th. The reception for **Senator Stevens** and **Representative Austerman** went well, about 40 people attended, thanks to Susan and Cathy.

9. Manager's Report

Lynch reported that he was on vacation for two weeks. **Cathy Sherman** was Acting City Manager during that time. The Sound Developer is out of the harbor and should be up on the beach on the 23rd. The next step will be putting out an RFP to have it taken apart. Global Diving, the Coast Guard, **Andy Craig** and his company did a great job. Friday the Sound Developer will come ashore for the last time.

10. City Clerk's Report – written report in packet

Bourgeois explained her idea on changing memos for the packets. **Reggiani** asked if the public would be able to view it the same way as Council. **Bourgeois** responded that they should. She is trying to make packets simpler and easier to read. **Bradford** stated that the more information presented to him shows to him that the person presenting the item really knows what they are asking. He suggested having the full content viewable electronically and only printing a summary. **Mayor Kallander** stated that he liked having a paper packet but he doesn't mind being referred to the internet for back-up paperwork. **Cheshier** stated he likes having a summary of why it is in the packet but doesn't need all the back up with the item if it is available online for if he has questions. **Reggiani** stated he would like to go as digital as possible but wants to be sure the public has ready access to all the information. **Van den Broek** stated that links to the attachments would be helpful as opposed to scrolling through a pdf. **Beedle** stated that many citizens are not into the digital stuff so we need to still have some paper packets available.

11. Staff Reports

- a. **Josh Hallquist**, COR, Cordova Center Project
- b. **Cathy Sherman**, Cordova Center update

Sherman reported that phase 1 is winding down for the holidays. There will be one more concrete pour after the holidays. The roofing crew is still onsite. The mason has left town as he can't do any more work yet. The welder is working through the holidays. For phase 2 she has the RFP for art out on the street. She is putting a regular column in the newspaper on the Cordova Center to inform the public. The draft MOU between the City and the Chamber of Commerce is in the packet for review. She also presented a draft Event Planning Guide for review. The finished business plan will be ready come January that will have in it an organizational chart and use fees for the building.

K. CORRESPONDENCE - None

L. ORDINANCES AND RESOLUTIONS

12. Substitute Ordinance 1091

An ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters – 1st reading

M/Reggiani S/Bradford to approve Substitute Ordinance 1091, an ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters.

Bradford asked if **Lynch** would be negotiating this with UBS as far as interest rates and details. He would like to look at more of those details before the second reading. **Reggiani** pointed out that the ordinance wording allows for **Lynch** to negotiate and then come forward with the agreed upon details for final Council approval.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

13. Ordinance 1092

An ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code

14.28.005, definitions; and amending Cordova Municipal Code 14.28.010, Community Health Services Board, 14.28.020, Administration, and 14.28.050, Schedule of Revenue, to provide for the City Council to contract for administration of the Cordova Community medical Center – 1st reading

M/Bradford S/Cheshier to approve Ordinance 1092, an ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code 14.28.005, definitions; and amending Cordova Municipal Code 14.28.010, Community Health Services Board, 14.28.020, Administration, and 14.28.050, Schedule of Revenue, to provide for the City Council to contract for administration of the Cordova Community medical Center

Allison stated that he hasn't seen a Charter change. *Mayor Kallander* replied that the attorney does not feel like we are in conflict with the Charter. This takes us part of the way, this is an incremental process; the next part will take us all of the way. *Allison* would like to have the Charter looked at more carefully and have it explained. *Reggiani* appreciated *Allison's* thought. He stated that he will support this ordinance as a first reading. *Lynch* responded that right now we need to do an ordinance, then the contract, and then another ordinance than maybe a charter change. It is a step by step process that has to be done in a specific order to keep PERS happy. *Mayor Kallander* suggested having a work shop with Holly to explain the process to Council. *Bradford* stated he would welcome a workshop with Holly. *Beedle* stated he would appreciate a workshop with Holly too. *Reggiani* stated that he would like to see the roadmap process. *Reggiani* asked *Lynch* if there are a lot of in-between items that go over his current \$15K authority limit. *Lynch* responded that there are some but he didn't know this would be on the agenda till he got back from vacation.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

14. Ordinance 1093

An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City manager may execute, and award by open market procedure, without City Council approval – 1st reading

M/Reggiani S/Cheshier to approve Ordinance 1093, an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City manager may execute, and award by open market procedure, without City Council approval.

Reggiani stated that he will support the ordinance as a first reading and does not have concerns with City Manager spending limit increasing. He wonders why we are increasing the limit though if it was not requested. *Bradford* stated he would like to have this addressed in the workshop with Holly.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

15. Resolution 12-11-47

A resolution placing a ballot proposition before the voters at the regular March 6, 2011 election amending Article X, section 10-1 of the City Charter regarding the date of the regular election

M/Bradford S/Reggiani to approve Resolution 12-11-47, a resolution placing a ballot proposition before the voters at the regular March 6, 2011 election amending Article X, section 10-1 of the City Charter regarding the date of the regular election.

Bradford stated that at first thought it sounded good but after talking to people he has decided against it. The time we have set up currently works well for everybody. He will not support the resolution. **Beedle** stated he would like more discussion because the idea was just presented at the last meeting and now it is requiring action. He would like to table it for another meeting. **Bourgeois** responded that the only way for this to possibly be ready for March's ballot is for it to get passed now so it can get pre-clearance from the Department of Justice. If it gets tabled the action will have to wait till the next election. **Lynch** pointed out that if the election was in November than the newly elected council members could go to the Newly Elected Officials training at AML right away. **Reggiani** stated that if we change it there really wouldn't be any cost saving which is what the thinking was behind a change. He likes that the new elected council members get some experience under their belt before getting into the budget process. **Mayor Kallander** stated that he is opposed to the resolution. Cordova is such a seasonal community that we are unique in our timing but it works for us. It made a lot of sense what the council did back then to change it to March. **Beedle** stated that when he went to the AML training it was helpful to him to have some experience under his belt so he knew what they were talking about. He does not see a cost saving in a change and so would like to table it for more research or let it pass. **Allison** he will not support it as a resolution because it would make a council member stay until November not March.

Vote on motion: 1 yeas, 5 nays, 1 absent (Kacsh). Motion failed.

16. Resolution 12-11-48

A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the 2011 budget, and authorizing the supplemental appropriation of \$463,250

M/Beedle S/Reggiani to approve Resolution 12-11-48, a resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the 2011 budget, and authorizing the supplemental appropriation of \$463,250.

Lynch explained that this is all the changes that were made to the budget this year. The specific items are listed out in the packet. Some of this money is actually grant money but it still has to be appropriated. **Allison** clarified that this money is being appropriated from multiple funds. **Reggiani** added that it would be helpful to include a column that shows where the money is coming from.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

M. UNFINISHED BUSINESS

17. Capital Priorities List (Resolution 09-11-39) – looked at quarterly by Council

Mayor Kallander informed Council that Anchorage and the Valley are looking to create a Ports and Harbor bond for roughly \$500M. They are looking at using \$350M and will increase it to the \$500M to get votes across the State. He would like to bring forward a new CIP list at the next meeting to include a G-float replacement for \$2M and municipal ocean dock renovations for \$1.5M. He thinks they should have \$10-\$20M in ports and harbors projects on the list. **Reggiani** agreed with **Mayor Kallander** and added that location on the list doesn't really matter as long as it is on the list. **Mayor Kallander** stated that CH2MHill gave them numbers for the Shipyard fill \$18.2M but he asked a local contractor to drum up some numbers and thinks it can be done for \$7.8M if we do the project ourselves. **Beedle** invited **Mayor Kallander** to the next Harbor Commission meeting. **Reggiani** pointed out that Council has a Harbor feasibility study on their CIP list and he wonders if there was some way it could be fast tracked to be included on this list. **Beedle** suggested the sidewalks are a safety concern to add to the list. **Mayor Kallander** stated that this all will be in front of them at the next meeting.

N. NEW & MISCELLANEOUS BUSINESS

18. Council approval of P&Z Resolution 11-06 in re Land Disposal Criteria

M/Reggiani S/Bradford the City Council accepts Resolution 11-06 of the Cordova Planning and Zoning commission.

Greenwood stated that the commission wanted agreed upon criteria to look at and base their decisions on for the proposals. **Van den Broek** stated he strongly supports this adding that it was tough last time. He is glad to see this come forward. **Cheshier** agreed with **Van den Broek**.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

19. Pending Agenda and Calendar

January 6th Home Land Security Evacuation training

January 10th Declaration of Candidacy opens

January 18th town hall meeting with DOT prior to the Council meeting

January 27th work session on zoning with Holly for P&Z

O. AUDIENCE PARTICIPATION

Jennifer Gibbens, Browning St, stated that she appreciates the paper packet at the meetings and added that many people in the community are not digital. A story on Mile 36 Bridge will be in Friday's paper. It helped her appreciate how massive a project this is. The community will have to put on some pressure to get it moved forward and help with the funding. We will be lucky to get this completed by 2015.

P. COUNCIL COMMENTS

20. Council Comments

Beedle stated that there is lots of time being put into the black highway he would like to see more consideration put into the blue highway. He would like the Harbor commission to be used more.

Cheshier stated that this year the roads are tough so be careful.

Allison wished everyone a Merry Christmas and was thankful for his Christmas gift.

Reggiani was also thankful for his gift and welcomed **Lynch** back from vacation. He offered compliments to the City crew and added that he hopes we are putting some pressure on the State to get those road fixed.

Bradford welcomed Katrina to Cordova. He stated that he is a supporter of the Aurora coming back to town for winter service. Merry Christmas!

Van den Broek wished everyone a Merry Christmas! He added that the proclamations should be read at the next meeting when it can be on the radio.

Q. EXECUTIVE SESSION

21. Cordova Center Financial Update

M/Bradford S/Reggiani to go into executive session subjects that may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government specifically to hear a Cordova Center Financial Update.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

Council took a 5 minute recess at 9:40 pm; Council entered executive session at 9:46 pm; Council came out of executive session at 10:12 pm

R. ADJOURNMENT

M/Allison S/Reggiani to adjourn the regular meeting at 10:13 pm

Hearing no objection. Motion approved.

Approved: February 1, 2012

Attest: _____

Robyn Kincaid, Deputy City Clerk

**CITY COUNCIL PUBLIC HEARING
JANUARY 4, 2012 @ 7:15 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor Kallander called the Council public hearing to order at 7:15 pm on October 5, 2011, in the Library Meeting Room.

B. ROLL CALL

Present for roll call were **Mayor James Kallander** Council members, **David Allison**, **Bret Bradford**, **EJ Cheshier**, **David Reggiani** and. Council Members **James Kacsh**, **Keith van den Broek** and **Robert Beedle** were absent. Also present was City Manager **Mark Lynch** and City Clerk **Susan Bourgeois**.

C. PUBLIC HEARING

1. Ordinance 1089 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots one through four, Block Forty-two, Cordova Townsite to Leo Americus
2. Substitute Ordinance 1091 An ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters
3. Ordinance 1092 An ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code 14.28.005, definitions; and amending Cordova Municipal Code 14.28.010, Community Health Services Board, 14.28.020, Administration, and 14.28.050, Schedule of Revenue, to provide for the City Council to contract for administration of the Cordova Community Medical Center
4. Ordinance 1093 An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City Manager may execute, and award by open market procedure, without City Council approval

Mayor Kallander opened the meeting up for public comment – there was no public comment

Council members **van den Broek** and **Beedle** both arrived at 7:18pm.

Council recessed the public hearing at 7:22 pm; then reconvened at 7:29 pm at which time **Mayor Kallander** reopened the meeting for public comment – there was still no public comment

D. ADJOURNMENT

M/Reggiani S/Allison to adjourn the Public Hearing

Hearing no objection, the Public Hearing was adjourned at 7:32 pm.

Approved: February 1, 201

Attest: _____
Susan Bourgeois, City Clerk

**CITY COUNCIL REGULAR MEETING
JANUARY 4, 2012 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kallander called the Council Regular Meeting to order at 7:30 pm on January 4, 2012, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Pastor Dave Dial led the audience in an invocation

Mayor Kallander led the audience in the Pledge of Allegiance

C. ROLL CALL

Present for roll call were *Mayor James Kallander* Council members *Keith van den Broek*, *David Allison*, *Bret Bradford*, *EJ Cheshier*, *David Reggiani* and *Robert Beedle*. Council member *James Kacsh* was absent. Also present were City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/van den Broek to approve the Regular Agenda

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST – None**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speakers - None

2. Audience comments regarding agenda items

Luke Borer, Old Sawmill Rd, asked Council to approve his high bid for the dumping diesel flatbed truck. He pointed out that there was no minimum bid listed on the application. He listed similar vehicles he had found online for similar prices that he had bid.

3. Chairpersons and Representatives of Boards and Commissions

HSB, *Allison*, reported that *Susan Humphrey-Barnett* and two others were in town looking the facility over. They will be advertising next week for an administrator to be hired by March 1st.

G. APPROVAL OF CONSENT CALENDAR

Mayor Kallander informed Council that the Consent Calendar was before them.

Council chose to pull 7 from the Consent Calendar and insert it as 20a.

4. Ordinance 1089

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots one through four, Block Forty-two, Cordova Townsite to Leo Americus – 2nd reading

5. Substitute Ordinance 1091

An ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters – 2nd reading

6. Ordinance 1092

An ordinance of the City Council of the City of Cordova, Alaska, enacting Cordova Municipal Code 14.28.005, definitions; and amending Cordova Municipal Code 14.28.010, Community Health Services Board, 14.28.020, Administration, and 14.28.050, Schedule of Revenue, to provide for the City Council to contract for administration of the Cordova Community Medical Center – 2nd reading

~~7. Ordinance 1093~~

~~An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City Manager may execute, and award by open market procedure, without City Council approval – 2nd reading~~

8. Resolution 01-12-03

A resolution of the City Council of the City of Cordova, Alaska, directing the City Clerk to prepare and publish a certified copy of the foreclosure list of delinquent real property taxes for the year 2011

9. Resolution 01-12-04

A resolution of the City Council of the City of Cordova, Alaska, designating asset allocation for investment of the City's General Reserve (Permanent) fund

10. Waive right to protest renewal of liquor licenses for the following

- a) Alaskan Hotel & Bar – beverage dispensary Lic #40
- b) Alaskan Hotel & Bar – package store Lic #41
- c) Laura's Liquor Shoppe – package store Lic # 911
- d) The Gandy Dancer Bar – beverage dispenser seasonal Lic # 2587
- e) Ambrosia Restaurant – restaurant/eating place Lic #3226

11. Record unexcused absence of Council member James Kacsh from 12/21/11 Regular Council Meeting

Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Kacsh). Cheshier – yes; Reggiani – yes; Beedle – yes; van den Broek – yes; Allison – yes and Bradford – yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES - None**I. CONSIDERATION OF BIDS – None****J. REPORTS OF OFFICERS**

12. Mayor's Report

Mayor Kallander reported that he had met with **Zamarron** and **Lynch** in regards to the snow issue and advocated higher pay for shoveling, equipment and operators. He talked with **Bitney** about funding for the hospital roof and making sure that funding is secure. He had a meeting on the breakwater progress. He worked with **Lynch** on developing an RFP for the Sound Developer and the Spartan. He worked with **Muma** and **Lynch** on developing an RFP for the North Launch Ramp. They have received the corps permit to go forward on that project. He added that redistricting looks good and he is optimistic.

13. Manager's Report

Lynch reported that he had talked with **Bitney** in regards to the capital priorities list. Not all of the items have write ups completed yet. He and **Mayor Kallander** worked on the RFP for cleaning the Spartan and the Sound Developer as well as a Dock RFP and the breakwater RFP. He is considering declaring an emergency if the snow load continues. Council discussed stopping harbor and garbage services for a few days in order to address the snow. The avalanche gates are down.

14. City Clerk's Report – written report in packet

DOT is bringing 6 people into town for the town meeting before the Regular Council meeting. Council chose to have the meeting at Mt. Eccles commons. **Bourgeois** asked if they want an electronics policy for meetings. **Van den Broek** stated that there was a public concern with the transparency and the open meetings act with texting and chatting during a meeting. Council asked the Clerk to look into legality.

15. Staff Reports

- a. **Josh Hallquist**, COR, Cordova Center Project – not present
- b. **Cathy Sherman**, Cordova Center update

They are operating with a skeleton crew working on welding right now. They will have a meeting on masonry and roofing on the 19th and 20th. The window submittals are still out there. Phase II. They are getting close estimates so we can break it down.

c. **John Bitney**, City Lobbyist

K. CORRESPONDENCE

- 16. Letter from NOAA with proposed regulations regarding Chinook salmon by-catch
- 17. Letters from Mayor to Sen. Murkowski & staff in re Sound Developer
- 18. Letter from Kory and Jeannie Blake in re unrestrained animals

L. ORDINANCES AND RESOLUTIONS

19. Resolution 01-12-01

A resolution of the City Council of the City of Cordova, Alaska, authorizing the management contract between Providence Health and Services-Alaska and the City of Cordova

M/Allison S/Bradford to approve resolution 01-12-01, a resolution of the City Council of the City of Cordova, Alaska, authorizing the management contract between Providence Health and Services-Alaska and the City of Cordova

Allison pointed out that the notes from the HSB had been addressed and it looks good to the attorneys. He thinks there will have to be some further addressing later on with charter, code and the fiscal years being different. He is supportive of the contract.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

20. Resolution 01-12-02

A resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects

M/Allison S/van den Broek to approve resolution 01-12-02, a resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects as listed: 1. Hospital roof replacement & other minor exterior repairs 2. Electronic Health Records at CCMC 3. South Fill Expansion & Sawmill Avenue Extension 4. Shipyard Building 5. Shipyard Fill 6. G Float Replacement 7. Municipal Dock (Ocean Dock) Renovation 8. South Fill Sidewalks 9. Public Safety Building 10. Recreation building 11. Water/Wastewater Plant upgrades 12. Ferry Trail

Allison stated that the list he made a motion for was the list that the *Mayor* and *Bitney* discussed. He feels they should take the advice of their highly paid lobbyist as to how to order the items. *Bradford* stated he will support this and appreciates *Bitney* and the *Mayor's* work on putting the list in a good order. *Van den Broek* asked about a harbor feasibility study. The answer was that Council chose to pay out of the budget to start the process on the feasibility study.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

20a. Ordinance 1093

An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a contract that the City Manager may execute, and award by open market procedure, without City Council approval – 2nd reading

M/Reggiani S/Allison to approve Ordinance 1093, an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code 5.12.040, Council approval of contracts; 5.12.050, contract amendments; and 5.12.140, open market procedure; to increase to \$25,000 the amount of a

contract that the City Manager may execute, and award by open market procedure, without City Council approval – 2nd reading

Reggiani overviewed that this ordinance was discussed in a workshop with the City Attorney in connection with Ordinance 1092 as a result of the contract with Providence. **Beedle** asked for some sort of report to be brought to Council if the City Manager has to go this high. **Bradford** stated that any spending is reported in the quarterly budget report that is already brought to Council.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Reggiani – yes; Beedle – yes; van den Broek – yes; Allison – yes; Bradford – yes and Cheshier – yes. Motion passes.

