

**Regular City Council Meeting**  
**February 7, 2018 @ 7:00 pm**  
**Cordova Center Community Rooms A & B**  
**Minutes**

**A. Call to order**

**Mayor Clay Koplín** called the Council regular meeting to order at 7:25 pm on February 7, 2018, in the Cordova Center Community Rooms.

**B. Invocation and pledge of allegiance**

**Mayor Koplín** led the audience in the pledge of allegiance.

**C. Roll call**

Present for roll call were **Mayor Koplín** and Council members **Ken Jones**, **David Allison** and **James Wiese**. Council members **James Burton**, **Jeff Guard**, **Robert Beedle** and **Anne Schaefer** were present via teleconference. Also present were Student Council representative **Olivia Carroll**, City Manager **Alan Lanning** and City Clerk **Susan Bourgeois**.

**D. Approval of Regular Agenda**

**M/Allison S/Jones** to approve the Regular Agenda.

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

**E. Disclosures of Conflicts of Interest**

**F. Communications by and Petitions from Visitors**

1. Guest Speakers - none

2. Audience comments regarding agenda items

**Gary Graham** 102 Kimmick Way, said he thinks the marijuana issue should be put on the March 6, 2018 ballot.

**Dean Curran** 110 Sawmill Avenue, spoke against the passage of Ordinance 1162 until a vote on his petition.

**Tom Carpenter** 501 Sunnyside Drive, spoke against Ordinance 1162 until after a vote, he also spoke against 1163 and 1164 personally and his employer, Copper River Seafoods is adamantly opposed to the motor fuel tax.

**Mary Gonzalez** 402 Adams Avenue, spoke against marijuana in Cordova.

**Camtu Ho** 129 Harbor Loop Road, spoke in support of item 25.

**Greg Rubio** Whitshed Road, spoke about 1163 and 1164 - spoke against motor fuel excise tax and raising the cap.

**Leo Vargas** 1901 Copper River Highway, representing Trident Seafoods, spoke against the raised cap and the motor fuel excise tax. As a private citizen he opposes a marijuana store in town.

**Jim Kacsh** 824 Woodland Drive, spoke about 1163 and 1164 - he spoke against new or increased taxes.

**Tom Bailer** 304 Orca Inlet Drive, was in favor of marijuana going to a vote, spoke against the cap being raised and spoke against the motor fuel tax.

**John Baenen** 811 Woodland Drive, spoke against motor fuel excise tax and raising the cap. He also spoke against 1162. He was in favor of item 24 the sale of property to Rob Brown.

**Mark Potvin** Sunset View, spoke in support of the City voting on marijuana.

**Mark Frohnepfel** 813 Woodland Drive spoke about 1163 and 1164 - talked about how the taxes negatively impact businesses.

**Ron Blake** 106 W Davis, supported putting marijuana to a vote, spoke against the taxes and in support of the Camtu and Rob Brown items.

**Don Scutt** 204 Boardwalk Way, was in favor of the cap going back to \$3,000.

**Jacob Peterson** 828 Woodland Drive, spoke against tax cap and fuel excise tax.

**Nick Rogers** Orca Circle Drive, spoke against taxes, said the City did business in very expensive ways.

**Ezekiel Brown** 601 Spruce Street, spoke in favor of marijuana businesses in Cordova and in favor of 1162 and also in favor of items 24 and 25.

3. Chairpersons and Representatives of Boards and Commissions

**Scot Mitchell** from CCMC reported that they had to evacuate the entire facility for the tsunami warning on January 23 and it went off extremely well, he thanked the staff, residents and volunteers. CCMC is still working to right the ship. Revenues are up, expenses have been lowered and we have decreased the capital investment annually from the City.

**Mayor Koplín** asked what the City has budgeted to transfer to CCMC as a subsidy in 2018. **Mitchell** reported: in 2016 CCMC received \$1.2 million from the City, in 2017 it was roughly half of that - but there was a little more to fund things

like the pharmacy - which will be paid back. For 2018 we are about at the same funding level, a little over \$600 thousand. He also said they are about a million dollars better off now than they were a year ago at this time.

