

**Regular City Council Meeting
February 17, 2016 @ 7:00 pm
Cordova Center Community Rooms A & B
Minutes**

A. Call to order

Mayor James Kacsh called the Council Regular Meeting to order at 7:00 pm on February 17, 2016 in the Cordova Center Community Rooms.

B. Invocation and pledge of allegiance

Mayor James Kacsh led the audience in the Pledge of Allegiance.

C. Roll call

Present for roll call were *Mayor James Kacsh* and Council members *Kristin Carpenter, Tom Bailer, Robert Beedle* and *Josh Hallquist*. Council members *Tim Joyce, David Reggiani* and *James Burton* were present via teleconference. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

D. Approval of Regular Agenda

M/Bailer S/Hallquist to approve the Regular Agenda.

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Joyce-yes; Hallquist-yes; Bailer-yes; Carpenter-yes; Burton-yes and Reggiani-yes. Motion approved.

E. Disclosures of Conflicts of Interest

Mayor Kacsh declared that regarding item 16 – he is a direct neighbor of *Tony Rodrigues’*

F. Communications by and Petitions from Visitors

1. Guest Speakers

a. *David Mitchell*, Great Land Trust – Report on Stern Property at Shelter Cove – the Stern family is interested in donating a 112 acre parcel to the City, known as the “Shelter Cove” property. The property will be donated and would remain in its natural state. Mr. Mitchell gave a presentation on how that would work – conservation easements, etc. This is the beginning of the process and more would be forthcoming to council.

b. *Joanie Behrends*, Emergency Management info on upcoming “Prep Ex” oil spill drill – Joanie Behrends was not available and Dick Groff reported to Council about this upcoming exercise.

c. *Kevin Quinn*, Points North – Mr. Quinn was not present.

2. Audience comments regarding agenda items

David Roemhildt of mile 6 CRH, spoke in favor of the Council choosing his proposal (Facility Contractors) for item 19.

Dan Torgersen a 35 year resident of Cordova spoke in favor of Council choosing Seamans proposal for item 19.

Mike Butler spoke in favor of Council choosing Seamans proposal for item 19.

Brian Mills of PO Box 642 spoke in favor of the Council choosing the Facility Contractors proposal for item 19.

Sam Blackadar of Eyak River Road said he didn’t know as much as some others who have spoken tonight but he likes the Roemhildt idea best.

Briana Mills of PO Box 642 spoke in favor of the Council choosing the Facility Contractors proposal for item 19.

Tim Dillon of 607 Spruce, spoke in favor of the Council choosing his proposal (Seamans) for item 19.

Justin Ryan of 1001.5 Chase Ave spoke in favor of Council choosing Seamans proposal for item 19.

Luke Borer of Box 398 spoke in favor of Council choosing Seamans proposal for item 19.

Greg Meyer of 100 Cannery Row, spoke in favor of the Council choosing his proposal (Cannery Row) for item 19.

Shannon Joekay of 6 mile CRH, spoke in favor of Council choosing Seamans proposal for item 19.

Sharon McCauley of 4.5 mile CRH, spoke in favor of Council choosing Seamans proposal for item 19.

Matt Honkola of 901 LeFevre, spoke in favor of the Council choosing the Facility Contractors proposal for item 19.

Angela Butler of 918 Center Dr., spoke in favor of the Council choosing the Facility Contractors proposal for item 19.

John Harvill spoke in favor of Council listening to their Planning Commission.

Greg Bants of the harbor spoke and wished Council luck on making its decision tonight.

3. Chairpersons and Representatives of Boards and Commissions

Harbor Commission - **Beedle** said they used meters to catch water usage and the Commission has come up with a rate that will be coming forward to Council. Waste oil problem was discussed - they are looking at a solution such as a centrifuge.

Resolution from the Harbor Commission - concerning adjustment of a lease to the USFS at fair market value and for a shorter term like 5 years (when it comes up for renewal in May 2020).

Carpenter said that the HSB met last week on 2/11/16 and the next meeting will be March 10.

Bailer said that most of the items from P&Z are before council tonight.