M. UNFINISHED BUSINESS

21. Performance Deed of Trust Foreclosure policy

Greenwood informed Council that there are three different options Council can choose from for the foreclosure process. She previewed the three options for Council: liquidated damages, foreclosure with no performance deed of trust, or the ability to negotiate a performance deed of trust that would be negotiated with the City Manager and the City Attorney. The Attorney feels that leaving it as a policy allows for some flexibility but it is up to Council if they would like it to be code or policy. **Reggiani** stated that he felt like the second option gives Council the flexibility on a case by case basis. He added that leaving it as policy gives Council some flexibility. **Cheshier** and **Allison** agreed with **Reggiani**. Council concurred to have the Attorney draft a policy.

N. NEW & MISCELLANEOUS BUSINESS

22. Council approval of sale of City surplus equipment and vehicles

Cheshier asked if there had been a minimum bid in the past. **Lynch** stated that it is in Code that it comes back to Council to approve or deny. **Cheshier** asked if there is a need for a dumping flatbed diesel this winter. **Zamarron** responded that it would get \$5000 worth of use.

M/Allison S/Cheshier to accept staff's recommendations on the bids.

Beedle stated that it was up for bid with no minimum bid. **Zamarron** responded that if they had put the minimum dollar out there then everyone will shoot for that amount. If it is left open then we may get more money for it. The City has used this vehicle for \$25,000 worth since putting it up for bid. **Mayor Kallander** asked if the bidders had been notified that the bid could be rejected. **Zamarron** responded that they were handed a piece of paper that stated that on it. **Van den Broek** asked what will happen to the vehicles whose bid is rejected. **Zamarron** responded that they will probably go through the same process at a later date.

Vote on motion: 5 yeas, 1 nay (Beedle), 1 absent (Kacsh). Motion passes.

23. Pending Agenda and Calendar

The DOT town meeting will be 6:00 pm on the 18th

Declaration of Candidacy opens a week from yesterday.

February 7-9 is AML in Juneau, **Lynch** is unsure if he will be going or not

O. AUDIENCE PARTICIPATION - None

P. COUNCIL COMMENTS

24. Council Comments

Beedle stated he is glad he doesn't work for the City because there is a lot of snow. Crews are doing a good job. Happy New Year!

Bradford told **Zamarron** that his crew is doing a great job.

van den Broek stated that there are dangerous snow conditions, everyone look up.

Reggiani agreed that the snow crews are doing a great job. We appreciate it very much.

Council took a 5 minute recess at 8:36 pm and came back at 8:46 pm

Q. EXECUTIVE SESSION

25. Cordova Center Financial Update

M/Allison S/van den Broek to enter into executive session to discuss the Cordova Center financial update; subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

Into executive session at 8:46 pm; out of executive session at 9:06 pm

26. Union contract negotiations

M/Allison S/Cheshier to enter into executive session to discuss the union contract negotiations. Subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

Into executive session at 9:06 pm; out of executive session at 9:32 pm

27. Personnel matter

M/Reggiani S/Cheshier to enter into executive session to discuss the personnel matter the Clerk has brought before Council regarding the Clerk's contract. Subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

Into executive session at 9:32 pm; out of executive session at 10:37 pm

R. ADJOURNMENT

M/Allison S/Bradford to adjourn the regular meeting at 10:38 pm

Vote on motion: 6 yeas, 0 nays, 1 absent (Kacsh). Motion passes.

Approved: February 1, 2011

Attest: _____
Robyn Kincaid, Deputy City Clerk

**CITY COUNCIL SPECIAL MEETING
JANUARY 09, 2012 @ 12:30 PM
CITY HALL CONFERENCE ROOM
MINUTES**

A. CALL TO ORDER

Mayor Jim Kallander called the Council Special Meeting to order at 12:30 pm on January 09, 2012 in the City Hall Conference Room.

B. ROLL CALL

Present for roll call were *Mayor Jim Kallander* Council members *Keith van den Broek*, *Bret Bradford*, *EJ Cheshier*, *David Reggiani* and *Robert Beedle*. Council Members *Jim Kacsh* and *David Allison* were absent. Also present were City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

C. APPROVAL OF AGENDA

M/Reggiani S/Bradford to approve the agenda
Hearing no objection, motion passed.

D. DISCLOSURES OF CONFLICTS OF INTEREST - None**E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience comments regarding agenda items. – No audience was present

F. NEW BUSINESS

3. Council briefing from EMO (Emergency Management Organization) on events to date

Mayor Kallander asked that this agenda item come first so that *Lynch* (Incident Commander) and *Zamarron* (operations section chief) and other EMO members could get back to work on the emergency.

Zamarron said that the State of Alaska had sent a contractor over with quite a bit of equipment last night - came over on AML at about 11pm. There are two large loaders, two medium loaders, a grader, a dump truck and a snow melt machine. This snow melter could be a good test for us to see how well this works and whether it could be useful for us in the future. The National Guardsmen are all over town, pretty impressive. At our City Shop, there are ten USCG mechanics turning wrenches – our City mechanic broke his hand the other day but is able to be there directing the men.

Lynch said that Friday everyone woke up to lots of snow, there were some State Emergency Management officials in town for a training session and the Mayor and he and they all met at City Hall and began preparations, phone calls, etc. in order to declare an emergency – mainly to help get State funding, equipment and manpower assistance. The declaration of the emergency was signed at 11:30 am. Most of Friday and Saturday was spent in meetings getting the command center up and running – getting all the section chiefs in place. A small avalanche has come down – 2 nights ago – wasn't as big as first anticipated – it stayed inside the loop road. There are State avalanche experts in town, Para-rescue experts and our own contracted avalanche expert, *Steve Witsoe*, who are all surveying the avalanche dangers.

Council asked questions of *Lynch*. *Van den Broek* wondered the fuel capacity situation in town – *Lynch* said that Shoreside said they have 260,000 gallons on hand and another barge coming in on January 20 – shouldn't be a problem. The diesel concern first existed because CEC is on straight diesel while both hydro plants are down. However, *Clay Koplin* says they are trying to remedy that. *Cheshier* said he has been hearing from many concerned parents about school roof-load situation. *Lynch* responded that the high school is top priority and then Mt. Eccles right after that. *Lynch* said he thinks that we will recommend school not reopen until the roofs are cleared.

Mayor Kallander asked Council to attend one or more of the 8AM Incident Command meetings (15 – 20 minutes) where each of the section chiefs is in attendance and briefings take place of the day's prioritized schedule.

Ashley Royal gave an update on the financial side of things. We are hoping to gather documentation that would put this disaster back to 12/12/2011.

The Governor has yet to declare us as a disaster area.

Allen Marquette is the acting PIO (public information officer). He is in charge of all the press releases, TV, radio, written media all funnels through him. He reported that between November 1 and January 8, Cordova received 14 feet 8 inches of snow and 44 inches of rain.

Joanie Behrends spoke about the ICS system and thanked Council for putting up for all the training requests because it has paid off. She said it was an amazing accomplishment what has transpired here in the first 24 hours. She will ensure that Council will get on an email list for updates.

2. Resolution 01-12-05

A resolution of the City Council of the City of Cordova, Alaska approving the Mayor's and the City Manager's disaster emergency declaration of January 6, 2012 due to excessive snowfall.

M/Allison S/Kacsh to approve Resolution 11-11-42, a resolution of the City Council of the City of Cordova, Alaska approving the Mayor's and the City Manager's disaster emergency declaration of January 6, 2012 due to excessive snowfall.

Vote on motion: 5 yeas, 0 nays, 2 absent (Kacsh, Allison). Motion approved.

G. COUNCIL COMMENTS

Mayor Kallander mentioned that we have been trying to get in touch with the Governor but he is in Nome because the Russian tanker is getting there. He has instead been in close contact with **Randy Ruaro** in the Governor's office.

Beedle asked that the City find a way to account for all the volunteer hours that have gone into the emergency.

Mayor Kallander mentioned that he had gotten **Vice Mayor Reggiani** up to speed but that he had medical appointments to keep and would be flying out later today. **Reggiani** said he would like to meet at least weekly during this to stay on top of developing events and to be available if any decision-making on the Council's part was necessary.

H. ADJOURNMENT

M/Reggiani S/Bradford to adjourn.

Hearing no objection the meeting was adjourned at 2:22 pm.

Approved: February 1, 2012

Attest: _____
Susan Bourgeois, City Clerk

**CITY COUNCIL SPECIAL MEETING
JANUARY 11, 2012 @ 7:00 PM
PWSAC CONFERENCE ROOM – 500 FIRST ST
MINUTES**

A. CALL TO ORDER

Vice Mayor David Reggiani called the Council Special Meeting to order at 7:03 pm on January 11, 2012 in the PWSAC Conference Room at 500 First Street in Cordova.

B. ROLL CALL

Present for roll call were Council members **Keith van den Broek**, **David Allison**, **Bret Bradford**, **EJ Cheshier**, **David Reggiani** and **Robert Beedle**. Mayor **Jim Kallander** and Council Member **Jim Kacsh** were absent. Also present was City Clerk **Susan Bourgeois**.

C. APPROVAL OF AGENDA

M/Cheshier S/Allison to approve the agenda; Hearing no objection, motion passed.

D. DISCLOSURES OF CONFLICTS OF INTEREST - None**E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Audience comments regarding agenda items. – No audience was present

F. NEW BUSINESS

2. Council briefing from EMO (emergency management organization)

Tim Joyce, former Mayor and PIO (public information officer) for the EMO (emergency management organization) was present to update Council. He gave an overview – said that the City Manager is the lead of the system – the Incident Commander, and there are section chiefs such as Planning, Logistics, Operations, etc. – he is the PIO today – otherwise it has been **Allen Marquette** acting in that capacity at the EOC (Emergency Operations Center). He said there has been worldwide interest in this story. He and Allen have participated in interviews with media from London, Sweden and Russia. The snow shovel issue became a bit misinterpreted because we were looking for scoops and we had a great response from hardware stores, etc. wanting to send shovels. The company that makes these is **Garant** in Quebec and they are in the process of making 72 scoops and will send to us 2-day air – hopefully by the weekend. Avalanche issues are as follows – three avalanches have reached the highway – nothing too severe. However, now the bowl above is filled so if another one occurs it will have nowhere to go but down. With the road closed, **van den Broek** asked about the talk of bringing a USCG helicopter in for emergencies. **Joyce** said there is a fishery open in the Bering Sea and the USCG helicopter needs to be there and isn't willing to sit in Cordova for a just-in-case scenario – and the road has been opened for daytime traffic and could be reopened any day. The local USCG guys have been great – shoveled the harbor floats and have helped with mechanics in our City shop.

All main roads are now two-lanes – Lake Ave, Whitshed, CRH. The snow melter is at the High School to clear up the land around the school so the roof can continue to be shoveled off. Porterhouse apartments were evacuated because of a safety concern. Some of those residents are at shelters now – before they can return to that building the owner must have a structural engineer evaluate the building for safety. AC is closing because of the weight of snow on its roof as well – the rain on top has caused that. Other structural damage around town has been at the CoHo, Copper River's warehouse, First National Bank and Wells Fargo. At this point the City is collecting as much information from citizens, business owners as possible on the cost of damages they have incurred.

van den Broek asked **Joyce** if there is a funding pool available that will help citizens recoup the costs here. **Joyce** said that to get FEMA to come in and assist, there needs to be a minimum amount of damage and Cordova will never reach that minimum. If Valdez and Yakutat were to declare emergencies as well, maybe regionally, we could meet the threshold for FEMA to come in and assist. **Joyce** said we are still in trouble, side streets are mostly still single lane. The National Guard is looking to be here through the weekend at least.

Council and **Joyce** mentioned letters of recognition for the guardsmen or to their commander – when this is all over. It was mentioned too that it might be smart to cc such letters to our Congressional delegation.

Beedle said he had a concern about the harbor freezing up because of the huge amount of snow that has been dumped into it and with the very low temperatures that are being forecast.

Reggiani said that he hoped that the meeting would go in this direction; that the different Council members would bring up some of the concerns that they have experienced, or heard about so that we could all bring such items to the 8:00 am meetings for the EMO to tackle.

Beedle said he also thought there needs to be attention paid to the parking areas in the new harbor. He said those are businesses that people need to get to – i.e. their boats – doesn't seem fair that we are helping shovel off businesses uptown and we don't even make parking spots for those to access their own businesses at the harbor. **Beedle** had a concern about the Police that were stopping people at the five mile loop road. He just wished someone would get the word to them to put on some reflective gear or something because they were practically invisible (seemed dangerous). He was also concerned about neighborhoods being one-lane roads still. **Joyce** said that is a plan to get to the neighborhoods as soon as possible and open up the roads wider.

Cheshier said he thinks we have a long way to go – snow is everywhere – there is no place left to put it.

3. Resolution 01-12-06 a resolution of the City Council of the City of Cordova, Alaska, supporting Cordova School District's emergency weather closure of Cordova City Schools

M/Allison S/Bradford to approve Resolution 01-12-06, a resolution of the City Council of the City of Cordova, Alaska supporting Cordova School District's emergency weather closure of Cordova City Schools.

Reggiani said that a gap he saw once the declaration of the emergency was made was that the School District and the City were not in close enough contact. He instituted a daily meeting of School Board President (**Pete Hoepfner**) himself, Superintendent **Nygaard** and the City Manager. He said the meetings have been good – the City has been able to inform the schools of the safety of the buildings and then good decisions can be made. **Nygaard** decided to close the schools for the remainder of the week. It is looking really good that the schools can and will reopen on Monday. The concern at the school district was that Cordova does not build snow days into its calendar and therefore, is fearful of when and how these days can be made up. That is where this resolution could help it could support the school district with the Commissioner of Education – who has the ability to forgive the district a few of the days.

Vote on motion: 5 yeas, 0 nays, 2 absent (Kacsh, Allison). Motion approved.

G. AUDIENCE PARTICIPATION – no audience was present

H. COUNCIL COMMENTS

Cheshier appreciates the City crews – all working really hard – he thanks them

Bradford went to the 8am briefing – all went smoothly – hard work by department heads, training is really paying off. He thanked **Tim** for filling in as well as PIO.

van den Broek he also attended the morning meeting and said it appears to be a well-oiled machine – very impressive.

Allison said ditto on all the thanks – he agrees with **Cheshier's** earlier comment that we are a long way from done.

Beedle appreciated all the experience in town – he likes the hotline, fewer rumors, people can get the facts.

Reggiani said he would pass on the kudos at tomorrow's 8am meeting.

I. ADJOURNMENT

M/Allison S/Bradford to adjourn. Hearing no objection the meeting was adjourned at 8:10 pm.

Approved: February 1, 2012

Attest: _____

Susan Bourgeois, City Clerk

**CITY COUNCIL REGULAR MEETING
JANUARY 18, 2012 @ 7:00 PM
PWSAC CONFERENCE ROOM – 500 FIRST ST
MINUTES**

A. CALL TO ORDER

Vice-Mayor David Reggiani called the Council Regular Meeting to order at 7:00 pm on January 18, 2012, in the PWSAC Conference Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Vice-Mayor Reggiani led the audience in the Pledge of Allegiance.

C. ROLL CALL

Present for roll call were Council members *Keith van den Broek, James Kacsh, Bret Bradford, EJ Cheshier, David Reggiani* and *Robert Beedle*. Mayor *James Kallander* and Council member *David Allison* were absent. Also present were City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

M/Kacsh S/van den Broek to approve the Regular Agenda.

Vote on motion: 6 yeas, 0 nays, 1 absent (Allison). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST – None**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speakers - None
2. Audience comments regarding agenda items - None
3. Chairpersons and Representatives of Boards and Commissions - None

G. APPROVAL OF CONSENT CALENDAR

4. Record unexcused absence of Council member James Kacsh from 01/04/12 Regular Council Meeting
Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Allison). Cheshier – yes; Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes and Bradford – yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Kacsh S/Beedle to approve the minutes.

5. November 17, 2011 Budget Work Session Minutes
6. December 21, 2011 Regular Meeting Minutes

Vote on motion: 6 yeas, 0 nays, 1 absent (Allison). Motion passes.

I. CONSIDERATION OF BIDS - None**J. REPORTS OF OFFICERS**

7. Mayor's Report - None

8. Manager's Report

Lynch reported that they have declared a snow emergency. The RFP's for cleaning the Spartan, the removal of the Spartan and the Sound Developer, the breakwater and fill project are out. *Reggiani* thanked *Lynch* stating that he has done a wonderful job being the IC (Incident Commander) for the EOC (Emergency Operations Center) and went above and beyond the call of duty. He added that everyone in the EOC did a wonderful job. *Cheshier* asked about the contract for the hospital. *Lynch* responded that Providence has signed their side; it is currently in the mail.

EOC (Emergency Operations Center) update

Lynch reported that **Chief Mike Hicks** took over as IC for the last two days so **Lynch** could do some of his regular duties. The EOC is a long ways from being over but The National Guard is home. ASR (Alaska Snow Removal) leaves tomorrow. Planning and Logistics have been demobilized. **Cathy Sherman** stated that they are working on winding things down but not closing up shop yet. They want to get the snow dumps at 50% capacity. They are trying to get back to business as usual. **Bradford** asked about the evacuees from Porterhouse. **Sherman** responded that Red Cross back-up has arrived at 5:00 pm and the City is turning the sheltering responsibility over to them. Everyone is safe and sound and now we are turning it over to the Red Cross. The owner needs to have the building inspected by a structural engineer and approved by the State Fire Marshal before it can be re-opened. **van den Broek** stated that the initial disaster declaration was for 60 days unless rescinded. He asked if there will have to be a special meeting to rescind it. **Lynch** responded that parts of the emergency will be continuing for a while. As far as the official Council action that can probably wait a few weeks.

9. City Clerk's Report – None

10. Staff Reports

- a. **Josh Hallquist**, COR, Cordova Center Project
- b. **Cathy Sherman**, Cordova Center update

Quarterly Reports – 4Q, 2011

- a. **Dale Muma**, Harbormaster

K. CORRESPONDENCE

11. Thank you letter from NVE for Sobriety Celebration donation

12. Email from Resurrection Bay Conservation Alliance January 11, 2012 in re Jet Ski race

Lynch asked Council for their thoughts on the Jet Ski race. **Bradford** stated that he thought it was a good opportunity but suggested putting it on a future agenda for discussion when we can have more information. **van den Broek** would like to hear the Chamber of Commerce opinion on the matter.

L. ORDINANCES AND RESOLUTIONS – None

M. UNFINISHED BUSINESS – None

N. NEW & MISCELLANEOUS BUSINESS

13. Pending Agenda and Calendar

O. AUDIENCE PARTICIPATION – None

P. COUNCIL COMMENTS

14. Council Comments - None

Q. ADJOURNMENT

M/van den Broek S/Bradford to adjourn the regular meeting at 7:22 pm

Hearing no objection. Motion approved.