4. Student Council Representative Report - **Olivia Carroll** said Miss Iceworm 2018 is **Samantha Vargas** and **Jim Casement** got citizen of the year - she congratulated them both. JH Wrestlers travel this weekend, upcoming Close-up Crab dinner tickets available - Monday February 19. Student Council elections - **William Deaton** - President, **Augie Jewell** - Vice President. **Olivia** and **Aaliyah Malazo** will be going to Juneau for lobbying. Next weekend is homecoming, basketball games and dance.

#### G. Approval of Consent Calendar

**Mayor Koplín** declared the consent calendar was before the City Council.

5. Council's right to protest renewals for liquor licenses (Alaskan Bar and Liquor Store)

6. Record unexcused absence of **Jeff Guard** from the January 17, 2018 Regular Meeting

Vote on the consent calendar: 7 yeas, 0 nays. Allison-yes; Beedle-yes; Jones-yes; Guard-yes; Wiese-yes; Burton-yes and Schaefer-yes. Consent Calendar was approved.

#### H. Approval of Minutes

**M/Jones S/Wiese** to approve the minutes.

7. Minutes of the 1-3-18 Council Regular Meeting

Vote on the motion: 7 yeas, 0 nays. Motion was approved.

#### I. Consideration of Bids

#### J. Reports of Officers

8. Mayor's Report - **Mayor Koplín** reported that he was in Juneau last week and met with the Governor and he brought the draft harbor expansion plan that Council, stakeholders, manager have been working on - mostly based on the report from 2013. He's been working with USFS regarding Points North and their effort to get more access. Sent a letter to Governor and ADF&G thanking them for the Tanner Crab Fishery. He went to IFQ committee meeting in Seattle. He'll be going to DC at the end of the month and he'll carry the City's infrastructure requests and he has meetings with the USCG about the stationing of their fast cutters. **Mayor Koplín** ended his report by informing the audience that the City cut funding to the Schools and the Hospital this year and the tax increases, which no one likes were an attempt to target the fishing industry (Cordova's only real industry) in order to keep the costs down on the local year round citizens, because sales tax increases or property tax increases would be worse for those citizens.

9. Manager's Report - City Manager **Alan Lanning** said there was a Town Hall meeting on January 30 about our response to the tsunami warning. Used oil building project at the harbor received 5 proposals back. Low bid was \$800 thousand - we will recalculate that project.

**Mayor Koplín** also wanted to mention a meeting in Juneau at the Department of Revenue and he said he came out of that meeting with the idea that it was going to be difficult to predict raw fish taxes into the future.

10. City Clerk's Report - **Bourgeois** reported that the upcoming Regular Election of March 6 has the following declared candidates: Council Seat D: Robert Beedle and Melina Meyer; Council Seat E: Anne Schaefer and Gary Graham; School Board: Bret Bradford, Dan Reum and Pete Hoepfner; CCMCA Board: Dan Reum, Linnea Ronnegard and Amanda Wiese.

11. Staff Quarterly Reports

- a. Parks and Recreation, **Susan Herschleb**, Director
- b. Cordova Harbor & Port, **Tony Schinella**, Harbormaster
- c. Cordova Fire Department, **Paul Trumblee**, Fire Marshal
- d. Information Services, **Cathy Sherman**, Museum, PIO, Library, IT
- e. Cordova Police Department, **Mike Hicks**, Police Chief
- f. Public Works Department, **Rich Rogers**, PWD/City Engineer