School Board President **Barb Jewell** said they are beginning budget talks and have a work session on February 24 at 5:15 pm.

4. Student Council Representative Report - **John Appleton** gave a report about goings on at the high school. He and another student council member went to Juneau and helped school board members lobby concerning AMHS and school funding.

G. Approval of Consent Calendar

Mayor Kacsh declared the consent calendar before Council.

5. Council concurrence of Mayor's appointment of the 2016 Election Board

6. Record unexcused absence of Council member **Robert Beedle** from the 2/3/16 regular meeting

Vote on the consent calendar: 7 yeas, 0 nays. Burton-yes; Joyce-yes; Beedle-yes; Hallquist-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Consent Calendar was approved.

H. Approval of Minutes

M/Burton S/Beedle to approve the minutes.

7. 01-20-16 Public Hearing Minutes

8. 01-20-16 Regular Meeting Minutes

9. 02-03-16 Public Hearing Minutes

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Carpenter-yes; Burton-yes; Hallquist-yes; Bailer-yes; Reggiani-yes and Joyce-yes. Motion approved.

I. Consideration of Bids

10. Council action on ITB 16-01 - City Paving Project

M/Hallquist S/Bailer to direct the City Manager to negotiate a contract with Eagle Contracting Corp of Cordova, AK to provide construction contracting services per ITB#16-01 for a sum not to exceed one million, six hundred twenty-seven thousand, eight hundred fifty-two dollars and zero cents (\$1,627,852.00) per the attached fiscal note.

Hallquist said it looks good to him. **Burton** said for the record that he is glad they referred this last year and now we will get more work done for the money.

Vote on the motion: 7 yeas, 0 nays. Joyce-yes; Bailer-yes; Burton-yes; Beedle-yes; Reggiani-yes; Hallquist-yes and Carpenter-yes. Motion approved.

J. Reports of Officers

11. Mayor's Report - **Mayor Kacsh** said that the Tanner Crab Fishery is moving along with ADF&G.

12. Manager's Report - **Robertson** said there will be some world class training available on March 30 from the University of Hawaii concerning social media in a disaster. He also reported that there has been interest in the acquisition of the tidelands - this will be forthcoming.

a. **John Bitney**, legislative lobbyist - Juneau update - said he and the manager are working on the EVOSTC and possibly getting one more bite at the apple. Revenue sharing is funded by \$50 million by Governor. PERS/TRS contribution rates might be opened up - this is a huge concern. Governor's budget includes \$50 increase in BSA but that might be on the table too. AMHS still being discussed - a glimmer of hope is that some capital dollars may be available - might be a really small number. Still hoping that our harbor projects could be included if a major bonding package comes out of this session. Use of PFD - capped at \$1000 and uses the rest of the earnings - this would fund \$1 billion in the budget. An increase in motor fuels is on the table that could contribute \$49 million. Fisheries business tax increase of 1% is on the table - and the 1% would all go to the state - not the 50/50 split customary with the municipalities. The McDowell study on economic impact of the AMHS - for each dollar in - 2 dollars in economic output. Fishing issues being discussed are 3 Board of Fish appointments, moving some CFEC duties over to ADF&G.

13. City Clerk's Report - *City Clerk Bourgeois* said that the Election is in full swing - absentee in person has begun and many people have come to vote and she has also been mailing ballots to people. She has used about 50 ballots already which is a decent number this early.

K. Correspondence

14. Table of contents referencing a separate document of correspondence available on City website

L. Ordinances and Resolutions

15. Ordinance 1141 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the general reserve fund to the Cordova center capital project fund #426, to provide a source of money for the completion of the Cordova Center - 2nd reading

M/Carpenter S/Bailer to adopt Ordinance 1141 An ordinance of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$1,300,000 from the general reserve fund to the Cordova center capital project fund #426, to provide a source of money for the completion of the Cordova Center

Carpenter said this is the second reading and we have talked about how we have the building built and now we need to finish paying for it. She said this is a way to do that and be able to trace where the money came from. *Mayor Kacsh* clarified that the General Reserve Fund is the permanent fund. *Joyce* said that during budget we discussed paying this off this year so that in the future we can look at a variety of things in our capital list. *Reggiani* said that the charter explaining the permanent fund specifically says that the fund is intended to minimize the tax burden to the citizens of Cordova; he opined that is what this ordinance is doing - good use of the fund.