Approved:

Attest: _____

Robyn Kincaid, Deputy City Clerk



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

January 25, 2012

Memo to City Council
Re: Cleaning of Vessel Spartan

CMC 5.12.040 “Council approval of contracts” says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

I recommend the city enter into a contract with Alaska Marine Response of Cordova, Alaska, to perform cleaning of the vessel Spartan in preparation for salvage as set forth in their Proposal Letter (Exhibit A) and RFP #01-12 (Exhibit B).

The contract price is \$11,800.00.

The nature and quantity of the performance the city shall receive is set forth in the attached Proposal Letter (Exhibit A) and RFP #01-12 (Exhibit B).

The time for performance is for all work to be completed not later than March 1, 2012 as set forth in RFP #01-12 (Exhibit B).

Recommended action: Voice Vote.

I move to direct the City Manager to accept the proposal by Alaska Marine Response per the terms of their Proposal Letter (Exhibit A) and RFP #01-12 (Exhibit B) for cleaning of the vessel Spartan for the total sum of Eleven Thousand Eight Hundred Dollars (\$11,800.00).

Thank you,
Mark Lynch
City Manager

Exhibit A

Alaska Marine Response LLC

P.O. Box 1834 Cordova, AK 99574
(907) 424-7424 alaskamarineresponse@gmail.com

January 25, 2012

City of Cordova
Mark Lynch
City Manager
PO Box 1210
Cordova, AK 99574

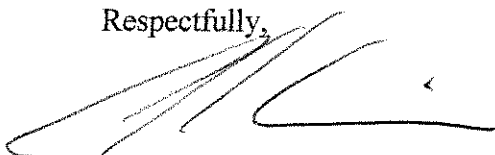
Dear Mr. Lynch

Included is Alaska Marine Response's proposal for the RFP# 01-12. After further investigation we have increased our proposal cost to \$11,800.00 from our initial estimate. We have included the cost of containment tanks for the volume of waste fuel and the city vacuum truck in this total. We will be using local hire and local resources.

We request that the City remove snow from the port side of the Spartan to allow near access to the vessel.

Thank you for the opportunity to be of service.

Respectfully,



Andrew Craig
Member

EXHIBIT B

City of Cordova
Cordova, Alaska
Harbor Department
Request for Proposal # 01-12
Cleaning of vessel "Spartan"
REQUEST FOR PROPOSAL

The City of Cordova is requesting written proposals from qualified vendors interested in substantial removal and disposal of all oily products and recyclables from [vessel] Spartan located in dry dock in the Cordova boat storage facility. Sealed proposals, plainly marked, "RFP #01-12 - SPARTAN CLEANING" addressed to the City Manager, City of Cordova, P.O. Box 1210, Cordova, AK 99574 will be accepted until 2:00 p.m. January 25, 2012. PROPOSALS RECEIVED AFTER 2:00 P.M. WILL NOT BE CONSIDERED.

Copies of this RFP may be obtained at the front desk of Cordova City Hall, or from citymanager@cityofcordova.net, or by calling (907) 424-6200.

The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to accept any proposal that is in the best interest of the City and to negotiate the terms and conditions of any proposal leading to acceptance and final execution of a contract for services.

If you have any questions pertaining to the submittal and review process of City bids please contact the City Manager at the following number: 907-424-6200.

The City welcomes potential Contractors to visit the Cordova Boat Storage area to better understand the dynamics, operations, location and access throughout the facility. To arrange for a visit or if you have any questions pertaining to the specifics of this RFP and the scope of services, please contact the Harbormaster, Dale Muma at the following number: 907-424-6400.

I. INTENT OF SOLICITATION

The City of Cordova (City) is soliciting competitive proposals from qualified contractors to remove and dispose of all substantial oily products and recyclables from the [vessel] Spartan located in dry dock at the Cordova Boat Storage area adjacent to the City's Boat Haulout Facility. This will include removal of all: batteries, electronics, fuel, lubricating, steering, waste and hydraulic oils and oily bilge slops. The City seeks a contractor who will work cooperatively with the City to meet the City's objective to clean this vessel in preparation of salvage and removal. Additional service requirements will be found in SECTION III, SCOPE OF SERVICES.

II. BACKGROUND

The Spartan is a vessel approximately 79' in length and 22' beam, estimated at 150 tons and currently in dry dock in the Cordova boat storage area. The vessel has been in dry dock since approximately April 1, 2010 after it partially sank in Cordova Harbor. The amount and degree of contaminants onboard are unknown to the City and should be established by Contractor prior to bidding via site visit and inspection.

III. SCOPE OF WORK

Removal and disposal of all substantial oily products and recyclables from the [vessel] Spartan located in dry dock at the Cordova Boat Storage area adjacent to the City's Boat Haulout Facility. This will include removal of all: batteries, electronics, fuel, lubricating, steering, waste and hydraulic oils and oily bilge slops. Contractor shall be solely responsible for the safety of Contractor's employees and others relative to Contractor's work, work procedures, material, equipment, transportation, signage and related activities and equipment. Contractor shall operate in compliance with all State and Federal regulations. Contractor shall possess and keep in force all licenses, business permits and other permits required to perform the services of this Agreement. Work shall be completed no later than March 1, 2012.

IV. SUBMITTAL REQUIREMENTS

Each Vendor shall submit two (2) original signed copies of its proposal. The proposal shall be submitted in the following manner:

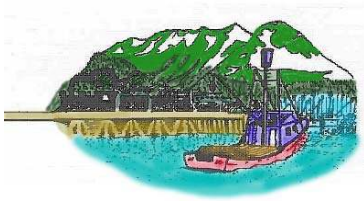
1. Contractor Description. Provide a description and history of the Contractor emphasizing the Contractor's resources and expertise in the area(s) relevant to this RFP. In addition, identify the person(s) who has decision-making authority for the Contractor; and who will be the Contractor's primary contact person(s) with the City.
2. Proposals
 - Clearly state the total cost to the City for completion of all work.
 - Provide evidence of liability insurance, and worker's compensation insurance if applicable.

V. SELECTION CRITERIA

Each proposal shall be evaluated based on the following criteria based on the following sections of Cordova Municipal Code (CMC):

1. Total cost of Proposal to the City; (CMC 5.12.120(A))
2. Contractor's qualifications and responsibility. (CMC 5.12.170)
 - a. The skill and experience demonstrated by the bidder in performing contracts of a similar nature;
 - b. The bidder's record for honesty and integrity;
 - c. The bidder's capacity to perform in terms of facilities, equipment, personnel and financing;
 - d. The past and present compliance by the bidder with laws and ordinances related to its performance under the contract; and
 - e. The bidder's past performance under city contracts. If the bidder has failed in any material way to perform its obligations under any contract with the city, the city manager may consider the bidder to be not responsible.
 - f. The bidder's past performance of financial obligations to the city. If at the time of award the bidder is delinquent, overdue or in default on the payment of any money, debt or liability to the city, the city manager shall consider the bidder to be not responsible.

Proposals will be opened at the front desk in City Hall on January 25 at approximately 2:05 P.M. A contract may be awarded by City Council on February 1, 2012 if recommended by City Manager. The City of Cordova reserves the right to reject any and all proposals, to waive technical or legal deficiencies, to make such investigation as it deems necessary to evaluate Contractor's qualifications, to accept any proposal that may be deemed in the best interest of the City and to negotiate terms and conditions of any proposal leading to acceptance and final execution of a contract for services.



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574

Phone: (907) 424-6200
Fax: (907) 424-6000
Email:

citymanager@cityofcordova.net

CITY OF CORDOVA

Office of City Manager

January 25, 2012 Manager's Report (for 02/01/12 Council meeting)

Personnel issues: We are currently in the process of hiring a Library Director, IT leader, and several Public Works positions.

Union Contract: This is consuming the majority of my time currently. I have met with Union representatives on several occasions and am working towards agreement on numerous issues. I have meetings with them again January 30 & 31.

Hospital Contract: Contract signed by both Providence and myself. Copy returned to Providence. Providence is scheduled to begin management on March 1, 2012.

PERS: Termination study underway. Resolution to remove administrator from Hospital PERS agreement will be forthcoming.

Sound Developer: Considering re-advertisement of the RFP for disposal.

Spartan: Memo for cleaning in packet. Considering re-advertisement of the RFP for disposal.

Breakwater/Fill: RFP is currently being advertised.

North Fill Floating Dock: Permit request has been submitted to the Corps and is currently in public comment phase. We expect to receive permit by end of February.

Snow Emergency: A lot of staff time continues to be devoted to this matter. We continue to hire snow shovelers to keep snow off of City buildings. Public Works crews are working very hard to keep streets open and services operating.



City of Cordova,
Office of the City Clerk
Cordova, AK 99574
602 Railroad Avenue * PO Box 1210

Phone: 907.424.6248
Fax: 907.424.6000
Cell: 907.253.6248
E-mail: cityclerk@cityofcordova.net

CITY CLERK'S REPORT TO COUNCIL

February 01, 2012 Regular Council Meeting

Date of Report: January 26, 2012

Need feedback on this:

- Will not be in attendance at this meeting – on vacation (woohoo!) be nice to **Robyn** in my absence – I am confident she can run the office while I am gone

Things I have been working on:

- prepared resolution/conferred with attorney/vice Mayor/ Manager/ City staff members on other agenda items
- worked with police department and finance on liquor license renewal agenda item
- contacted Election Board members – will have Council confirm Mayor's appointment of the Board at February 15 meeting
- signed paychecks/other AP checks
- reminded department heads for quarterly reports for February 1 meeting packet
- prepared agendas and packets for work session on January 31 and regular meeting on February 1
- continued prep/advertising for March 2012 election – at time of writing of this report, only one declared of candidate (Dan Reum for School Board)
- electronics at meetings (i.e. cell phones/computers/ipads) – Holly and I intend to talk more about this
- met with Vice Mayor to discuss contract concerns; contract is being honed by attorney; will bring back to Council as soon as possible; maybe March 7 regular meeting
- submitted quarterly APOC "employer of lobbyist" report
- GO GIANTS!!!



UBS Financial Services Inc.
3000 A Street, Suite 100
Anchorage, Alaska 99503

Anchorage Office

Fax. 907-261-5990

www.ubs.com

January 19, 2012

City Council Members and Staff
City of Cordova
602 Railroad Avenue
Cordova, Alaska 99574

Dear Council Members and Staff,

I will be present in person at the February 1st meeting to make a report directly to Council on Cordova's investment portfolios. I will also provide an update on the status of the securities based line of credit which the city has requested be established.

Before moving on to the investment portfolios, permit me to express my personal admiration for how the citizens, employees, and elected officials of Cordova responded to the recent state of emergency. It was also impressive to hear about the levels of cooperation and coordination among so many different local, state and federal agencies. I personally received a number of calls from friends and colleagues all across the country asking me if I'd heard about what was going on in some place called Cordova. It was with great pride that I could say I know so many of you and that if there's one community that can rally to such a crisis, it's Cordova. I well recall how the city rose to the occasion during the major disaster preparedness exercise just this past year. I'd like to now move on to the status of your investments.

As of December 31, 2011 the combined balance of all accounts held at UBS was \$16,409,037. Since year-end, the continued rally in the equity markets has brought the total up to \$16,491,243 as of January 18, 2012. Cordova's assets are distributed among six funded accounts. Four of these accounts are under active investment management, while the other two serve as cash management accounts, one each for the Central Treasury and Permanent Fund.

Of the four active investment management accounts, two are Central Treasury fixed income accounts, one short-term and the other intermediate-term, managed by Sage Investment Advisors. The other two actively managed accounts are Permanent Fund accounts, one of which is also a Sage managed intermediate-term fixed income account and the second is allocated to a balanced mutual fund portfolio. The Permanent Fund mutual fund program contains investments in global equity, fixed income and alternative investments funds.

Combined investment performance for all accounts for 2011 was .34%, as compared to the 2010 performance of 3.25%. The combination of the record low interest rates being paid on cash type investments (29.76% of the City's holdings) and the volatility in the global equity, fixed income and commodity markets made it very difficult to find positive returns in 2011. Fortunately, the strong performance of the fixed income accounts managed by Sage went a long way towards offsetting the poor returns on cash, the global equity investments and other capital markets.

The combined performance of the three Central Treasury accounts, comprised solely of cash and fixed income investments was 3.13%. Permanent Fund accounts returned -1.41% due to investments in global asset classes other than fixed income, which had a very difficult year in 2011. As an example, the MSCI All-Cap World index (ex-US) had a return of -13.3% in 2011. The Russell 2000 US Small-Cap index return was - 4.18%. Even the commodity indexes, which

had exhibited such strong previous performance, were down on average over 10%. In the US, the S&P 500 was one of the few benchmarks that managed to have a small gain of 2% for the year.

I will certainly remember 2011 as one of the most challenging years in my career. The volatility in all the markets was difficult to navigate, to say the least. August and September were two of the most volatile months back to back in market history. While we all hope for a better 2012, we are prepared to adopt a more defensive posture if required. We continually monitor your investments.

I have attached a consolidated performance report for all six accounts, as well as the performance reports for both the Central Treasury and Permanent Fund. I will review them in greater detail at next week's meeting. In addition I have included a report from our US Wealth Management Research team, entitled *2012 Outlook: Investing at the crossroads*.

As always, thank you again personally and on behalf of UBS for your trust and confidence.

Sincerely,

Buck

Buck Adams, CFP®, CIMA®, ChFC®
Senior Vice President – Investments
Senior Managed Accounts Consultant.

Attached: 2011 year-end performance reports,
Research report "Global risk watch", July 13, 2011

A global deleveraging of debt: *the broad trend that will long impact markets*

Valuable research and investment insights every month

January 2012



UBS Financial Services Inc.
KeyStone Wealth Management

Buck Adams, CFP®, CIMA®
Senior Vice-President
907-261-5944
buck.adams@ubs.com

Chad Adams, ChFC®
Portfolio Manager
907-261-5971
chad.adams@ubs.com

Judith Owens
Sr. Registered Client Service Assoc.
907-261-5913
judith.owens@ubs.com

Francoise Johnson
Client Service Associate
907-261-5993
francoise.johnson@ubs.com

3000 A Street
Suite 100
Anchorage, AK 99503-4040
907-261-5971 877-261-5971

ubs.com/team/keystone

UBS Wealth Management Research is the only team on The Street exclusively dedicated to the interests of individual investors. Here, we have distilled the salient points from one of WMR's latest research reports. How might these insights impact your portfolio's long-term investment strategy? Let's talk about it.

The following is condensed from *The great deleveraging*, a new report from UBS's Office of the Chief Investment Strategist, published January 6, 2012. The chapter below was authored by Mike Ryan, Head of Wealth Management Research–Americas.

For over a decade, households, financial institutions and governments have reaped the benefits from debt-fueled growth. Consumers continued to spend even as incomes stagnated, banks enjoyed a surge in profits by leveraging up balance sheets and governments expanded benefits and services at an explosive pace.

Now comes the hard part. Each of these sectors faces the prospects of having to wind down debt, rebuild capital and right-size services amid aging populations and diminished growth prospects across much of the developed world. While these balance sheet adjustments won't all happen at once – nor will they progress in precisely the same manner – they will pose significant challenges for elected officials, policymakers, investors and citizens of the world through much of this decade. This period of adjustment will likely be marked by periodic growth scares, choppy and volatile market conditions and dramatic changes in policy approaches.

Where is the leverage today? As noted, this debt reduction process will need to occur on several fronts: households, the financial sector and government. Consumer indebtedness reached record levels relative to both gross domestic product (GDP) and disposable income by 2008. While some progress has been made in the immediate aftermath of the Great Recession, the fact is that household balance sheets are still in need of repair and further deleveraging is necessary in the years ahead.

Bank balance sheets also expanded at an explosive pace in the period leading up to the global financial crisis amid inadequate regulatory oversight, the aggressive use of off-balance-sheet financing and an abundant supply of cheap credit. Despite early efforts by both the U.S. and U.K. to recapitalize their own banks, the fact is that the global financial system in general is still in need of further deleveraging. There is simply too much industry-wide capacity that will need to shrink over the next decade. The imposition of new capital guidelines and greater regulatory scrutiny will force banks to raise new capital, shrink their loan books and shed assets. But no matter how it occurs, what we are likely to experience is a secular slowing of credit growth as banks delever.

In contrast to both households and the banks, nonfinancial corporate balance sheets are in relatively strong shape. Following the bursting of the tech bubble back in 2001, nonfinancial corporations underwent a broad-based rebuilding of their own balance sheets. This included a streamlining of operations, shedding of non-core

businesses and a buildup of cash balances. The nonfinancial corporate sector therefore actually has the capacity to take on additional debt over the next several years. This ability to “relever” may well prove critical as a means of offsetting the drag from both the consumer and financial sectors.

Perhaps the most critical phase of this deleveraging process involves the public sector. While there is no economic law dictating that economic growth must slow down beyond this threshold, it has been observed that debt-financed growth becomes more difficult to sustain and funding crises become more common. Once a crisis has been set in motion, market forces impose deleveraging, and credit conditions turn from being a headwind to a major headwind. With much of the developed world already at or above this crucial debt threshold, longer-term growth prospects may already be in jeopardy.

How do we delever? If we think of restoring debt sustainability as some sort of stabilization and then reduction in the debt-to-income ratio, it becomes clear that there are four “channels” by which economy-wide debt burdens can be addressed:

- **Growth** – Enable real income to accelerate at a faster pace than the growth in real debt obligations
- **Austerity** – Implement some combination of increased savings and reduced expenditures that leads to actual reductions in the overall level of indebtedness
- **Default** – Opt for selective or wholesale reductions in liabilities through repudiation, rescheduling or forgiveness of debts
- **Inflation** – Benefit from an environment where nominal income is rising faster than nominal debt due to rising inflation

While the first is both the preferred and least painful path toward solving debt problems, it is unfortunately the least likely in the current environment, barring an unexpected surge in productivity. So in the absence of a “game-changing” technological innovation that alters the growth dynamics, it will most likely be some combination of the last three that will be required to repair balance sheets in the developed world.

So how will it all play out? There is a broad range of ways this could play out over the next decade. We focus our attention, however, on the scenario we view as most likely, as well as three alternative outcomes that would reflect the most probable deviation from our baseline view.

Baseline – gradual and steady: Since not all countries and sectors of the economy can delever at the same time without triggering deep economic pain, the process must be a gradual one. Our baseline assumes that over an extended period of time, there will be a balanced combination of growth, austerity, default and inflation. Fiscal austerity will become more prevalent but will be applied gradually. Likewise, while we could see some selective defaults of financial institutions and smaller sovereign issuers, efforts will be made to prevent the sort of contagion effects that would allow the crisis to spread. Policymakers will look to offset fiscal tightening with

a more accommodative monetary policy stance and low policy rates for longer, running the risk of generating higher inflation down the road. We expect that inflation will pick up later on and reach levels above those experienced during the last two decades. We expect that growth will remain below the historical average for a protracted period but will, on balance, contribute its share to reducing the debt burden.

Keep in mind that for deleveraging to work, some sectors and parts of the world will have to relever to offset debt reduction efforts in the public, financial and consumer sectors. We expect gradual relevering within the nonfinancial corporate sector. Moreover, emerging market economies that have been net savers through large current account surpluses will have to focus more on domestic demand rather than exports as sources of growth.