#### K. Correspondence

12. 01-12-18 DCCED letter re Cordova population determination for 2017 as 2,279

13. 01-15-18 Letter from Mayor Koplín to ADF&G re Sitka Sound Herring

14. 01-16-18 Annette Deaton letter re marijuana vote

15. 01-16-18 Mark Buchner letter re North Fill Lot 3 Block 5 land sale

16. 01-18-18 Scott Pegau letter re land disposal process

17. 01-18-18 Tammy Altermott email and ADN article re marijuana

18. 01-23-18 Letter from Mayor Koplín to ADF&G re PWS Tanner Crab

19. 01-31-18 Roseanne Curran submission re marijuana scientific study

#### L. Ordinances and Resolutions

20. Ordinance 1162 An ordinance of the City Council of the City of Cordova, Alaska, repealing and reenacting Cordova Municipal Code Chapter 8.40 “marijuana regulation” removing the expired temporary prohibition against marijuana establishments within the City of Cordova, adopting regulations for such establishments, repealing and reenacting Cordova Municipal Code Chapter 18.60 “conditional use permits” to include commercial marijuana facilities as a conditional use within the city and clarifying the conditional use process applicable to such facilities - 2<sup>nd</sup> reading

*M/Guard S/Allison* to adopt Ordinance 1162 an ordinance of the City Council of the City of Cordova, Alaska, repealing and reenacting Cordova Municipal Code Chapter 8.40 “marijuana regulation” removing the expired temporary prohibition against marijuana establishments within the City of Cordova, adopting regulations for such establishments, repealing and reenacting Cordova Municipal Code Chapter 18.60 “conditional use permits” to include commercial marijuana facilities as a conditional use within the city and clarifying the conditional use process applicable to such facilities.

*Guard* said he moved it to get it on the table for discussion. He said it may behoove us to put it on a ballot for the community to vote on it. *Schaefer* asked if the ordinance before them tonight affects the petition and the fact that the petition will come before the people for a vote. *Mayor Koplín* said no it does not, passage of this by Council does not affect the petition. *Wiese* is in support of a special election for this. *Mayor Koplín* said the discussion should be on the ordinance that is before Council. *Jones* also said he is in favor of a special election and tabling this until after such a vote. *M/Allison S/Jones* to refer to staff.

*Allison* said he chose to refer to leave it on second reading and when the result of the special election is known, then this could come back to Council. *Schaefer* said that marijuana is still legal and if this isn't put into place the City has no regulations, she opined we should vote on this tonight. *Beedle* said he is in favor of referring until we see what the community says. He also said that the surtax was removed from 1162, not the regular 6% sales tax - that is still in this ordinance.

Council member *Anne Schaefer* lost her connection and left the meeting at 8:34 PM.

Vote on the motion to refer: 6 yeas, 0 nays, 1 absent (Schaefer). Jones-yes; Guard-yes; Wiese-yes; Beedle-yes; Burton-yes; Allison-yes and Schaefer-no (absent - lost phone connection). Motion was approved.

21. Ordinance 1163 An ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.40.030(C), CMC 5.40.030(D) and CMC 5.40.030(AB) concerning sales tax exemptions, to decrease the cap on a single purchase transaction sale or service from \$7,500 to \$3,000 - 1<sup>st</sup> reading

*M/Jones S/Wiese* to adopt Ordinance 1163 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova municipal code section 5.40.030(C), CMC 5.40.030(D) and CMC 5.40.030(AB) concerning sales tax exemptions, to decrease the cap on a single purchase transaction sale or service from \$7,500 to \$3,000.

*Jones* opined that it has come to light that there are unintended consequences to this having raised the cap and we are driving business out of town. He is more interested in growing our pie and taxes shrink it. We need to listen to our community. He wants to lower this back to \$3,000. *Wiese* was of the opinion that we should refer this also and put the people's initiative on the ballot.

*M/Wiese* to refer this to staff - this motion died for lack of a second.

*Burton* wanted the timeline on if these were approved and also if it went to a vote and the taxes and the cap were repealed (back to old level). *Mayor Koplín* said the petitions were likely to be certified by February 12 and a special election (if called by Council) could be as soon as 60 days from calling of a special election - then however the vote went would be effective upon certification, 9 days after the election.