Vote on the motion: 7 yeas, 0 nays. Carpenter-yes; Hallquist-yes; Bailer-yes; Beedle-yes; Burton-yes; Reggiani-yes and Joyce-yes. Motion approved.

16. Resolution 02-16-07 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY16 budget and authorizing expenditure of an amount not to exceed \$18,500 for culvert relocation on property described as Lot 8, Forest Heights Subdivision, Cordova, Alaska

M/Bailer S/Hallquist to approve Resolution 02-16-07 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY16 budget and authorizing expenditure of an amount not to exceed \$18,500 for culvert relocation on property described as Lot 8, Forest Heights Subdivision, Cordova, Alaska

Joyce said we made a commitment at our last meeting and we have since been told we may have stepped outside the bounds of our ordinances in doing so. He wanted to make it very clear that we are not setting precedent here. *Beedle* said he agrees as far as a precedent but is also glad to see that the City doesn't have to hold such a hard line on this.

Vote on the motion: 5 yeas, 2 nays. Hallquist-yes; Reggiani-yes; Bailer-yes; Beedle-yes; Carpenter-yes; Joyce-no and Burton-no. Motion approved.

17. Resolution 02-16-08 A resolution of the City Council of the City of Cordova, Alaska directing staff to draft the necessary charter changes that would allow code changes toward creation of an elected health services board, and for staff to present the charter changes timely enough for a ballot proposition at the March 2017 general election

M/Carpenter S/Beedle to approve Resolution 02-16-08 A resolution of the City Council of the City of Cordova, Alaska directing staff to draft the necessary charter changes that would allow code changes toward creation of an elected health services board, and for staff to present the charter changes timely enough for a ballot proposition at the March 2017 general election

Carpenter said we have been talking about the need for a separate HSB - an engaged group, due to the work load that it is on Council members to do both. Board experience is important and therefore, we are trying to transition toward that.

M/Carpenter S/Beedle to amend the fourth whereas to change the word control to governance and make changes in the now therefore be it resolved.

Joyce thought we could/should change governance now (i.e. the word governance in the whereas) but he thought we shouldn't meddle with the now therefore paragraph at this time. *Reggiani* agreed with that - he said he thinks staff is understanding the intent by listening to Council tonight.

Carpenter agreed to the change with just the word governance and to not change the now therefore be it resolved; the second, *Beedle*, agreed.

Vote on the motion to amend: 7 yeas, 0 nays. Joyce-yes; Burton-yes; Beedle-yes; Reggiani-yes; Carpenter-yes; Hallquist-yes and Bailer-yes. Motion approved.

M/Joyce S/Carpenter to amend as follows: in the title change charter to ordinance then delete code changes toward and delete everything after health services board. Also to insert a new whereas after the fourth whereas to say, whereas, a charter amendment in May 2105 allows the City to change how the hospital and other healthcare facilities are administered

by ordinance; and. In the last whereas after ordinances put the word and, and then scratch the words ballot language. Last in the now therefore be it resolved scratch the words charter and.

Joyce said we already amended the charter. This resolution is good to get us down the road but then the ordinance will be next.

Vote on the motion to amend: 7 yeas, 0 nays. Beedle-yes; Joyce-yes; Hallquist-yes; Burton-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion approved.

Burton said he completely agrees with *Tim's* brilliant amendment.

Vote on the motion as amended: 7 yeas, 0 nays. Carpenter-yes; Beedle-yes; Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes and Hallquist-yes. Motion approved.

M. Unfinished Business - none

N. New & Miscellaneous Business

18. Council adoption of 2016 Land Disposal Maps

M/Carpenter S/Joyce to adopt the 2016 land disposal maps.

Carpenter said this is how we do this annually and she sees no problems in this set of maps. *Joyce* said he had a couple of questions for the planner, they were answered to his satisfaction and he will support the motion.

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Hallquist-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion approved.