Alternative 1 – sharp and sudden: An accelerated deleveraging process amid more severe austerity measures would lead to recessionary outcomes and financial funding crises in the developed world. Were an increasingly procyclical stance (which could severely undermine growth) to coincide with a series of disorderly defaults and even abandonment of the euro, it could result in another severe economic contraction and set the deleveraging process back even further.

Alternative 2 – rising inflation: Thus far at least, the rapid expansion in central bank balance sheets in the U.S. and the U.K. has not triggered any sustained increases in inflation. However, with the European Central Bank beginning to cut rates and looking for ways to support vulnerable eurozone debt markets, the door is open for a broadening of policy measures there as well. Were all the major central banks to simultaneously engage in more accommodative policy in an effort to ease the deflationary pressures from balance sheet deleveraging, the seeds might well be planted for the next great inflation cycle – and possibly even episodes of hyperinflation.

Alternative 3 – game changer: Amid the ensuing challenges created by the great deleveraging, it is important to note that our economic system has always managed to discover unexpected sources of growth-inducing productivity gains through innovation. While hard to predict, a new wave of technological progress could make the deleveraging process much easier to endure. Information technology, nanotechnology, healthcare and energy are but a few areas in which spurts of innovation could lead to game-changing outcomes.

Let's talk about it

While the next few years will be a challenging and potentially even disruptive time, there are steps that investors can take to not only weather the current turbulent times but also prosper through them. These investment solutions are discussed at length in *The great deleveraging* report. To obtain a copy of this report or discuss how its research insights might bear on your portfolio, please call.



Branch office:
3000 "a" Street
Suite 100
Anchorage, AK 99503-4040

Financial Advisor:
Keystone Wealth Management
907-261-5971
BUCK.ADAMS@UBS.COM

UBS Client Review

As of January 5, 2012

Prepared for

COC - Central Treasury

Accounts included in this review

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03543	• CORDOVA	• BSA
UC 04046	• CORDOVA	• MAC Wrap

What's inside

Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	5

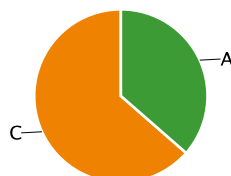
Executive summary

as of January 5, 2012

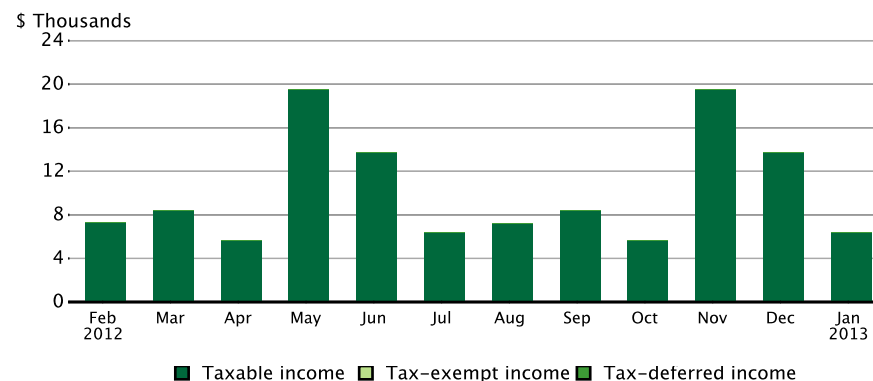
Asset allocation summary

	Value on Jan 05 (\$)	% of portfolio
A Cash and cash alternatives	2,756,068.53	36.44
B Equities	0.00	0.00
C Fixed income	4,807,240.73	63.56
U.S. fixed income	4,746,553.68	62.76
Non U.S. fixed income	60,687.05	0.80
D Alternative strategies	0.00	0.00
E Broad commodities	0.00	0.00
F Real estate	0.00	0.00
G Other	0.00	0.00
Total Portfolio	\$7,563,309.26	100%

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Expected cash flow


Total expected cash flow: \$121,795.91

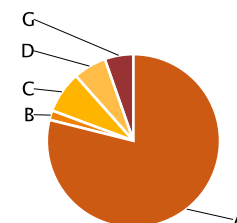
Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

Portfolio does not contain applicable holdings – exhibit intentionally left blank.

Credit quality of bond holdings

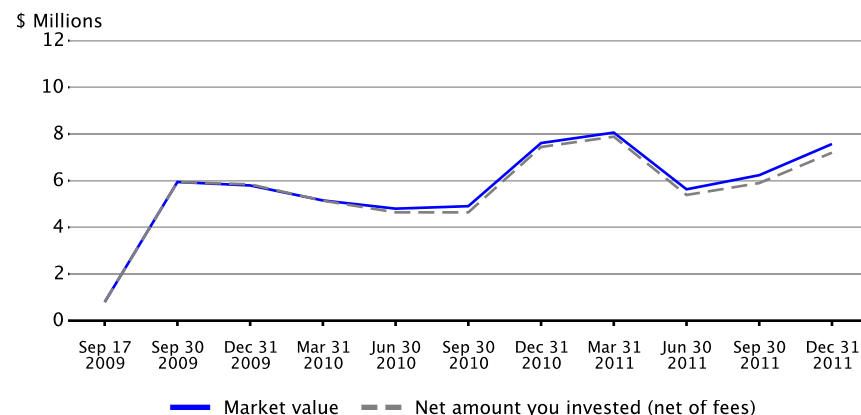
Insured credit rating	Issues	Value on Jan 05(\$)	% of port.
A Aaa/AAA/AAA	33	3,787,968.26	78.89
B Aa/AA/AA	5	86,560.59	1.78
C A/A/A	26	375,043.69	7.76
D Baa/BBB/BBB	24	300,566.53	6.19
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	3	257,101.66	5.37
Total	91	\$4,807,240.73	100%



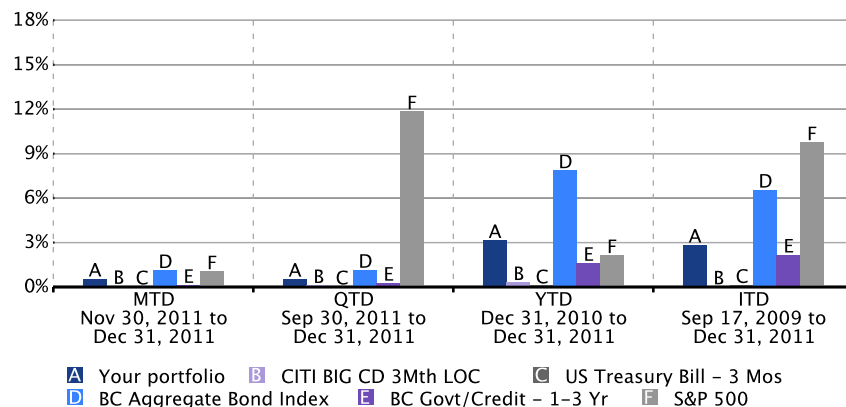
Performance review

as of December 31, 2011

Sources of portfolio value



Portfolio and selected benchmark returns



Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 17, 2009 to Dec 31, 2011
Opening value	6,735,003.39	6,234,826.42	7,612,402.78	800,000.00
Net deposits/withdrawals	799,850.00	1,295,938.47	-262,520.75	6,356,835.04
Div./interest income	13,011.37	29,702.26	92,629.65	201,523.18
Change in accr. interest	-2,931.72	-1,618.01	-8,969.64	9,495.67
Change in market value	25,902.64	11,986.54	137,293.64	202,981.80
Closing value	7,570,835.68	7,570,835.68	7,570,835.68	7,570,835.68
Net Time-weighted ROR	0.53	0.52	3.13	2.82

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 17, 2009 to Dec 31, 2011
Your portfolio	0.53%	0.52%	3.13%	2.82%
Cash and Cash Alt				
CITI BIG CD 3Mth LOC	0.03	0.09	0.29	N/A
US Treasury Bill - 3 Mos	-0.00	0.00	0.07	0.10
Fixed Income				
BC Aggregate Bond Index	1.10	1.12	7.84	6.53
BC Govt/Credit - 1-3 Yr	0.10	0.25	1.59	2.15
Equities				
S&P 500	1.02	11.82	2.11	9.73

Performance by account

as of December 31, 2011

Summary of performance by account

						Performance returns (annualized > 1 year)			
						MTD	QTD	YTD	ITD
						Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Start date to Dec 31, 2011
Performance start date	Value on Dec 31, 2011 (\$)	% of portfolio							
UC 03542	City of Cordova Central Treasury • MAC Wrap - SAGE INT FIXED Risk profile: Conservative Return objective: Current Income	Nov 5, 2009	2,209,883.80	29.19%	Net time-weighted	0.53%	0.51%	5.50%	4.27%
UC 03543	City of Cordova Central Treasury • BSA Risk profile: Conservative Return objective: Current Income	Sep 17, 2009	2,555,303.35	33.75%	Net time-weighted	0.00%	0.03%	0.12%	-13.03%
UC 04046	City of Cordova Central Treasury • MAC Wrap - SAGE INT FIXED Risk profile: Moderate Return objective: Current Income and Capital Appreciation	Feb 8, 2011	2,805,648.53	37.06%	Net time-weighted	0.86%	0.81%	N/A	5.61%
Total Portfolio		Sep 17, 2009	\$7,570,835.68	100%	Net time-weighted	0.53%	0.52%	3.13%	2.82%

						MTD	QTD	YTD	ITD
						Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 17, 2009 to Dec 31, 2011
Benchmarks - Time-weighted returns									
Cash and Cash Alt									
CITI BIG CD 3Mth LOC						0.03 %	0.09 %	0.29 %	N/A %
US Treasury Bill - 3 Mos						-0.00 %	0.00 %	0.07 %	0.10 %
Fixed Income									
BC Aggregate Bond Index						1.10 %	1.12 %	7.84 %	6.53 %
BC Govt/Credit - 1-3 Yr						0.10 %	0.25 %	1.59 %	2.15 %
Equities									
S&P 500						1.02 %	11.82 %	2.11 %	9.73 %



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS Financial Services Inc. offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including comprehensive financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provide detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to

\$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Bond: The term "Bond" refers to all fixed interest bearing securities issued by public and private entities where the issuer owes the holders interest and/or principal at a specified later date. This term does not include mutual funds. These securities are subject to market risk and interest rate risk. If sold in the secondary market prior to maturity, investors may experience a gain or loss depending on interest rates, market conditions and the credit quality of the issuer.

Insured/Underlying Rating: Where a rating does not exist for a particular agency, the report will display NR.

Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity: This analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

potential cash flows, UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Investment Grades: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Gain/Loss reporting for Puerto Rico Income Tax

Purposes: Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for

Puerto Rico income tax purposes. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS Financial Services Inc. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Indexing: For comparison purposes we have used up to five general broad market indices. These indices were selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts listed. Depending on the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are presented for illustration only. Generally, these indices, such as the S&P 500 index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. As a consequence, performance of selected indices may be more or less volatile than any accounts used in this report. The past performance of the indices is not a guarantee of future results. Represented in this report are: U.S. Treasury Bill (USTB) - which represents the 3 month return for Treasury Bills issued by the United States Government; the Barclays Capital Aggregate Bond Index (LBAG) - which is composed of securities from Barclays Capital government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization; the S&P 500 (SP500) index - which covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total

return basis without dividends reinvested. If benchmark information is not available at the time this report was run, NA will be displayed. We reserve the right to substitute indices or display only those indices for which current updated information is available in order to ensure the accuracy and completeness of these reports.

CITI BIG CD 3M th LOC: Citigroup BIG CD (3 M) (LOC)

BC Govt/ Credit - 1-3 Yr: (LBGC1) Measure of corporate and non-corporate fixed income securities that are rated investment grade and have 1-3 years to final maturity.

Index Volatility: Performance of certain indices may be presented in comparison to account information. Generally, these indices, such as the S&P 500 Index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. In addition, these indices may have been selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts shown on the report. As a consequence, performance of selected indices may be more or less volatile than any account or accounts and comparative value may be minimal. The use of any market index (such as the S&P 500) in this report is intended for illustrative purposes only as a general reference to a broad market, and not as an accurate performance comparison. Certain accounts consolidated on this report may have separate performance monitors designed to accurately reflect performance.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Performance: This report presents accounts activity and performance starting December 31, 2002. For accounts opened prior to 12/31/02, this report does not include the complete accounts activity or performance of your accounts prior to that date. Information for accounts opened after 12/31/02 is reported as of the month end date of the first month of activity in the accounts. For consolidated reports the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time

period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS Financial Services Inc. price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, this information does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

(i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Accruals: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in market value (Investment appreciation/depreciation): Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Market Value: When shown on a report, represents the total value at the end of the performance period minus total security value at the beginning of the performance period.

Time-weighted Returns: This report displays a time weighted rate of return, a methodology that calculates a portfolio's return by linking equal-weighted monthly returns together. The monthly return is calculated using the Modified Dietz formula. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal by the amount of time invested.

Money-weighted Returns: Money-weighted return is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of all cash flows and terminal values equal to the value of the initial investment. Money-weighted rate of return incorporates the size and timing of cash flows, so it is an effective measure for returns on a portfolio.

Net of Fees: The information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, performance information would reflect deduction of those fees. Please see your program documents regarding fee schedules.

Net of Fees and Gross of Fees Returns: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such

fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS Financial Services Inc. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS Financial Services Inc. recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Accounts: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Important information for former Piper Jaffray clients: As an accommodation to former Piper Jaffray clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006, the date Piper Jaffray accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or

completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

Important information for former McDonald Investments clients: As an accommodation to former McDonald Investments clients, these reports include performance history for their McDonald Investments accounts prior to February 9, 2007, the date McDonald Investments accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

©2012 UBS Financial Services Inc. All Rights Reserved.
Member SIPC.



UBS Client Review

As of January 5, 2012

Prepared for

COC- Permanent Fund

Accounts included in this review

Account	Name	Type
UC 03544	• CORDOVA	• BSA
UC 03546	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

Branch office:
3000 "a" Street
Suite 100
Anchorage, AK 99503-4040

Financial Advisor:
Keystone Wealth Management
907-261-5971
BUCK.ADAMS@UBS.COM

What's inside

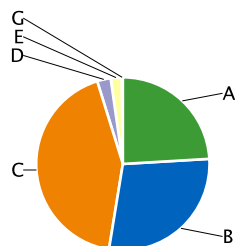
Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	5

Executive summary

as of January 5, 2012

Asset allocation summary

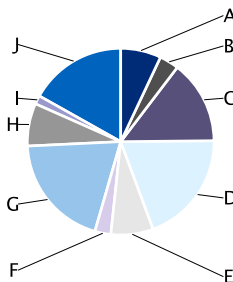
	Value on Jan 05 (\$)	% of portfolio
A Cash and cash alternatives	2,131,748.97	24.06
B Equities	2,526,594.98	28.51
U.S. equity	1,892,286.42	21.35
Non U.S. equity	449,547.47	5.07
Global equity	184,761.09	2.09
C Fixed income	3,778,925.18	42.64
U.S. fixed income	3,411,190.95	38.49
Non U.S. fixed income	109,406.43	1.23
Global fixed income	258,327.80	2.92
D Alternative strategies	223,756.26	2.53
E Broad commodities	177,151.45	2.00
F Real estate	0.00	0.00
G Other	23,215.06	0.26



Total Portfolio **\$8,861,391.90** **100%**
Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

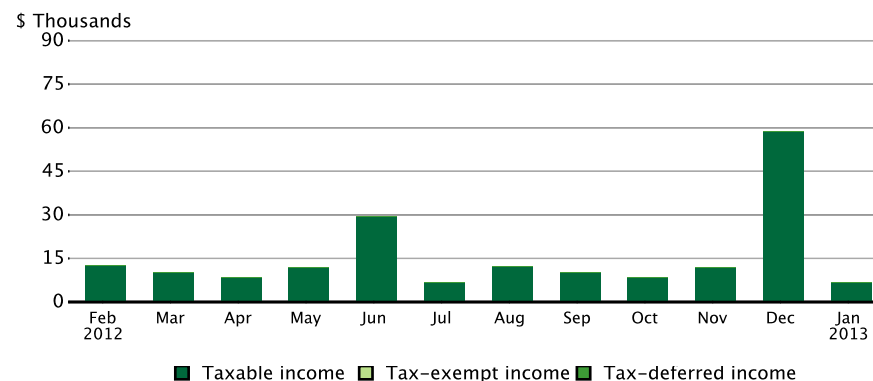
Equity sector analysis

	Value on Jan 05 (\$)	% of equity
A Consumer discretionary	176,873.70	7.00
B Energy	84,838.76	3.36
C Finance	365,810.45	14.48
D Health care	492,971.79	19.51
E Industrials	185,717.54	7.35
F Materials	69,897.71	2.77
G Staples	499,689.76	19.78
H Technology	186,926.35	7.40
I Telecommunications	37,950.28	1.50
J Utilities	425,918.63	16.86
K Unclassified securities	0.00	0.00
Total equity	\$2,526,594.98	100%



Balanced mutual funds represented in multiple asset classes based on Morningstar allocations

Expected cash flow

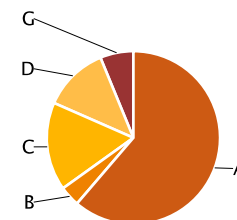


Total expected cash flow : \$186,928.74

Cash flows displayed account for known events such as maturities and mandatory puts.