*Guard* said when we were approving these ordinances in October and November, we heard as many for as against. Only now do we hear from so many against. Discussion ensued concerning the timeline of the effective date if this ordinance is passed now, then on second reading next time, versus if Council puts this on the ballot for a special on or about the first week of May. *Jones* said the timeline looks like if we go the route of Council passing the ordinances it could be accomplished about one month sooner. *Allison* opined that the bigger question is how do we make up the shortfall in the budget if the cap gets changed back to \$3,000? He is not in favor of closing the pool or Bidarki, he thinks the budget is cut to the bone already. He does not want to put the whole burden on the property taxes - he said that is where taxes hit only 48% of the people, due to property tax exempt entities. These taxes (motor fuel and raised cap) spread the burden out across a broader range of people. He has brought up this idea before - to move some from the permanent fund, in his opinion, the money that was put in there when we were building the elementary school and the money that gained a lot of interest and the council then suggested that down the road if revenue streams change that could be a source for the bond payments to cover school bonds. *Jones* said he is in favor of using permanent fund earnings which were \$900,000

last year and fish tax which came in last year at \$700,000 above budgeted. **Burton** said there are so many layers to this and we would need a budget amendment to go with the repeal of these and he is not in favor of that at this time. Not until something specific is identified as the revenue source to make up the difference or the services we will cut. **Beedle** said he is in favor of the motion and it shouldn't have been implemented in the first place. **Guard** said he will not support this motion. **Allison** said he will approve this tonight and that will just give us a couple of weeks to come up with other ideas on the budget shortfall. He said, since it's first read it doesn't hurt anyone to approve it.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Allison-yes; Jones-yes; Schaefer-absent; Beedle-yes; Wiese-yes; Burton-no and Guard-no. Motion was approved.

**22.** Ordinance 1164 An ordinance of the City Council of the City of Cordova, Alaska, repealing chapter 5.39, "motor fuel excise tax" - 1<sup>st</sup> reading

**M/Jones S/Beedle** to adopt Ordinance 1164 an ordinance of the City Council of the City of Cordova, Alaska, repealing chapter 5.39, "motor fuel excise tax"

**Jones** echoed comments from the last ordinance, he said we are driving business from town with this and he wants to do the opposite. **Beedle** agreed with **Jones**; also with **Mr. Allison's** comments from the last discussion, he will vote in favor. **Allison** said he would vote yes to gather more information, doesn't harm anyone at first reading. **Burton** said he will not be in favor of moving money from the permanent fund to balance the budget, he will not support this motion.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Schaefer-absent; Burton-no; Guard-no; Beedle-yes; Allison-yes; Jones-yes and Wiese-yes. Motion was approved.

## **M. Unfinished Business**

### **N. New & Miscellaneous Business**

**23.** Council action to make Lot 3, Block 5 North Fill 'available' on the 2018 land disposal maps

**M/Allison S/Wiese** to make Lot 3 Block 5 North Fill Development Park "available" on the 2018 City Land Disposal Maps.

**Allison** said he will vote to approve it as available. **Guard** said he also will vote in favor. **Beedle** said he is not in favor, he thinks there might be other options, he like to keep it unavailable. **Burton** thought we referred this to staff for them to meet with **Mr. Brown** to see if another lot might be suitable. **Leif Stavig**, assistant planner said they did meet and discuss options, and he ended up going back to this lot. **Burton** said he really like the business plan but we have a resolution from the Harbor Commission asking us not to and we have some of the smallest amount of uplands for our fleet size of any harbor he's been to in the Pacific Northwest. He really wishes we could find another solution.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Schaefer-absent; Burton-no; Beedle-no; Allison-yes; Jones-yes; Guard-yes and Wiese-yes. Motion was approved.

**24.** Council action on disposal and method of disposal of Lot 3, Block 5 North Fill

**M/Jones S/Allison** to dispose of Lot 3 Block 5 North Fill Development Park as outlined in Cordova Municipal Code 5.22.060 B by negotiating an agreement with Robert Brown dba Saddle Point Machine LLC to lease or purchase the property.

**Jones** said for him it is this use or nothing for this lot. He knows the harbor commission voted to recommend keeping this lot so it was hard for him to do but he feels strongly about the economic development possibilities with allowing this business. **Allison** spoke in favor of the motion. **Burton** said he is concerned about the lack of available lots in the area. **Beedle** said we are jumping the gun, we should not sell anything else until we discuss the land development vs. land disposal policy.