19. Council action on proposals for old Museum/Library building

M/Burton S/Beedle to award the disposal to Seamans Hardware for Lots 12-18 Block 6 Original Townsite and the improvements thereon.

Burton said he found value in all three of the proposals that Planning and Zoning has put forward by recommendation. He came to his decision about Seaman's a lot by the input from the community. As far as all the letters and/or signatures submitted, as well as phone calls he has received Seamans had 233 vs. 44 for Pioneer Square. He said when you factor the \$100K extra in proposal price for Pioneer Square, timeline also has to be considered and that would make it a wash if not give the edge to Seamans who would be up and running much more quickly.

Joyce said all seven proposals were in the packet, 2 did not meet the minimum bid, of the 5 remaining, 3 floated to the top - as the other 2 were non-responsive. He used his criteria and the three came out very close. He said this isn't a popularity contest, it is a business decision. He liked the Facility Contractors design. He liked the Cannery Row idea for a hotel and the need for more rooms. He will let others talk to be convinced of which way to vote.

Bailer said he is looking at the hard numbers - the price being higher by \$100K plus for Facilities Contractors. The improvements submitted by Facility Contractors was new remodeled buildings (high property tax). Seamans proposal did not upgrade the building. His list in order would be Facility Contractors, Cannery Row and then Seamans.

Hallquist said he believes Facility Contractors has the best proposal, his question is regarding other property they own on the South Fill. Is that lot being performed on?

Burton said he found a lot of value in these proposals. *Burton* stressed that the timeline is as important as the price.

Beedle said he is struggling to make this decision, he did the matrix and he has listened to the people.

Carpenter thanked those who took the time and effort to put together these proposals. She said someone will be disappointed and she will apologize now for that. She asked that people could see it from Council's perspective and realize it is a tough decision and to try not to give them the "stink eye" around town.

Beedle said he hoped that Council and P&Z could look and see how we could help facilitate these other proposals to happen. He hopes that whoever doesn't get selected, he hopes this isn't the end for them.

Reggiani said he read all of the proposals, read the recommendation from P&Z, read all the letters. He said he has 1 - 1.5 hours each night this last week into reading and rereading these proposals. His scores came out as follows: Facility Contractors, Cannery Row a close second and then Seamans a close third. He took all the proposals at face value, didn't use any subjectivity.

Joyce said that as far as sales tax, Seamans is already generating sales tax whereas Facility Contractors- generated sales tax would be new to the City revenue stream. But in the end he said that sales tax revenue is tough to calculate into the future.

Burton agreed; he said this is the hardest decision he has had to make since being at this Council table. He had a hard time assigning scores to those types of categories (sales tax) on the criteria.

Bailer agreed and said if sales tax was too hard to calculate then take it out of the picture entirely; i.e. remove it from the calculation for all proposals. He gave all three the same score under the sales tax column.

Joyce asked the Clerk if she could remind Council of what happened a year or so ago when Facility Contractors asked for an extension on one of their developments on the South Fill; which lot was that and what were the circumstances. *Bourgeois* did not remember, City Planner *Greenwood* approached the Council table and said that at this time, they are performing on both lots on the South Fill, they have had an extension granted by Council.

Vote on the motion: 2 yeas, 5 nays. Carpenter-no; Beedle-yes; Joyce-no; Bailer-no; Burton-yes; Reggiani-no and Hallquist-no. Motion fails.

M/Bailer S/Hallquist to award the disposal to Facility Contractors for Lots 12-18 Block 6 Original Townsite and the improvements thereon.

Council asked the Clerk questions about property taxes and when/how those are collected depending on sale date and depending on whether a property is leased or sold. *Bourgeois* said that the property is currently in City ownership and therefore, exempt. If it is sold this year it will still be exempt until January 1, 2017. If the property is leased (in a lease with option to purchase scenario) the lessee will pay property taxes on the full value of the improvements and a possessory interest value on the land determined by the length of the lease.

Joyce said that Facility Contractors had offered a land swap for possible consideration and *Joyce* said he wants it on the record that he is only interested in a straight cash sale. *Burton* said he agreed – cash sale only. *Hallquist* and *Carpenter* both said they agree to that. *Burton* reiterated that he has added up all the community input and council has a duty to consider that input.