Credit quality of bond holdings

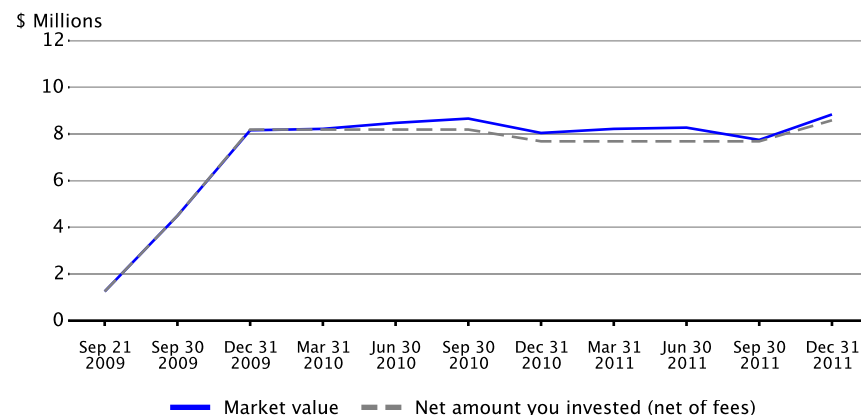
Insured credit rating	Issues	Value on Jan 05(\$)	% of port.
A Aaa/AAA/AAA	24	1,731,568.79	61.28
B Aa/AA/AA	5	108,552.44	3.81
C A/A/A	25	467,952.49	16.49
D Baa/BBB/BBB	24	348,428.63	12.21
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	2	174,583.10	6.21
Total	80	\$2,831,085.46	100%



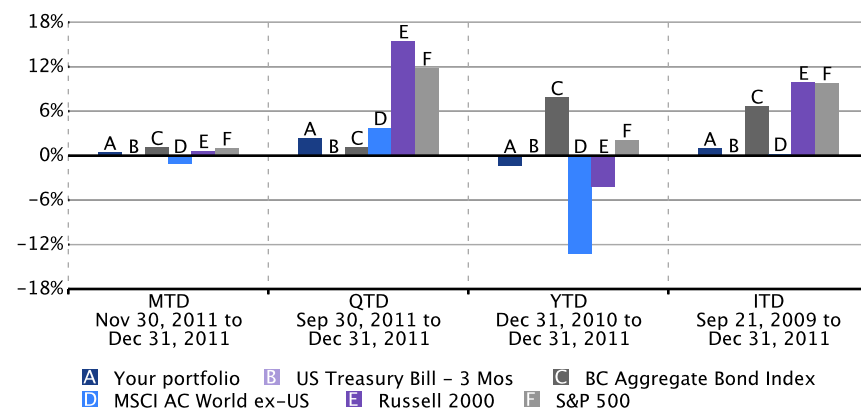
Performance review

as of December 31, 2011

Sources of portfolio value



Portfolio and selected benchmark returns



Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 21, 2009 to Dec 31, 2011
Opening value	8,799,986.67	7,746,484.33	8,044,831.22	1,250,948.90
Net deposits/withdrawals	-150.00	887,149.96	842,497.01	7,241,167.89
Div./interest income	69,911.49	88,126.96	189,371.45	362,080.76
Change in accr. interest	45.02	32.39	550.75	18,016.21
Change in market value	-31,591.32	116,408.22	-239,048.57	-34,011.90
Closing value	8,838,201.86	8,838,201.86	8,838,201.86	8,838,201.86
Net Time-weighted ROR	0.43	2.38	-1.41	0.99

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 21, 2009 to Dec 31, 2011
Your portfolio	0.43%	2.38%	-1.41%	0.99%
Cash and Cash Alt				
US Treasury Bill - 3 Mos	-0.00	0.00	0.07	0.10
Fixed Income				
BC Aggregate Bond Index	1.10	1.12	7.84	6.69
Equities				
MSCI AC World ex-US	-1.10	3.77	-13.33	0.26
Russell 2000	0.66	15.47	-4.18	9.89
S&P 500	1.02	11.82	2.11	9.82

Performance by account

as of December 31, 2011

Summary of performance by account

						Performance returns (annualized > 1 year)			
						MTD	QTD	YTD	ITD
						Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Start date to Dec 31, 2011
Performance start date	Value on Dec 31, 2011 (\$)	% of portfolio							
UC 03544 City of Cordova Permanent Fund • BSA Risk profile: Conservative Return objective: Current Income	Sep 21, 2009	1,900,036.72	21.50%	Net time-weighted		0.01%	0.02%	0.11%	-5.28%
UC 03546 City of Cordova Permanent Fund • MAC Wrap - SAGE INT FIXED Risk profile: Conservative Return objective: Current Income	Nov 5, 2009	2,874,694.66	32.53%	Net time-weighted		0.91%	0.70%	4.12%	3.82%
UC 04047 City of Cordova Permanent Fund • Pace Multi Advisor Risk profile: Aggressive/Speculative Return objective: Capital Appreciation	Dec 23, 2010	4,063,470.48	45.98%	Net time-weighted		0.30%	4.36%	-5.20%	-4.74%
Total Portfolio	Sep 21, 2009	\$8,838,201.86	100%	Net time-weighted		0.43%	2.38%	-1.41%	0.99%

						MTD	QTD	YTD	ITD
						Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 21, 2009 to Dec 31, 2011
Benchmarks - Time-weighted returns									
Cash and Cash Alt									
US Treasury Bill - 3 Mos						-0.00 %	0.00 %	0.07 %	0.10 %
Fixed Income									
BC Aggregate Bond Index						1.10 %	1.12 %	7.84 %	6.69 %
Equities									
MSCI AC World ex-US						-1.10 %	3.77 %	-13.33 %	0.26 %
Russell 2000						0.66 %	15.47 %	-4.18 %	9.89 %
S&P 500						1.02 %	11.82 %	2.11 %	9.82 %



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS Financial Services Inc. offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including comprehensive financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provide detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to

\$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Bond: The term "Bond" refers to all fixed interest bearing securities issued by public and private entities where the issuer owes the holders interest and/or principal at a specified later date. This term does not include mutual funds. These securities are subject to market risk and interest rate risk. If sold in the secondary market prior to maturity, investors may experience a gain or loss depending on interest rates, market conditions and the credit quality of the issuer.

Insured/Underlying Rating: Where a rating does not exist for a particular agency, the report will display NR.

Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity: This analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

potential cash flows, UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Investment Grades: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Gain/Loss reporting for Puerto Rico Income Tax

Purposes: Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for

Puerto Rico income tax purposes. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS Financial Services Inc. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Indexing: For comparison purposes we have used up to five general broad market indices. These indices were selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts listed. Depending on the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are presented for illustration only. Generally, these indices, such as the S&P 500 index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. As a consequence, performance of selected indices may be more or less volatile than any accounts used in this report. The past performance of the indices is not a guarantee of future results. Represented in this report are: U.S. Treasury Bill (USTB) - which represents the 3 month return for Treasury Bills issued by the United States Government; the Barclays Capital Aggregate Bond Index (LBAG) - which is composed of securities from Barclays Capital government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization; the S&P 500 (SP500) index - which covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total

return basis without dividends reinvested. If benchmark information is not available at the time this report was run, NA will be displayed. We reserve the right to substitute indices or display only those indices for which current updated information is available in order to ensure the accuracy and completeness of these reports.

MSCI AC World ex-US: The MSCI ACW (All Country World) ex US Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US.

Russell 2000: Consists of the smallest 2,000 securities in the Russell 3000 index, representing approximately 11% of the Russell 3000 total market capitalization. This index is widely regarded in the industry as the premier measure of small cap stocks.

Index Volatility: Performance of certain indices may be presented in comparison to account information. Generally, these indices, such as the S&P 500 Index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. In addition, these indices may have been selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts shown on the report. As a consequence, performance of selected indices may be more or less volatile than any account or accounts and comparative value may be minimal. The use of any market index (such as the S&P 500) in this report is intended for illustrative purposes only as a general reference to a broad market, and not as an accurate performance comparison. Certain accounts consolidated on this report may have separate performance monitors designed to accurately reflect performance.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Performance: This report presents accounts activity and performance starting December 31, 2002. For accounts opened prior to 12/31/02, this report does not include the complete accounts activity or performance of your accounts prior to that date. Information for accounts

opened after 12/31/02 is reported as of the month end date of the first month of activity in the accounts. For consolidated reports the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS Financial Services Inc. price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

Dividends/Interest: Dividend and interest earned, when shown on a report, this information does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Accruals: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in market value (Investment appreciation/depreciation): Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Market Value: When shown on a report, represents the total value at the end of the performance period minus total security value at the beginning of the performance period.

Time-weighted Returns: This report displays a time weighted rate of return, a methodology that calculates a portfolio's return by linking equal-weighted monthly returns together. The monthly return is calculated using the Modified Dietz formula. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal by the amount of time invested.

Money-weighted Returns: Money-weighted return is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of all cash flows and terminal values equal to the value of the initial investment. Money-weighted rate of return incorporates the size and timing of cash flows, so it is an effective measure for returns on a portfolio.

Net of Fees: The information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, performance information would reflect deduction of those fees. Please see your program documents regarding fee schedules.

Net of Fees and Gross of Fees Returns: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a

separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS Financial Services Inc. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS Financial Services Inc. recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Accounts: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Important information for former Piper Jaffray clients: As an accommodation to former Piper Jaffray clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006,

the date Piper Jaffray accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

Important information for former McDonald

Investments clients: As an accommodation to former McDonald Investments clients, these reports include performance history for their McDonald Investments accounts prior to February 9, 2007, the date McDonald Investments accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

©2012 UBS Financial Services Inc. All Rights Reserved.
Member SIPC.



UBS Client Review

As of January 5, 2012

Prepared for

COC - Consolidated

Accounts included in this review

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03543	• CORDOVA	• BSA
UC 03544	• CORDOVA	• BSA
UC 03546	• CORDOVA	• MAC Wrap
UC 04046	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

Branch office:
3000 "a" Street
Suite 100
Anchorage, AK 99503-4040

Financial Advisor:
Keystone Wealth Management
907-261-5971
BUCK.ADAMS@UBS.COM

What's inside

Executive summary.	2
Performance review.	3
Performance by account.	4
Important information about this report.	6

Executive summary

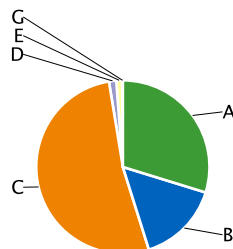
as of January 5, 2012

Asset allocation summary

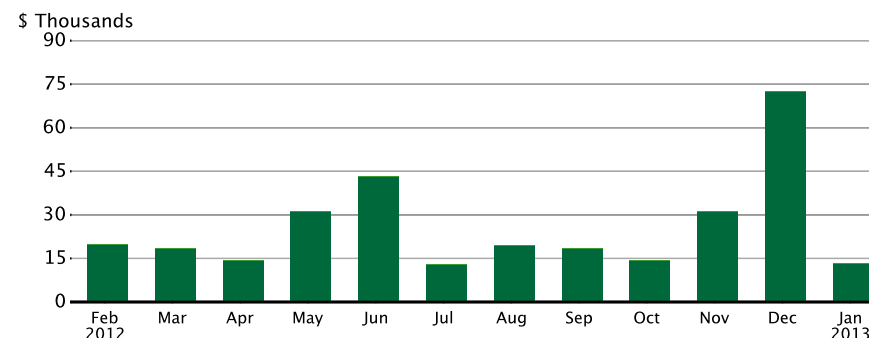
	Value on Jan 05 (\$)	% of portfolio
A Cash and cash alternatives	4,887,817.50	29.76
B Equities	2,526,594.98	15.38
U.S. equity	1,892,286.42	11.52
Non U.S. equity	449,547.47	2.74
Global equity	184,761.09	1.12
C Fixed income	8,586,165.91	52.28
U.S. fixed income	8,157,744.63	49.67
Non U.S. fixed income	170,093.48	1.04
Global fixed income	258,327.80	1.57
D Alternative strategies	223,756.26	1.36
E Broad commodities	177,151.45	1.08
F Real estate	0.00	0.00
G Other	23,215.06	0.14

Total Portfolio **\$16,424,701.16** **100%**

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Expected cash flow



■ Taxable income ■ Tax-exempt income ■ Tax-deferred income

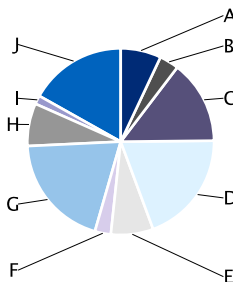
Total expected cash flow : \$308,724.65

Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

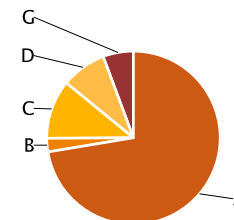
	Value on Jan 05 (\$)	% of equity
A Consumer discretionary	176,873.70	7.00
B Energy	84,838.76	3.36
C Finance	365,810.45	14.48
D Health care	492,971.79	19.51
E Industrials	185,717.54	7.35
F Materials	69,897.71	2.77
G Staples	499,689.76	19.78
H Technology	186,926.35	7.40
I Telecommunications	37,950.28	1.50
J Utilities	425,918.63	16.86
K Unclassified securities	0.00	0.00
Total equity	\$2,526,594.98	100%

Balanced mutual funds represented in multiple asset classes based on Morningstar allocations



Credit quality of bond holdings

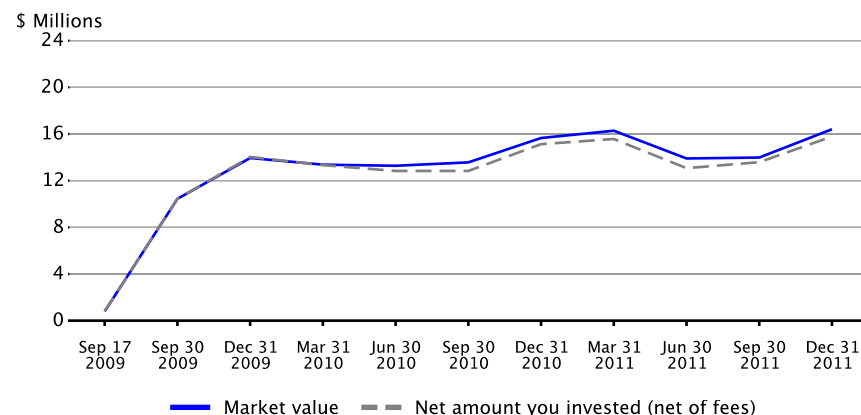
Insured credit rating	Issues	Value on Jan 05(\$)	% of port.
A Aaa/AAA/AAA	37	5,519,537.05	72.37
B Aa/AA/AA	5	195,113.04	2.53
C A/A/A	26	842,996.18	10.99
D Baa/BBB/BBB	24	648,995.16	8.42
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	3	431,684.77	5.68
Total	95	\$7,638,326.19	100%



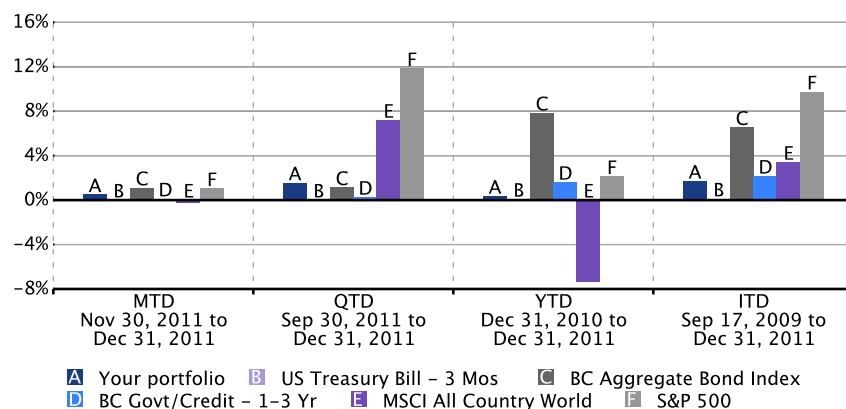
Performance review

as of December 31, 2011

Sources of portfolio value



Portfolio and selected benchmark returns



Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 17, 2009 to Dec 31, 2011
Opening value	15,534,990.06	13,981,310.75	15,657,234.00	800,000.00
Net deposits/withdrawals	799,700.00	2,183,088.43	579,976.26	14,848,951.83
Div./interest income	82,922.86	117,829.22	282,001.10	563,603.94
Change in accr. interest	-2,886.70	-1,585.61	-8,418.88	27,511.88
Change in market value	-5,688.67	128,394.76	-101,754.93	168,969.90
Closing value	16,409,037.55	16,409,037.55	16,409,037.55	16,409,037.55
Net Time-weighted ROR	0.48	1.55	0.34	1.70

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	MTD	QTD	YTD	ITD
	Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Sep 17, 2009 to Dec 31, 2011
Your portfolio	0.48%	1.55%	0.34%	1.70%
Cash and Cash Alt				
US Treasury Bill - 3 Mos	-0.00	0.00	0.07	0.10
Fixed Income				
BC Aggregate Bond Index	1.10	1.12	7.84	6.53
BC Govt/Credit - 1-3 Yr	0.10	0.25	1.59	2.15
Equities				
MSCI All Country World	-0.20	7.18	-7.35	3.40
S&P 500	1.02	11.82	2.11	9.73

Performance by account

as of December 31, 2011

Summary of performance by account

						Performance returns (annualized > 1 year)			
						MTD	QTD	YTD	ITD
						Nov 30, 2011 to Dec 31, 2011	Sep 30, 2011 to Dec 31, 2011	Dec 31, 2010 to Dec 31, 2011	Start date to Dec 31, 2011
Performance start date	Value on Dec 31, 2011 (\$)	% of portfolio							
UC 03542	City of Cordova Central Treasury • MAC Wrap - SAGE INT FIXED Risk profile: Conservative Return objective: Current Income	Nov 5, 2009	2,209,883.80	13.47%	Net time-weighted	0.53%	0.51%	5.50%	4.27%
UC 03543	City of Cordova Central Treasury • BSA Risk profile: Conservative Return objective: Current Income	Sep 17, 2009	2,555,303.35	15.57%	Net time-weighted	0.00%	0.03%	0.12%	-13.03%
UC 03544	City of Cordova Permanent Fund • BSA Risk profile: Conservative Return objective: Current Income	Sep 21, 2009	1,900,036.72	11.58%	Net time-weighted	0.01%	0.02%	0.11%	-5.28%
UC 03546	City of Cordova Permanent Fund • MAC Wrap - SAGE INT FIXED Risk profile: Conservative Return objective: Current Income	Nov 5, 2009	2,874,694.66	17.52%	Net time-weighted	0.91%	0.70%	4.12%	3.82%
UC 04046	City of Cordova Central Treasury • MAC Wrap - SAGE INT FIXED Risk profile: Moderate Return objective: Current Income and Capital Appreciation	Feb 8, 2011	2,805,648.53	17.10%	Net time-weighted	0.86%	0.81%	N/A	5.61%
UC 04047	City of Cordova Permanent Fund • Pace Multi Advisor Risk profile: Aggressive/Speculative Return objective: Capital Appreciation	Dec 23, 2010	4,063,470.48	24.76%	Net time-weighted	0.30%	4.36%	-5.20%	-4.74%
Total Portfolio		Sep 17, 2009	\$16,409,037.55	100%	Net time-weighted	0.48%	1.55%	0.34%	1.70%

Performance by account - as of December 31, 2011 (continued)

	MTD Nov 30, 2011 to Dec 31, 2011	QTD Sep 30, 2011 to Dec 31, 2011	YTD Dec 31, 2010 to Dec 31, 2011	ITD Sep 17, 2009 to Dec 31, 2011
Benchmarks - Time-weighted returns				
Cash and Cash Alt				
US Treasury Bill - 3 Mos	-0.00 %	0.00 %	0.07 %	0.10 %
Fixed Income				
BC Aggregate Bond Index	1.10 %	1.12 %	7.84 %	6.53 %
BC Govt/Credit - 1-3 Yr	0.10 %	0.25 %	1.59 %	2.15 %
Equities				
MSCI All Country World	-0.20 %	7.18 %	-7.35 %	3.40 %
S&P 500	1.02 %	11.82 %	2.11 %	9.73 %



Disclosures applicable to accounts at UBS Financial Services Inc.

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS Financial Services Inc. offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including comprehensive financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provide detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Expected Cash Flow reporting for Puerto Rico Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to

\$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The Firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the gain/(loss) for these positions are excluded in the calculation for the Gain/(Loss). As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end tax forms when preparing your tax return. See your monthly statement for additional information.

Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Bond: The term "Bond" refers to all fixed interest bearing securities issued by public and private entities where the issuer owes the holders interest and/or principal at a specified later date. This term does not include mutual funds. These securities are subject to market risk and interest rate risk. If sold in the secondary market prior to maturity, investors may experience a gain or loss depending on interest rates, market conditions and the credit quality of the issuer.

Insured/Underlying Rating: Where a rating does not exist for a particular agency, the report will display NR.

Averages: All averages are weighted averages calculated based on market value of the holding, not including accrued interest.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

Equity: This analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

potential cash flows, UBS Financial Services Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS Financial Services Inc. generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy. Mortgage-backed, asset-backed, factored, and other pass-through securities have dynamic cash flows which may vary from month to month.

Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Investment Grades: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Gain/Loss reporting for Puerto Rico Income Tax

Purposes: Gain/(Loss) reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received gain/(loss) reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Pursuant to the Puerto Rico Internal Revenue Code (PRIIRC) long-term capital gains are derived from the sale or exchange of capital assets held longer than six (6) months. For the purposes of this report only, long term gains and losses are represented by assets held for a period of more than six (6) months. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers for purposes other than determining realized gain/loss for

Puerto Rico income tax purposes. Neither UBS Financial Services Inc. nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS Financial Services Inc. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

Indexing: For comparison purposes we have used up to five general broad market indices. These indices were selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts listed. Depending on the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are presented for illustration only. Generally, these indices, such as the S&P 500 index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. As a consequence, performance of selected indices may be more or less volatile than any accounts used in this report. The past performance of the indices is not a guarantee of future results. Represented in this report are: U.S. Treasury Bill (USTB) - which represents the 3 month return for Treasury Bills issued by the United States Government; the Barclays Capital Aggregate Bond Index (LBAG) - which is composed of securities from Barclays Capital government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization; the S&P 500 (SP500) index - which covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total

return basis without dividends reinvested. If benchmark information is not available at the time this report was run, NA will be displayed. We reserve the right to substitute indices or display only those indices for which current updated information is available in order to ensure the accuracy and completeness of these reports.

BC Govt/ Credit - 1-3 Yr: (LBGC1) Measure of corporate and non-corporate fixed income securities that are rated investment grade and have 1-3 years to final maturity.

MSCI All Country World: AC World Index - Net Return

Index Volatility: Performance of certain indices may be presented in comparison to account information. Generally, these indices, such as the S&P 500 Index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. In addition, these indices may have been selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts shown on the report. As a consequence, performance of selected indices may be more or less volatile than any account or accounts and comparative value may be minimal. The use of any market index (such as the S&P 500) in this report is intended for illustrative purposes only as a general reference to a broad market, and not as an accurate performance comparison. Certain accounts consolidated on this report may have separate performance monitors designed to accurately reflect performance.

Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Performance: This report presents accounts activity and performance starting December 31, 2002. For accounts opened prior to 12/31/02, this report does not include the complete accounts activity or performance of your accounts prior to that date. Information for accounts opened after 12/31/02 is reported as of the month end date of the first month of activity in the accounts. For consolidated reports the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time

period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or performance to date), the individual's net of fee time weighted return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. **As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs.** For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS Financial Services Inc. price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, this information does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

(i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Accruals: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in market value (Investment appreciation/depreciation): Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Market Value: When shown on a report, represents the total value at the end of the performance period minus total security value at the beginning of the performance period.

Time-weighted Returns: This report displays a time weighted rate of return, a methodology that calculates a portfolio's return by linking equal-weighted monthly returns together. The monthly return is calculated using the Modified Dietz formula. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal by the amount of time invested.

Money-weighted Returns: Money-weighted return is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of all cash flows and terminal values equal to the value of the initial investment. Money-weighted rate of return incorporates the size and timing of cash flows, so it is an effective measure for returns on a portfolio.

Net of Fees: The information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, performance information would reflect deduction of those fees. Please see your program documents regarding fee schedules.

Net of Fees and Gross of Fees Returns: Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such

fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Performance Start Date Changes: The Performance Start Date for accounts marked with a '^' have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS Financial Services Inc. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS Financial Services Inc. recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as 'Review Required' and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Accounts: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

Important information for former Piper Jaffray clients: As an accommodation to former Piper Jaffray clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006, the date Piper Jaffray accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or

completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

Important information for former McDonald Investments clients: As an accommodation to former McDonald Investments clients, these reports include performance history for their McDonald Investments accounts prior to February 9, 2007, the date McDonald Investments accounts were converted to UBS Financial Services. UBS Financial Services has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS Financial Services, Inc. relies on information obtained from third party services it believes to be reliable. UBS Financial Services, Inc. does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

©2012 UBS Financial Services Inc. All Rights Reserved.
Member SIPC.

Memorandum

To: City Council, Mark Lynch, City Manager
From: Samantha Greenwood, City Planner; Faith Wheeler-Jeppson, Assistant Planner
Date: 1/23/12
RE: Quarterly Report, 4th Quarter 2011

The following is a summary of the activities the Planning Department has been involved in during the 3rd quarter period.

Current Planning Activities

Investigating and working through the permit and documentation of the city rock quarry.

Lots 1-4 Block 42 are clear of all liens and the second reading has been completed. Final paper work can be started February 6th which is the end of the 30 day waiting period required for ordinances.

Shoreside purchase we now have plats, lease agreement for the fuel lines running underneath the city dock and a purchase agreement in draft forms. These documents need to be reviewed by both parties before they are finalized.

The 2006 land disposal maps have been finalized by the P&Z group.

Working on grant to help with cost of updating the Hazard Mitigation Plan required update accepted by August 2013

Code revision update

The paralegal is working on providing and refining definitions for all sections

Chapter 16 is almost, oh so close, to final draft. We need to complete Chapter 18 to include any local amendments to Chapter 16 that may arise from the changes in Chapter 18.

Chapter 17 We have a rough draft for this chapter we are still researching sections to address utility easement vacations, site plan reviews being done by staff, streamlined process for plat lot line adjustments and merging of lot lines, and an overall review of the platting process.

Chapter 18 P&Z has had one review of this section and changes are being processed. The work session for 1/27 was canceled due to snow craziness, and we are hoping to reschedule for mid-February.

Chapter 5.22 is has been reviewed by P&Z and the edits have been made. We have approved land disposal maps through P&Z and City council, and are working with lawyer to incorporate these in the code if needed. We have developed a lease schedule and are moving towards a two year rent adjustment schedule as dictated in code.

Progress is being made with Samson: An environmental assessment has been done on both properties and came back positive (that is good), currently a "useable square footage appraisal is being done by a commercial appraiser.

Chugach Alaska Corporation has decided that they do not want to swap the lot that they own at the shipyard. We are working on a long term lease with them.

Staff has received numerous calls and office visits during this period mostly related to ongoing projects, Building Permits and Zoning related matters.

Building Permits issued in the 4th Quarter.

- **October Permits**
 - City of Cordova, 900 Bluff Trail; fencing around a portion of the Tot Park
 - Jack Jeppson, 1400 Lakeshore Drive #20, Interior Remodel
 - **November Permits**
 - Per Nolan, 811 Chase Avenue, Temporary Warehouse
 - **December Permits**
 - E.J. Cheshier, 6.5 Mile CRH, 90' Wooden Tower
-
- Assistant Planner has updated the Planning Commission webpage on the City's Site to reflect all of the new appointments to the Planning Commission.
 - Assistant Planner has uploaded all of the approved minutes to the Planning Commission page.
 - Assistant Planner has been creating a spreadsheet to reflect a 2 year schedule of when the Assessors will review the leases for any rental increases necessary.
 - Assistant Planner has updated all of the Lease files and included electronic copies of the leases into each file.
 - Assistant Planner has had two meetings regarding the FAA RCO lease on Tripod Hill, forwarded the recommendations to FAA and updated the file accordingly.
 - Assistant Planner has had multiple conversations with Patty Hammersmith and Becki Chapek regarding the Encroachment issues in Heney Trailer Court Spaces D-8 and D-9.
 - Assistant Planner has archived five boxes of old files from the Planning Department.
 - Assistant Planner has been updating the GIS Parcels cleaning up overlapping lines and editing parcel information as needed.

Long Range Planning Activities

Considerable progress has been made on the electronic files and will continue to be fine tuned

Continue to update parcel layer with spatial and tabular data

Work with Clerks Office to get a map and tax table on the web page.

CORDOVA VOLUNTEER FIRE DEPARTMENT

Quarterly Report

In this 4th quarter the Cordova Volunteer Fire Department responded to 27 calls for fire, rescue and EMS for a total of 124.5 member hours. In addition to the emergency calls, the volunteers of the fire department participated in the regular Thursday night meetings, public education and other activities for a total of 758 member hours to include emergency calls.

For the year 2011 the Fire Department responded to 166 Fire, EMS and Service calls for a total of 1144 Man hours. In addition to Emergency calls, Thursday night training, Public Education and Service calls and other activities this Volunteer Fire Dept put in a total of 5341.5 man hours.

Please see attached detail monthly activity sheets attached for more information on fire department activities.

Monthly Activity 12-11

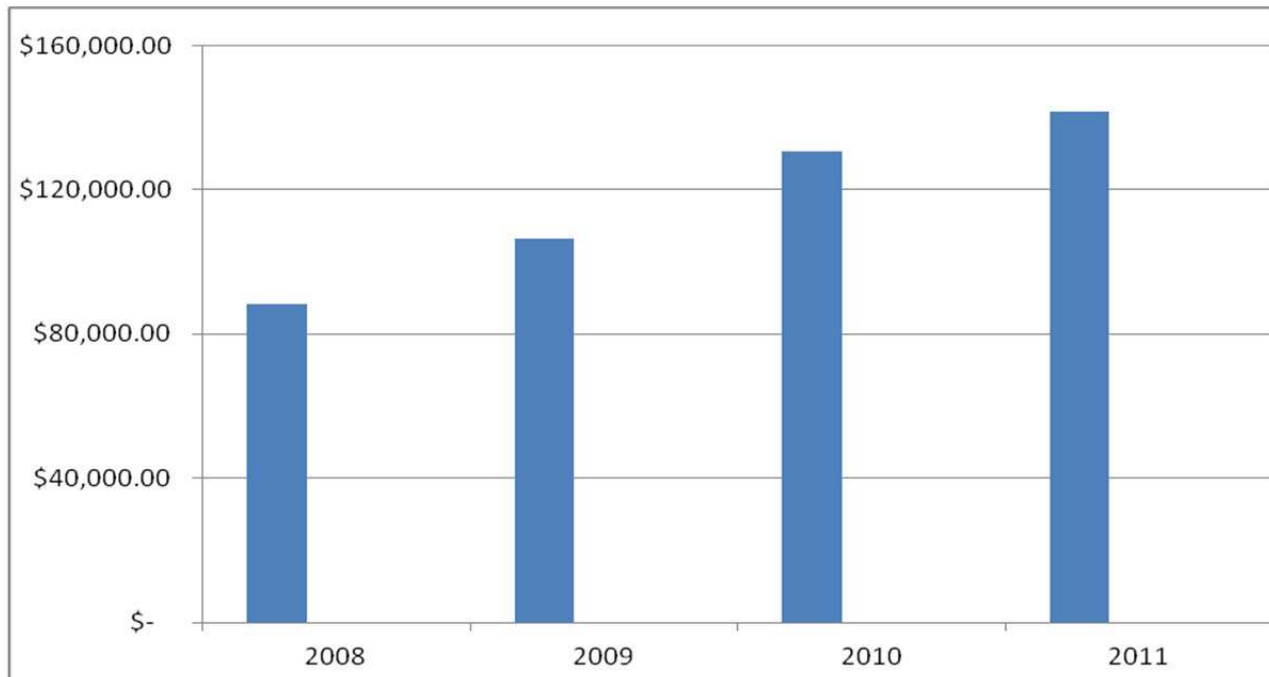
			Attendance	Hours	Total Man Hours
Date	Thursday Night Meetings				
12/1	Decorate Cupcake for the tree lighting		12	2	24
12/1	Intubation Lecture		8	2.5	20
12/8	Business Meeting		18	2	36
12/15	Ambulance Inventory		3	2.5	7.5
12/15	SCBA Training		14	1.5	21
12/22	SAR Pack Inventory		15	3	45
	Total		70		153.5
Date	Public Education Taught				
	Total		0	0	0
Date	Other Activities				
12/2	Tree Lighting Parade		13	2	26
12/3	Explorer Meeting		2	3	6
12/8	EMT Schedule Meeting		7	1	7
12/17	Cordova Center Walk through		10	1.5	15
12/17	CVFD Christmas Party set up		8	2	16
12/17	CVFD Christmas Party		18	4	72
	Total		58		142
Date	Run #	Fire Runs			
12/12		MVA	13	1	13
12/25		CO 2 Alarm	1	1	1
		Total	14		14
Date	Run #	Ambulance Runs			
12/3	11-122	Medical Transport	3	2.5	7.5
12/9	11-123	Medical Transport	3	1.5	4.5
12/12	11-124	MVA	3	1.5	4.5
12/15	11-125	Woman Difficulty Breathing	3	0.5	1.5
12/16	11-126	Medical Transport	2	1.5	3
12/21	11-127	Man with Dizziness	3	0.5	1.5
12/27	11-128	man with Dizziness and high Blood Pressue	4	1	4
12/28	11-129	Dislocated knee	3	1	3
		Total	24	10	29.5
		Total hours for the month of December			339

City of Cordova / Parks and Recreation Department / Bidarki Rec. Center Quarterly Report

So very much has happened in this quarter! I am quite certain you have been adequately updated on our participation in emergency efforts on behalf of the City. I also feel there is likely no reason to go into detail in regard to the budget process. Both of these events took the 'kings share' of this quarter to play out.

Below you will see that our revenue continues to climb annually. A few highlights; Odiak Camper Park brought in a total of \$56,120.70 for the year. Bidarki and Pool pass revenue (combined total purchased at Bidarki) for 2012 is \$57,477.00.

We have included a graph that shows steady annual growth from 2008-2011. The great news is healthy growth in our department = healthy people!



City of Cordova - Parks and Recreation Dept.

Bidarki Rec. Center 4th Quarter 2011

4th Quarter Revenue 2011

Month	Drop in	Passes	Programs	S.Cabin	Odiak	Other	Total
October	\$ 192.00	\$ 6,950.00	\$ 925.00	\$ 135.00	\$ 5,855.04	\$ 350.00	\$14,407.04
November	\$ 194.00	\$ 13,695.00	\$ 870.00	\$ 190.00	\$ 3,407.46	\$ 400.00	\$18,756.46
December	\$ 269.00	\$ 7,630.00	\$ 605.00	\$ 145.00			\$ 8,649.00
Total	\$ 655.00	\$ 28,275.00	\$ 2,400.00	\$ 470.00	\$ 9,262.50	\$ 750.00	\$41,812.50

4th Quarter Attendance

Month	Aero	Tot Time	HS Gym	Y.Programming	Adt. B Ball	Adt V Ball	WR	OG	Total
Oct	67	36	33	238	80	124	1069	408	2055
Nov	88	30	12	102	68	78	1226	504	2108
Dec	51	15		232	88	89	946	442	1863
Total	206	81	45	572	236	291	3241	1354	6026

PUBLIC WORKS DEPARTMENT

4th Quarter Report

October – November - December
2011

The Public Works Department is comprised of 4 Divisions. Major activities for each Division include the following:

ADMINISTRATION DIVISION

A wide variety of issues came up requiring my attention including, but not limited to, the following:

- Attended emergency management training in Anchorage
- Drove recently-purchased Freightliner slide-back truck from Fairbanks
- Tentatively planned for smoke testing of sewer lines throughout the City
- Set meeting between utilities, contractor and the State DOT to discuss paving of the Copper River Highway, meeting is to be rescheduled.
- Conducted surplus equipment sale in November

Sincerely,
Moe Zamarron
Director of Public Works

FACILITIES MAINTENANCE DIVISION

This includes one ½ time position to conduct building repairs and service mechanical components and one full-time custodial position. The following buildings are repaired and maintained in whole or in part by this Division.

- City Hall / Police Station
- Library
- Chamber of Commerce
- Bidarki
- Pool
- City Shop
- Harbor Restrooms (Custodial only)

Daily rounds are conducted of each building to ensure systems are functioning properly. Often small repairs are required such as repairing or replacing hinges, stuck windows, squeaky doors, weather-stripping, switches, light bulbs, installing signs, painting, etc. A used all-wheel-drive van was purchased from the state for use by the division custodian.

POOL

Repaired the boiler flue pipe attachment

LIBRARY / MUSEUM

Miscellaneous minor repairs.
Traced electrical problems

CHAMBER OF COMMERCE

Nothing to report.

EYAK WATER TREATMENT PLANT

Miscellaneous minor repairs.
Assisted with machinery replacement

BIDARKI

Assisted with boiler replacement.

WASTEWATER TREATMENT PLANT

Miscellaneous minor repairs.

CITY SHOP

Miscellaneous minor repairs.

CUSTODIAL

Daily cleaning / trash pickup rounds are conducted at the following buildings:

- Bidarki
- Harbormaster's Office
- Harbor North Restroom
- City Hall / Police Station
- Library / Council Chambers

Sincerely,

Rick Johnson
Maintenance I

Chris Fariss
Custodian

STREETS DIVISION

A wide variety of issues came up including, but not limited to, the following:

- Upgraded equipment with purchase of new stripe painter.
- Installed new lift gate on pickup truck
- Outfitted all winter use vehicles with new snow tires and/or tire chains
- Continued to provide a high level of service in street maintenance
- Received materials for replacing the culvert at Eccles Estates
- Continued OSHA compliance measures

REFUSE DIVISION

A wide variety of issues came up including, but not limited to, the following:

- Continuing a facility-wide cleanup at the baler
- Purchased used Chevy pickup from the US GSA to replace older vehicle sold in the surplus sale.
- Outfitted all winter use vehicles with new snow tires and/or tire chains.
- Ordered new multi-use skid-steer loader



STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Division of Community and Regional Affairs

Sean Parnell, Governor
Susan K. Bell, Commissioner
Scott Ruby, Director

January 13, 2012

City of Cordova
P.O. Box 1210
Cordova, AK 99574

RE: FY 13 POPULATION DETERMINATION

Dear Mayor:

The Department of Commerce, Community, and Economic Development annually certifies the population of each municipality for use in various financial assistance programs based upon population estimates prepared by the State Demographer at the Department of Labor and Workforce Development.

The 2011 population of the City of Cordova has been determined to be 2,289.

If you **do not** agree with this figure, you may request an adjustment by documenting your own population. Municipalities with a population of less than 1,000 may only use the "head count census" methodology to appeal their population determination. Municipalities with 1,000 or more residents may use a "head count census" or the "housing unit method", which includes specific statistical measures. The department requires that the population adjustment request be fully documented, that the Council or Assembly pass a resolution adopting the results, and that the process be completed and postmarked by **April 1, 2012**.

If you choose to request a population adjustment, please contact the department for a copy of the *January, 2012, Head Count Census Instruction Manual* or the *Housing Unit Method Population Estimate Instruction Manual*. These manuals provide additional information on the procedures and documentation required. Contact Brigitta Windisch-Cole, Research Analyst, (phone: 907-269-4521, email: brigitta.windisch-cole@alaska.gov) for additional information.