Vote on the motion: 4 yeas, 2 nays, 1 absent (Schaefer). Beedle-no; Allison-yes; Wiese-yes; Schaefer-absent; Guard-yes; Burton-no and Jones-yes. Motion was approved.

**25.** Council action on extension of Performance Deed of Trust Lot 6, Block 2 South Fill Development Park

**M/Jones S/Allison** to extend the substantial completion date of the Performance Deed of Trust to May 1, 2019 for Thai Vu and Camtu Ho, on Lot 6 Block 2 South Fill Development Park.

**Jones** said he thinks this business has been a great asset to the community. He said great things have happened these past few years because of her expansion into fish buying and processing. **Allison** agrees that what she has done down there has directly influenced the price of Copper River Salmon. He supports this.

**Beedle** reported that he has sold fish to Camtu and he had forgotten to declare that conflict at the beginning of the meeting, he apologized. **Mayor Koplín** said he does not see that as a conflict. He appreciated the transparency though.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Schaefer). Jones-yes; Wiese-yes; Beedle-yes; Allison-yes; Burton-yes; Schaefer-absent and Guard-yes. Motion was approved.

**26.** Pending Agenda, Calendar and Elected & Appointed Officials lists

*Allison* said that the hospital is supposed to give their budget to the Council prior to December – I know it's late but he'd still like that piece of code followed and maybe it can be before us next time. *Mayor Koplín* said he really wants some Council training after the election, he'd like to bring someone in for that. *Beedle* said he wanted to discuss the land disposal vs. land development policy – *Bourgeois* said that is on pending agenda for March 7 or March 21. *Burton* asked about whether budget amendments would be required, if so when, just wanted the City Manager to be aware to be prepared in case the 2 repeals pass next time. *Mayor Koplín* suggested 2018 budget discussion be added to pending agenda. *Wiese* suggested including P&Z in a joint work session when we do land disposal vs. land development.

#### O. Audience Participation

*Tom Carpenter* 501 Sunnyside Drive, thanked Council and staff for listening to the public. He commented on land disposal – he said that other people that bid on property are disenfranchised when Council can let the bid winners continually change their plans or get extensions on their projects.

*Don Scutt* 204 Boardwalk Way, opined that a half a percent increase in sales tax could get you most of the way to fill the gap. He suggested bringing the chamber office into the Cordova Center.

*Dean Curran* asked if the petition requires to be held for 30 days before certification. The Clerk said she and the attorney are still working on it, they are not intentionally holding it up.

*Gary Graham* 102 Kimmick Way, thanked Council for their actions tonight.

#### P. Council Comments

*Wiese* thanked people for showing up.

*Jones* thanked people for coming out, appreciated Council for their willingness to relook at the taxes.

*Allison* said that the land disposal that we've been doing is better than it was. Kudos to the Iceworm committee was a great Iceworm festival this year.

*Burton* agreed with Tom Carpenter about the land disposal. He is very supportive of the idea of the business in the North Fill but he believes a proposal process may have been better than the direct negotiation.

*Beedle* echoed thanks.

*Guard* ditto on the thanks.

#### Q. Executive Session

27. City Business License update

*M/Wiese S/Allison* to enter an executive session to discuss matters involving consideration of governmental records that by law are not subject to public disclosure, specifically, City business license update.

Vote on the motion: 6 yeas, 0 nays, 1 absent (Schaefer). Motion was approved.

*Mayor Koplín* recessed for 5 minutes to clear the room at 9:57 pm.

Council entered the executive session at 10:04 pm.

The regular meeting was reconvened at 10:27 pm.

*Mayor Koplín* said Council received an update from the City Manager and no action was taken.

#### R. Adjournment

*M/Allison S/Wiese* to adjourn the meeting.

Hearing no objection the meeting was adjourned at 10:28 pm.

Approved: March 7, 2018

Attest:



Susan Bourgeois, CMC, City Clerk