Vote on the motion: 4 yeas, 3 nays. Joyce-no; Bailer-yes; Burton-no; Beedle-no; Reggiani-yes; Hallquist-yes and Carpenter-yes. Motion approved.

20. Pending Agenda, Calendar, Elected & Appointed Officials lists

Wednesday Feb 24 – 8am – 9am Council participation in the oil spill exercise in the Cordova Center education room. Code change at next meeting for the change of HSB. *Beedle* said he would like the people’s input regarding marijuana. *City Attorney Wells* was still on the phone and she said she would be willing to present to the Council or the community.

O. Audience Participation

Mike Butler said he really likes the City website and it is really effective and going in the right direction.

Dave Roemhildt said he has changed his mind about the Cordova Center. There was a movie this last weekend and he said it was great.

P. Council Comments

21. Council Comments

Joyce said this was a tough meeting, tough decisions. He wanted to explain his 2 no votes; he said he still wanted the opportunity to discuss the Cannery Row proposal. In the end he thinks Council made the right decision.

Bailer said it was a tough decision. The decision on the lot in Wilson Subdivision – he said all the information wasn’t in front of them.

Beedle said tomorrow night there is a Harbor Commission meeting with a land sale proposal by the shipyard that they will be making a recommendation on.

Carpenter thanked the proposers. CRWP is hosting a book circle on the *King of Fish* on February 25.

Reggiani said he is in Juneau doing PWSAC lobbying and meeting up with Reps and Senators. His take home is that it is pretty gloomy down there in Juneau. He also said that *John Bitney* has been very generous and seeing him in action, he works really hard for the City – kudos to him.

M/Beedle S/Carpenter to recess for five minutes at 10:14pm.

Hearing no objections the meeting was recessed at 10:14 pm.

Q. Executive Session

Council came back into session at 10:25 pm.

M/Bailer S/Beedle to go into an executive session to discuss subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion, item 23 below.

Vote on the motion: 7 yeas, 0 nays. Hallquist-yes; Reggiani-yes; Bailer-yes Beedle-yes; Carpenter-yes; Joyce-yes and Burton-yes. Motion approved.

Council went into executive session at 10:30 pm and was out at 10:35 pm.

M/Bailer S/Beedle to go into an executive session to discuss matters which by law, municipal charter or code are required to be confidential specifically item 24 below.

Hearing no objections Council entered executive session at 10:35 pm.

Council went into executive session at 10:35 pm and was out at 11:00 pm.

22. Council direction to Manager regarding negotiations with chosen City Attorney Firm

23. City Council concerns surrounding employee performance (use e.s. reason #2 below)

24. City Attorney advice to City Council regarding employee relations and management (use e.s. # 3 below)

R. Adjournment

M/Beedle S/Joyce to recess the meeting until noon on Monday February 22 when Council could take up agenda item 22.

Hearing no objections the meeting was recessed at 11:00 pm.

At noon on Monday February 22 the meeting was reconvened.

The only item remaining on the agenda was...

Q. Executive Session

22. Council direction to Manager regarding negotiations with chosen City Attorney Firm

Present for roll call were *Mayor James Kacsh* and Council members *Kristin Carpenter, Tom Bailer, Robert Beedle, Josh Hallquist, David Reggiani* and *James Burton*. Council member *Tim Joyce* was present via teleconference. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

M/Burton S/Bailer to go into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finance of the government specifically, Council direction to Manager regarding negotiations with chosen City Attorney Firm.

Vote on the motion: 7 yeas, 0 nays. Beedle-yes; Hallquist-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion approved.

Council entered the executive session at 12:01 pm and reconvened the regular meeting at 12:43 pm. *Mayor Kacsh* said that Council gave direction to the City Manager in the executive session.

M/Reggiani S/Joyce to adjourn.

Hearing no objection, Mayor Kacsh adjourned the meeting at 12:43 pm.

Approved: April 6, 2016

Attest:


Susan Bourgeois, CMC, City Clerk