Sincerely,

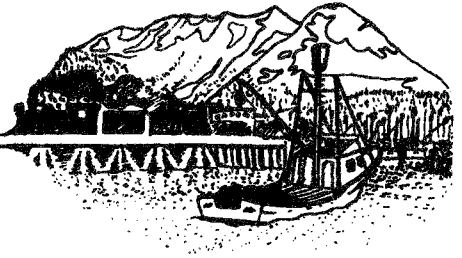
Scott Ruby
Director

RECEIVED
JAN 19 2012
City of Cordova

City of Cordova Population Statistics

year	population	% chg	
1910	1152		
1920	955	-17.10%	
1930	980	2.62%	
1940	938	-4.29%	
1950	1165	24.20%	
1960	1128	-3.18%	
1970	1164	3.19%	
1980	1879	61.43%	
1990	2110	12.29%	
2000	2454	16.30%	
2001	2454	0.00%	
2002	2434	-0.81%	
2003	2372	-2.55%	
2004	2298	-3.12%	
2005	2288	-0.44%	
2006	2211	-3.37%	
2007	2194	-0.77%	
2008	2161	-1.50%	
2009	2126	-1.62%	
2010	2239	5.32%	fed census
2011	2289	2.23%	

CITY OF CORDOVA



January 26, 2012

Prince William Sound Science Center
Board of Directors and President/CEO Katrina Hoffman
PO Box 705
Cordova, AK 99574

In Re: Cordova Fill Project

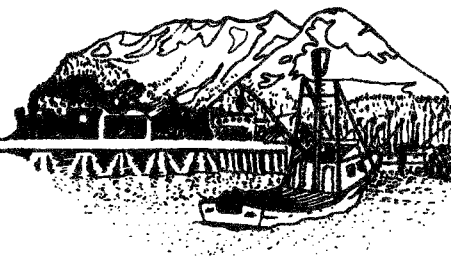
Prince William Sound Science Center Board of Directors

The City Council and administration of the City of Cordova continue on a path of development to spur economic diversification while still respecting the beautiful surroundings of our Alaskan wilderness locale. It is an unfortunate circumstance that within Cordova's city limits, there is very little usable land for such development to occur upon. Fill projects have become an important component of this responsible development. The current City Planning staff is well versed in permitting and furthering such projects. Recently, the City Planner was pursuing a permit and called upon Mr. John Harvill and the Prince William Sound Science Center for assistance. They were able to provide documentation and background information which was of immense assistance in the process. Mr. Harvill shared his vast experience with fill project permitting which also proved to be invaluable. Lastly, the Science Center and Mr. Harvill's efforts and support enabled the paperwork to be completed in a timely manner keeping the project on its current time frame. This coordinated effort should not go unnoticed and is a perfect example of why Cordova has been successful in the past and strives to continue on such a path of prosperity. We are grateful for the Prince William Sound Science Center and Mr. John Harvill's assistance in this matter.

Respectfully,

Jim Kallander
Mayor, City of Cordova

CITY OF CORDOVA



January 26, 2012

Native Village of Eyak
Attention: Jonah Dart-McLean
PO Box 1388
Cordova, AK 99574

In Re: Power Grid Installation to Hartney Bay Subdivision

Jonah:

The City Council of the City of Cordova and I are supportive of economic development and of developing land for residential use in the Cordova area. Therefore, we are encouraged that the Native Village of Eyak is working on projects such as extending power to the Hartney Bay Subdivision. The Cordova City Council meets on the first and third Wednesday of every month and has determined that quarterly we will revisit our capital projects and prioritize them. I have included our most recent prioritization which was passed as Resolution 01-12-02. The ailing hospital roof has been our highest priority for two years and we will not move it out of that position. Electronic medical records are also of high priority due to the fact that these will be mandated in the near future. I invite you to attend our next meeting when we will possibly re-work the list or add or delete items. That meeting will be either March 7 or March 21. At this time we would prefer not to add to our list since it has already been shared with our legislators in Juneau. Thank you for your work toward improving Cordova.

Respectfully,

Jim Kallander
Mayor, City of Cordova

A letter From the Race Founder.

I started a watercraft tour company because I wanted to share the love of riding watercrafts on the ocean and exploring the waters in Prince William Sound. The sense of freedom you get from riding a watercraft on the ocean is indescribable. Coupled with the fact that few places on earth that can match the incredible mind blowing beauty that Prince William Sound has to offer it is truly an epic adventure (to borrow the words of a client). I really wanted to share this amazing place and experience in Alaska with others.

After just a short time I realized that the general public is held back from participating in things that seem at the onset “crazy”. I have heard such things like “Your taking that little thing on the ocean?” so many times. And then I realized that the world in general needs to change their attitude towards watercrafts. The world needs to be shown and educated as to the viability and versatility that these awesome crafts have and they need to be shown that personal watercrafts can be used for so much more than just a toy on a lake. I like to say that once you ride on the ocean, you will never want to ride on a lake again.

So I had to come up with an idea that would take these PWCs to a new level. I know that one of the only ways to do that is to go extreme. Do things never before attempted.

Alaska is renowned for its races. Alaska is host to the Iditarod race, a 1000 mile dog sled race and also the Iron Dog race which is a 2000 mile snow machine race through the interior. They also have other events here like the “Arctic Man”, and the “Serum Run” both of which are snow machine events.

What they don’t have is an event that involves the ocean and Alaska has a lot of ocean around it. At least they did not have an event until now. I am working hard to kick off this one of a kind event.

This is where I need YOUR help. For a race of this magnitude to be successful, it is vital to gather information to ascertain the feasibility of this event to move forward. Whether you are interested in racing or just being a spectator, PLEASE fill out our survey form.

The sooner we can determine that the “level of interest” is sufficient, the quicker we can move on to the next step in kicking off this world class event.

Thank you for your time and interest. Your input is very much appreciated.

Sincerely

John Lang

Founder of the Alaskan Wet Dog Race.

SPREAD THE WORD PLEASE! THIS IS GOING TO BE THE WATERCRAFTING EVENT OF A LIFETIME.



1. Whittier
2. Valdez
3. Cordova
4. Chenega (Removed from Proposed Checkpoints 1-4-12)
5. Seward
6. Port Graham
7. Anchor Point
8. Kenai
9. Williams Port
10. Port Williams
11. Kodiak
12. Old Harbor
13. Larsen Bay
14. Alitak
15. Chegnik
16. Perryville
17. Sandpoint
18. Kingcove
19. Cold Bay
20. False Pass
21. Port Moller
22. Port Heiden
23. Egegik
24. Naknek
25. Igiugig
26. Iliamna

Susan Bourgeois

From: Mark Luttrell <prufrock@arctic.net>
Sent: Wednesday, January 11, 2012 4:33 PM
To: Mark Lynch; igiugig@bristolbay.com; Susan Bourgeois; Dale Muma; Jim Kallander; Sam Greenwood; sflensburg@bbna.com; cakelkok@bbna.com; Public Works; cbaytc@aol.com; jcar205840@aol.com; tedmeyer@bristolbayboroughak.us; randers@bbna.com; rogina Karen; dbennis@bbna.com; drc0515@yahoo.com; thoseth@bbna.com; creft@koniag.com; jmohorci@borough.kenai.ak.us; citymanager@whittieralaska.gov; Karen Rogina; spierce@ci.valdez.ak.us; Jim Hunt; info@anchorpointchamber.org; rkoch@ci.kenai.ak.us; AKniazowski@city.kodiak.ak.us; oldharborcitycouncil@gmail.com; ohtribal@hotmail.com; OHNCorp@starband.net; chenega@chenegacorp.com; city_of_akhiok@yahoo.com; akipres@alaska.net; nvproads@hotmail.com; sptcity@arctic.net; coldbayak@arctic.net; cityoffalsepass@ak.net; isanotski@gci.net; falsepass@tribe@gmail.com; cityofpth@hotmail.com; lcarlson79@starband.net; cityofegegik@starband.net; becharof@gci.net; egegiktribaloffice@yahoo.com; michael.daigneault@alaska.gov; Virginia Litchfield; Linda D (DOT) Markham; scottwesleyanderson@hotmail.com; susie_jennien@yahoo.com; christinasalmon@hotmail.com; mchythlook@bbna.com; chigniklake_igap@hotmail.com; shirley_andrew@hotmail.com; jennifer@ekukvc.net; george@ivanofbaytribe.org; tinatinker@yahoo.com; ang2314@hotmail.com; igap_jess@yahoo.com; lowieanderson@hotmail.com; hchythlook@bbna.com; amgolia@bbna.com; fwoods@bbna.com; igaplagoon@hotmail.com
Subject: 1000 jetskis might be headed your way! Tell DNR no.

Hi Alaskans:

As many as 1000 jetskis may be headed your way! A proposed 2000 mile "Wet Dog Race" consisting of 500 two-person teams of personal watercraft racing from Whittier to Iliamna is set for May 1, 2013 and could pass near your home or lands that are relevant to you. The route passes through Whittier (start), Valdez, Cordova, Seward, Anchor Point, Kenai, Williamsport, Port Williams, Kodiak, Old Harbor, Akhiok, Chignik, Perryville, Sand Point, Cold Bay, False Pass, Port Moller, Port Heiden, Egegik, Naknek, Igiugig, and Iliamna (finish).

I'm writing to ask you to help stop this race for reasons I outline in the links below (also available on the Resurrection Bay Conservation Alliance [website](#)). You can do that by submitting comments to the State Department of Natural Resources. The remote villages along the route have the most to endure if the race is permitted by the Alaska State DNR. Imagine 1000 racers plus pit crew, support boats, race officials, and media over a two week period showing up on your dock tired, chilled, hungry and in need of a camp site, bathroom, lodging, a meal and fuel and maybe medical attention. This at the time commercial fishing efforts are just beginning.

Chenega Bay Corporation (in Prince William Sound), a "checkpoint" on the route has **officially asked to be removed as a checkpoint along the route** (their letter is attached here. Also [here](#)). The reason? They simply do not have the facilities to provide for the demands of 1000 jetskis, etc. In a letter to Candice Snow, Natural Resource Specialist (part of the permitting team) for the DNR, Chenega Bay Corporation said this: *"Given the approximate 500 teams comprised of 1,000 personal watercrafts, participating over a week's time, and the hundreds of support boats to be staged throughout the event course, even the most basic requirements for food services, accommodations, fuel and public restroom facilities cannot be met in Chenega".*

My suspicion is that your city or village does not have the facilities to accommodate the needs of these racers either. And maybe international attention to your remote lifestyle isn't necessarily welcomed. Or you care about impact to subsistence resources. Because of that, I am asking you to consider submitting comments to the DNR opposing this race by January 26, 5PM.

I've included links (rather than attachments because the files are large) to documents that you'll find useful and interesting: an "action alert" (in PDF format [here](#)) that I sent out a few weeks ago, plus the applicant's detailed but incomplete proposal (in PDF format [here](#)), the DNR review Notice (in PDF format [here](#)) and the [letter](#) from Chenega Bay Corporation.

Thanks for your attention. Call or email with questions.

Mark

Mark Luttrell, President
Resurrection Bay Conservation Alliance
Box 1092
Seward, AK 99664
907 224-5372
prufrock@arctic.net
rbca-alaska.org



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

January 25, 2012

Memo to City Council

Re: North Breakwater Extension and Tideland Fill

CMC 5.12.040 “Council approval of contracts” says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

I recommend the city enter into a contract with DHI Consulting Engineers of Anchorage, Alaska, to perform Construction Drawings and Request for Proposal preparation for the North Breakwater Extension and Tideland Fill Proposal.

The contract price is T&M not to exceed \$28,000, and reimbursable direct expenses estimated at \$1300.

The nature and quantity of the performance the city shall receive is set forth in the attached “Engineering Scope of Services and Fee Proposal” (Exhibit A) and “Agreement for Consulting Services” (Exhibit B).

The time for performance under the contract will be until this portion of the project is completed.

Recommended action: Voice Vote.

I move to direct the City Manager to sign and enter into the attached “Agreement for Consulting Services” (Exhibit B) for with DHI Consulting Engineers for Construction Drawings and RFP Preparation as set forth in the “Engineering Scope of Services and Fee Proposal” (Exhibit A).

Thank you,
Mark Lynch
City Manager

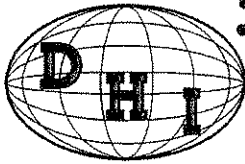


Exhibit A

DHI CONSULTING ENGINEERS

Civil Engineering • Surveying • Planning

December 29, 2011

DHI-364

Mr. Moe Zamarron
City of Cordova
602 Railroad Street
Cordova, AK 99574

RE: North Breakwater Extension and Tideland Fill Area
Engineering Scope of Services and Fee Proposal

Dear Mr. Zamarron,

The following is our Scope of Service and Fee Proposal for providing the modifications to the Corp of Engineers design for placement of tideland fill and shoreline stabilization and assisting the City with the preparation of a "Request for Proposal". The area covered by this proposal is encompassed on the north and west by the existing city dock and on the east by the existing breakwater. The area encompasses approximately 1.3 acres.

I. SCOPE OF SERVICES:

Our Scope of Services will include:

A. Construction Drawings:

Our design services are limited to the preparation drawings to address the fill area using the design for shoreline stabilization completed by the Corp of Engineers in 2008 for the North Breakwater Extension. We will adjust the configuration of the stabilization to allow for the filling of approximately 1.3 acres of tideland.

We are specifically directed by the City to use the Corp of Engineers survey data, Corp of Engineers design for bank protection, and all other data available from the Corp of Engineers. No independent evaluation is to be conducted on the suitability of the stabilization design for armor rock, core rock or bedding material, or subgrade stability.

We will provide a set of drawings on 22 x 34 sheets consisting of a cover page, survey control drawing, site plan, and a detail/sections page.

We will provide an estimate for the various quantities of material needed for the project.

B. Request for Proposal:

The service and fees noted below will supersede those provided in our letter of December 20, 2011. Our Scope of Service for this portion of the project will be to prepare a Request For Proposal (RFP) package that will cover two options. Option 1 will be the construction of north breakwater extension as designed by the Corp of Engineers in 2008 and the second option will be to construct tideland fill and shoreline stabilization as noted in the above described Scope of Service. After the RFP package is complete, we

will assist the City with printing the package, advertising of the RFP, coordinate the receipt and evaluation of the RFP's and issuing the Award of the contract.

II. FEES:

We will complete the above Scope of Services on a time and material (T&M) basis. Our estimated fee is as follows:

A. Construction Drawings	T&M Not to Exceed \$12,000.00
B. Request for Proposal Preparations	T&M Not to Exceed <u>\$16,000.00</u>

Total Estimated Time & Material Fee (Less Reimbursables): \$28,000.00

III. REIMBURSABLE ITEMS:

Direct expenses will be charged to the project at cost plus ten percent. Direct expenses include such items as printing and copying, binding and collating of documents, long distance calls, computer plots, purchase of maps and/or aerial photography. Our estimated direct expenses are \$1,300.00

IV. SCHEDULE

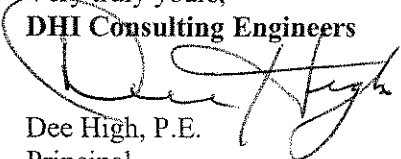
The final date for advertising the project is to be selected by the City. It is our understanding that the date will be as early in January of 2012 as possible. DHI will provide the complete drawings and RFP Package to the City for their approval by January 5, 2012.

V. EXCLUSIONS:

We have excluded from our Scope of Services and Fees all services related to engineering evaluation of the Corps of Engineers stabilization design, and for all construction phase services.

I believe the above covers the items requested. If the above is acceptable, please sign the attached agreement.

Very truly yours,
DHI Consulting Engineers


Dee High, P.E.
Principal

Attachments: Agreement for Consulting Services
cc: Jeremy High
sa/dh
986 Scope of Services.doc

Exhibit B

AGREEMENT FOR CONSULTING SERVICES

City of Cordova and DHI Consulting Engineers ("DHI") agree that the following terms and conditions will apply to any services, including subsequent services and changes, (collectively "Services") to be provided by DHI relating to Proposal No. DHI-364, dated December 29, 2011 (collectively the "Agreement"):

1. STANDARD OF CARE

Services performed by DHI will be conducted in a manner consistent with that level of care and skill ordinarily exercised by other professionals currently practicing under similar conditions in the same locality, subject to the time limits and financial, physical or other constraints applicable to Services. No warranty, express or implied is made.

2. INVOICES AND PAYMENT TERMS

A. Unless otherwise specified in any proposal, DHI will submit monthly invoices to CLIENT and final bill upon completion of Services. CLIENT shall notify DHI within ten (10) days of receiving an invoice if they have any dispute with the invoice. The parties shall promptly resolve any disputed items. Full payment is due prior to delivery of DHI's final deliverable. Payment on undisputed invoice amounts is due upon receipt of invoice by CLIENT and is past due thirty (30) days from the date of the invoice. CLIENT agrees to pay a finance charge of one and one-half percent (1½%) per month (18% per annum), or the maximum rate allowed by law, on past due accounts. If payment remains past due sixty (60) days from the date of the invoice, then DHI shall have the right to suspend or terminate all Services under this Agreement, without prejudice or penalty. CLIENT will pay all reasonable demobilization and other suspension or termination costs. CLIENT agrees to pay attorneys' fees, legal costs, and all other collection costs incurred by DHI in pursuit of past due payments.

B. Where the cost estimate for the Services is "not to exceed" a specified sum, DHI shall notify CLIENT before each limit is exceeded, and shall not continue to provide Services beyond such limit unless CLIENT authorizes an increase in the amount of the limitation. If a "not to exceed" limitation is broken down into budgets for specific tasks, the task budget may be exceeded without CLIENT authorization as long as the total limitation is not exceeded.

3. CHANGES

CLIENT and DHI recognize that it may be necessary to modify the Scope of Services, schedule, and/or cost estimate proposed in this Agreement. Such changes shall change the Services, schedule, and/or the cost, as may be equitable under the circumstances. DHI shall notify CLIENT in a timely manner when it has reason to believe a change to the Agreement is warranted. DHI shall prepare a change order request outlining the changes to the scope, schedule, and/or cost of the project. CLIENT has a duty to promptly consider the change order request and advise DHI in a timely manner in writing on how to proceed. If after a good faith effort by DHI to negotiate modifications to the scope of Services, schedule, and/or cost estimate, an agreement has not been reached with the CLIENT, then DHI shall have the right to terminate this Agreement, without prejudice or penalty, upon written notice to the CLIENT.

harmless from any loss or liability resulting from the reuse, misuse, or negligent use of the Documents.

10. DATA AND INFORMATION

CLIENT shall provide to DHI all reports, data, studies, plans, specifications, documents and other information ("Project Information") which are relevant to the Services. DHI shall be entitled to rely upon the Project Information provided by the CLIENT or others and DHI assumes no responsibility or liability for the accuracy or completeness of such. CLIENT waives any claim against DHI, and agrees to defend, indemnify and hold DHI harmless from any claim or liability for injury or loss allegedly arising from errors, omissions, or inaccuracies in the Project Information. DHI will not be responsible for any interpretations or recommendations generated or made by others, which are based, whole or in part, on DHI's data, interpretations or recommendations.

11. RIGHT OF ENTRY

CLIENT will provide for the right of entry for DHI, its subcontractors, and all necessary equipment in order to complete the Services under this Agreement. If CLIENT does not own the site, CLIENT shall obtain permission and execute any required documents for DHI to enter the site and perform Services. It is understood by CLIENT that in the normal course of work some surface damage may occur, the restoration of which is not part of this Agreement.

12. SUBSURFACE RISKS

A. Special risks occur whenever engineering or related disciplines are applied to identify subsurface conditions. Even a comprehensive survey sampling and testing program implemented in accordance with a professional Standard of Care may fail to detect certain conditions. The environmental, geological, geotechnical, geochemical, hydrogeological and other conditions that DHI interprets to exist between points may differ from those that actually exist. Furthermore, CLIENT recognizes that, passage of time, natural occurrences, direct or indirect human intervention at or near the site may substantially alter discovered conditions.

13. NOT USED

14. CONTROL OF WORK AND JOB-SITE SAFETY

A. DHI shall be responsible only for its activities and that of its employees and subcontractors. DHI's Services under this Agreement are performed for the sole benefit of the CLIENT and no other entity shall have any claim against DHI because of this Agreement or the performance or nonperformance of Services hereunder. DHI will not direct, supervise or control the work of other consultants and contractors or their subcontractors. DHI does not guarantee the performance of, and shall have no responsibility for, the acts or omissions of any other contractor, subcontractor, supplier or other entities furnishing materials or performing any work on the project.

B. Insofar as job site safety is concerned, DHI is responsible only for the health and safety of its employees and subcontractors. Nothing herein shall be construed to relieve CLIENT

or any other consultants or contractors from their responsibilities for maintaining a safe job site. DHI shall not advise on, issue directions regarding, or assume control over safety conditions and programs for others at the job site. Neither the professional activities of DHI, nor the presence of DHI or its employees and subcontractors, shall be construed to imply that DHI controls the operations of others or has any responsibility for job site safety.

15. PUBLIC RESPONSIBILITY

CLIENT has a duty to comply with applicable codes, standards, regulations and ordinances, with regard to public health and safety. While DHI performs the Services it will endeavor to alert CLIENT to any matter of which DHI becomes aware and believes requires CLIENT's immediate attention to help protect public health and safety, or which DHI believes requires CLIENT to issue a notice or report to certain public officials, or to otherwise comply with applicable codes, standards, regulations or ordinances. If CLIENT decides to disregard DHI's recommendations in these respects, (i) DHI shall determine in its sole judgment if it has a duty to notify public officials, and (ii) DHI has the right immediately to terminate this Agreement upon written notice to the CLIENT without penalty.

16. NOTIFICATION AND DISCOVERY OF HAZARDOUS MATERIALS

A. Prior to commencing the Services and as part of Project Information defined in Article 10, Data and Information, CLIENT shall furnish to DHI all documents and information known to CLIENT that relate to past or existing conditions of the site and surrounding area, including the identity, location, quantity, nature or characteristics of any hazardous materials or suspected hazardous materials or subterranean utilities. DHI may rely on such information and documents. CLIENT hereby warrants that, if it knows or has any reason to assume or suspect that hazardous materials may exist at the project site, it has so informed DHI.

B. CLIENT acknowledges that if unanticipated hazardous materials or suspected hazardous materials are discovered on the project site property or on properties surrounding or adjacent to such site, it is CLIENT's responsibility, and not DHI's to inform the owner of any affected property not owned by CLIENT of such discovery. CLIENT also recognizes that any such discovery may result in a significant reduction of the property's value. CLIENT waives any claim against DHI and agrees to defend, indemnify and hold harmless DHI from any claim or liability for injury or loss of any type arising from the discovery of hazardous materials or suspected hazardous materials on the project property site or on surrounding property, whether or not owned by CLIENT. CLIENT agrees that discovery of unanticipated hazardous materials shall constitute a changed condition for which DHI shall be fairly compensated.

17. TERMINATION

Either party may terminate this Agreement as a result of a material breach of the other party if the other party does not commence and continue to cure the breach within thirty (30) days of receipt of written notice of the breach from the non-breaching party. In the event of termination, DHI shall be paid for Services performed to the termination notice date, reasonable termination expenses, and a portion of its anticipated profits not less than the percentage of the

contract services performed as of the termination notice date. DHI may complete such analyses and records as are necessary to complete its files and may also complete a report on the Services performed to the date of notice of termination or suspension. The expenses of termination or suspension shall include all direct costs of DHI in completing such analyses, records and reports.

18. DISPUTES

A. All disputes, claims, and causes one party makes against the other, at law or otherwise, including third party or “pass-through” claims for indemnification and/or contribution, which amount to a claim more than \$50,000 shall be initiated, determined, and resolved by arbitration in accordance with the American Arbitration Association and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing, any claims by DHI against CLIENT involving failure to make payment pursuant of Article 2, Invoices and Payment Terms, as well as alleged misappropriation or misuse of DHI’s Intellectual Property or Confidential Information may be resolved through any legal or equitable means or any form of alternative dispute resolution.

B. In the event that one party makes a claim against the other, at law or otherwise, and then fails to prove such claim, then the prevailing party shall be entitled to all costs, including attorneys’ fees incurred in defending against the claim.

19. INTELLECTUAL PROPERTY

A. If the Services require DHI to provide CLIENT with the right to use or access proprietary DHI software, programs, information management solutions, hosting services, technology, information or data (“DHI Products”), DHI grants CLIENT during the term of the project a non-exclusive, non-transferable, non-assignable license to use the DHI Products for CLIENT’s internal purposes, solely in connection with the Services. Except for this limited license, DHI expressly reserves all other rights in and to the DHI Products.

B. DHI’s Right to Use CLIENT Materials - If the Services require CLIENT to provide DHI with the right to use or access proprietary CLIENT software, programs, technology, information or data (“CLIENT Products”), CLIENT grants DHI a perpetual, non-exclusive, non-transferable, non-assignable, royalty free world-wide license to use and access the CLIENT Product as necessary to provide CLIENT with Services.

C. Intellectual Property General - DHI shall own all Intellectual Property (as hereinafter defined) associated with the Services and the DHI Products, together with any modifications, updates or enhancements to said Intellectual Property. DHI grants no right or license to such Intellectual Property to CLIENT except as expressly provided in this Agreement. CLIENT conveys to DHI any interest in any such Intellectual Property rights that, notwithstanding the foregoing, would otherwise be deemed by law to vest in CLIENT. “Intellectual Property” includes patents, patent applications, trademarks, trademark applications, copyrights, moral rights or other rights of authorship and applications to protect or register the same, trade secrets, industrial rights, know-how, privacy rights and any other similar proprietary rights under the laws of any jurisdiction in the world. DHI may use and publish the CLIENT’s name and give a

general description of the Services rendered by DHI for the purpose of informing other clients and potential clients of DHI's experience and qualifications.

D. DHI shall use reasonable efforts to provide the Services without infringing on any valid patent or copyright and without the use of any confidential information that is the property of others; provided, however, reasonable efforts of DHI shall not include a duty to conduct or prepare a patent or copyright search and/or opinion. If DHI performs its Services in a manner consistent with the above, then to the fullest extent permitted by law, CLIENT shall indemnify, defend and hold harmless DHI and its officers, directors, agents and employees against all liability, costs, expense, attorneys' fees, claims, loss or damage arising from any alleged or actual patent or copyright infringement resulting from the Services under this Agreement.

20. INFORMATION MANAGEMENT

A. CLIENT acknowledges that electronic media is susceptible to unauthorized modification, deterioration, and incompatibility and therefore CLIENT cannot rely upon electronic media versions of Documents. In the event of any discrepancy, DHI's hard copy shall prevail.

B. Some DHI Products may be offered to CLIENT via the Internet and some DHI Products may utilize wireless radio communications. Atmospheric, meteorological, topographical and other conditions can affect the performance of any wireless device, software or technology (including, but not limited to information management solutions, hosting services, FTP and extranet services), just as application size, traffic, bottlenecks and other conditions can affect Internet access and upload and download speeds. CLIENT acknowledges that these types of conditions and other similar conditions are beyond the reasonable control of DHI and that DHI makes no representations or guarantees that CLIENT will be able to access any particular DHI Product at any given time without any error or interruption.

21. MISCELLANEOUS

A. This Agreement supersedes all other agreements, oral or written, and contains the entire agreement of the parties. No cancellation, modification, amendment, deletion, addition, waiver or other change in this Agreement shall have effect unless specifically set forth in writing signed by the party to be bound thereby. Titles in this Agreement are for convenience only.

B. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns provided that it may not be assigned by either party without consent of the other. It is expressly intended and agreed that no third party beneficiaries are created by this agreement, and that the rights and remedies provided herein shall inure only to the benefit of the parties of this Agreement.

C. CLIENT acknowledges and agrees that DHI can retain subconsultants, who may be affiliated with DHI, to provide Services for the benefit of DHI. DHI will be responsible to CLIENT for the Services and work done by all of its subconsultants and subcontractors, collectively to the maximum amount stated in Article 7, Limitation of Liability. CLIENT agrees

that it will only assert claims against and seek to recover losses, damages or other liabilities from DHI and not DHI's affiliated companies. To the maximum extent allowed by law, CLIENT acknowledges and agrees it will not have any legal recourse and waives any expense, loss, claim, demand, or cause of action, against DHI's affiliated companies, and their employees, agents, officers and directors.

D. No waiver of any right or remedy in respect of any occurrence on one occasion shall be deemed a waiver of such right or remedy in respect of such occurrence on any other occasion.

E. All representations and obligations (including without limitation the obligation of CLIENT to indemnify DHI in Article 6 and the Limitation of Liability in Article 7) shall survive indefinitely the termination of the Agreement. CLIENT acknowledges that it may not use DHI's name or any reference to the Services in any press release or public document without the express, written consent of DHI.

F. Any provision, to the extent found to be unlawful or unenforceable, shall be stricken without affecting any other provision of the Agreement, so that the Agreement will be deemed to be a valid and binding agreement enforceable in accordance with its terms.

G. All questions concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the parties hereunder shall be governed by the laws of Alaska unless the law of another jurisdiction must apply for this Agreement to be enforceable.

H. All notices required or permitted to be given hereunder, shall be deemed to be properly given if delivered in writing via facsimile machine, e-mail, regular mail, hand delivery or express courier addressed to CLIENT or DHI, as the case may be, at the addressee set forth below in regard to the CLIENT and as listed on the Proposal in regard to DHI, with postage thereon fully prepaid if sent by mail or express courier.

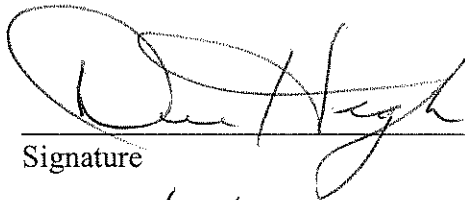
I. CLIENT represents and warrants that the individual signing this Agreement is an authorized representative of CLIENT and has authority to bind the CLIENT.

22. AUTHORIZATION TO PROCEED

By signing below, CLIENT hereby authorizes DHI to proceed with the Services outlined in the Proposal and in accordance with this Agreement, which includes terms relating to *payment, limitation of liability, insurance and indemnity*, among many other important provisions. CLIENT also represents that any "purchase order" type document which CLIENT may issue subsequent to executing this Agreement, shall be for administrative or accounting purposes only, and that this Agreement shall supersede any such terms or conditions attached thereto in governing the performance of the Services.

DHI CONSULTING ENGINEERS

CLIENT:



Signature

12/29/11

Date

Dee High

Name

Owner

Title

I have the authority to bind the company.

City of Cordova

Company Name

Signature

Date

Name

Title

I have the authority to bind the corporation

Please address invoices to:



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6200
Fax: (907) 424-6000
Email: citymanager@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of City Manager

January 25, 2012

Memo to City Council

Re: Cordova Center Phase II – Estimate and Document Constructability Review

CMC 5.12.040 “Council approval of contracts” says:

No contract for supplies, services or construction which obligates the city to pay more than fifteen thousand dollars may be executed unless the council has approved a memorandum setting forth the following essential terms of the contract:

- A. The identity of the contractor;*
- B. The contract price;*
- C. The nature and quantity of the performance that the city shall receive under the contract; and*
- D. The time for performance under the contract.*

Cathy Sherman and Josh Hallquist recommend the city enter into a contract with OAC Services of Seattle, Washington, to perform proposal for constructability review services and estimating for the second phase of Cordova Center. This proposal is based on information from MRV 98% Review Documents set dated November 17, 2011.

The contract price is T&M not to exceed \$35,100, and reimbursable direct expenses billed at cost.

The nature and quantity of the performance the city shall receive is set forth in the attached “Phase II Cordova Center, Consulting Services Proposal Constructability Review and Estimate.”

The time for performance under the contract will be 30 days.

Recommended action: Voice Vote.

I move to direct the City Manager to sign and enter into the attached “Phase II Cordova Center, Consulting Services Proposal Constructability Review and Estimate.”

Thank you,

Mark Lynch
City Manager



701 Dexter Avenue N, Suite 301, Seattle, WA 98109
206.285.4300 : main 206.285.4371 : fax
www.oacsvcs.com

January 23, 2012

Cathy Sherman
City of Cordova
P.O. Box 1210
Cordova, Alaska 99574

Subject: Phase II Cordova Center, Consulting Services Proposal– Constructability Review and Estimate

Dear Cathy:

Thank you for the opportunity to provide continued support on your Cordova Center project. OAC Services, Inc., (OAC), is pleased to submit our proposal for constructability review services and estimating for the second phase of Cordova Center. We have based this proposal on information from MRV 98% Review Documents set dated November 17, 2011.

The CR review team will include design and construction professionals who are experienced in the bidding and construction of similar facilities. The following describes our proposed scope of work and the associated fee.

Constructability Review

OAC will serve as a resource to identify ambiguities, conflicts, or missing design information to help improve the effectiveness of the bid documents in conveying the design requirements. The CR team will review coordination between disciplines, constructability issues, design details, quality issues, and completeness of the documentation to communicate the design intent. This review does not replace the need for the A/E quality control review. A redlined set of drawings will be prepared with comments recorded in a tabular report correlated to the drawings with key notes. Review comments for the specifications will be recorded in a tabular report correlated to the specification sections. The tabular forms include a column for the design team to provide responses that will be included in the CR report. MS Word versions of the tabular report will be issued for use by the design team. The CR team will meet with appropriate design team members to review documents and clarify or discuss comments and recommendations. Three hard copies and one electronic copy of the final report with findings and recommendations will be issued.

We have based our estimate of hours for the review on a page count of 175 plan sheets. The review includes all plan sheets and associated division specifications documents. A review of the divisions 00 and 01 front-end documents is not included. As an additional service, we can complete a back-check of the 100% bid documents to verify that previous comments have been incorporated. A follow up letter noting the results of the back-check would be issued to assist the design team in making document changes during or following the bid period.

Construction Estimate

A detail estimate will be performed identifying the quantities and unit prices for each scope. Unit prices for major components of work will be checked with firms providing that scope in the project location to ensure accurate pricing. The proposal will include review of the mechanical and electrical systems with a firm experienced in providing the systems specified to establish a cost per square foot for those systems. However, a detailed mechanical and electrical estimate is not included in this proposal; we will take the unit price developed by the firms contacted to derive the total cost based on the square footage of the facility. If a more detailed mechanical and electrical estimate is desired we can provide this service.

Summary and Fee

The proposed fees for the constructability review and estimate are:

Constructability Review:	\$24,400
Estimate:	\$10,700

Fees for the proposed services above will be charged on a time and expense basis as listed below.

Principal	\$190/hr.
Associate	\$145/hr.
Administrative	\$ 75/hr.
Travel expense	billed at cost

For all tasks, we've assumed that documents are provided by the owner/design team. If acceptable please indicate your acceptance of this proposal. Thanks again for the opportunity to assist you with your project; we look forward to your response.

Sincerely,



Dave Petersen, CCM
Associate

Pending agenda:

Schedule a Council Work Session with **Captain Michael Neussl**, Deputy Commissioner for Marine Operations AK DOT&PF

Capital Priorities List Meeting – **March 2012, June 2012, September 2012, December 2012**

State of AKDOT&PF “**Town Hall Meeting**” in Cordova to discuss/answer community questions about CRH 36 mile bridge closure/repair – let’s set a new date for this – **Moe Zamarron** to get back with Clerk once he has heard from DoT folks

Committees:

Cordova Center Committee: Tim Joyce, Sylvia Lange, VACANCY, Darrel Olsen, Larue Barnes, VACANCY, Valerie Covell, David Roemhildt, Dan Logan, Nancy Bird, and Cathy Sherman

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; John Bocci; and Jeremy Botz, ADF&G

Cordova Trails Committee: Elizabeth Senear, VACANCY, Jim Kallander, Toni Godes, and David Zastrow

Public Services Building Design Committee: David Reggiani - Chairman, Chief Bob (Griffiths), Martin Moe, Jim Kacsh, Dick Groff, Mike Hicks, Tom Bailer

Calendars: 3 months’ worth of calendars attached hereto

February 2012

March 2012

April 2012

February 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Confer- ence Room LMR—Library Meeting Room HSL—High Sch Lib			1 Clerk vaca —— 7:30 reg mtg LMR	2 —————	3 —————	4
5 SUPERBOWL SUNDAY	6 Clerk vaca ——	7 ————— AML Conf Juneau 5:30 Prks & Rec LMR Decl of Candidacy closes for Mar elec	8 ————— AML Conf Juneau Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL	9 ————— AML Conf Juneau	10 —————	11
12	13 Clerk vaca ——	14 ————— P&Z Commission Mtg 7pm CH	15 7:30 reg mtg LMR	16	17	18
19	20 Presidents' Day—City Hall Offices Closed	21 Absentee voting in person at CH—thru 3/5/12	22	23	24	25
26	27	28	29			Location Legend CH—City Hall Confer- ence Room LMR—Library Meeting Room HSL—High Sch Lib 92

March 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib				1	2	3
4	5	6 ELECTION DAY Polls open 7am—8pm Library Mtg Room	7 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	8	9 2012 Property Tax Assessment Notices in the mail (30 day appeal period begins)	10
11	12 —spring break—	13 —spring break—	14 —spring break—	15 7:00 spec mtg to certify election results	16 —spring break—	17
18	19	20	21 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	22	23	24
25	26 Seward's Day—City Hall Offices Closed	27	28	29	30	31 <div>93</div>

April 2012

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	5	6	7
8	9 Last day to appeal property assessments	10	11	12	13	14
15	16 7pm BOE meeting LMR	17	18 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	19	20	21
22	23	24	25	26	27	28
29	30					Location Legend CH—City Hall Confer- ence Room LMR—Library Meeting Room HSL—High Sch Lib