

**CITY COUNCIL REGULAR MEETING
MAY 19, 2010 @ 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 May 19, 2010 in the Library Meeting Room.

B. INVOCATIONS AND PLEDGE OF ALLEGIANCE

Mayor Kallander led the audience in the Pledge of Allegiance. There was no invocation.

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/Bradford to approve the regular agenda.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

E. DISCLOSURES OF CONFLICTS OF INTEREST – none.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers – *Buck Adams*, UBS Financial Services, stated that he came to discuss the new investment portfolio, which was up 1.14%. He discussed the current market status, stating that there was a slight growth overall. He discussed inflation, and stated that the City should have investments that could take advantage of it. *Adams* stated that the investment policy as it stands now is applicable to only the permanent fund, based on the Council's decision. He stated that it needed some guidance. *Adams* then went into an explanation of the investment policy. He mentioned alternative investments as a good investment as well. *Beedle* asked what brought on the change with investment policy. *Kallander* stated that the Council did, with regard to all the new bonds that they were taking on. *Adams* stated that a new investment policy opened the door to a lot more earnings and returns. *Lynch* stated that they were working on an investment policy for the other funds that the City manages, not just the permanent fund. *Kallander* asked *Adams* to clarify 7.3 of the investment policy, and to see if it was consistent with other investment policies for other communities. *Adams* clarified 7.3, and stated that it was consistent with other communities.

2. Audience comments regarding agenda items (3 minutes per speaker)(10 minutes total).

Mary Anne Bishop, 406 4th St., stated that the Council should look at alternatives to filling tidelands, and to do a cost-benefit analysis. She stated that she was submitting a letter from Kristen Carpenter that outlined some cost-benefits.

Clay Koplín thanked the City Council for the support of the Humpback Creek Hydro project.

Molly Mulvaney, 108 4th St., stated that she was there as a Board member for the Copper River Watershed Project to discuss breaching part of the Mavis Island Causeway to put in culverts. She would like the Council to support the culverts, and to send a letter to the DNR.

Sierra Drake, 1.5 Orca Rd., stated that she thought there was a lack of public process for Ordinance 1066. She also urged the Council to vote no.

3. Chairpersons and Representatives of Boards and Commissions

Allison stated that the HSB met the previous night. They were advertising for a CEO and CFO. They had some people lined up for interviews. All the bills have been paid, but they would still like to get some solid financial information. They also discussed moving the meetings to the Library meeting room for the third Tuesday of each month and strategic planning. *Cheshier* asked if the HSB had selected someone for the strategic planning group. *Allison* stated that they hadn't yet. *Mayor Kallander* stated that at the next meeting, he would have an outline on how to proceed with the strategic planning group. *Lynch* stated that he had been working with *Angela Arnold* from NVE on the RFP.

Jim Nygaard stated that the last day of school for kids was the next day. The Mt. Eccles move day would be the following Saturday. The entire building needed to be cleared. The road would be closed in front of the school. Every senior graduated with a diploma, which was extraordinary. There is a committee working on art proposals, with a budget just shy of \$65K. *Nygaard* will be requesting \$35K to complete gym orders. Staffing for special ed. is tough. Paperwork and endorsements make it difficult because it drains people. The first week of June, there will be a tech workshop at the high school with about 50 people in attendance. The summer school and lunch program is set to go. *Nygaard* thanked the Catholic Church for allowing them to do preschool there and the Baptist Church for the sixth grade promotion. In addition, he will have an intern for the summer. Lastly, the following night, the school will recognize employees for their time served.

Bradford stated that Parks and Rec. met the previous night. They discussed the Trails committee's purpose, plans for the skate and Tot Park, and pool issues.

4. Student Council Representative – none.

G. APPROVAL OF CONSENT CALENDAR

Mayor Kallander stated to the Council that the consent calendar was before them.

Beedle requested that items 5 and 6 be removed.

~~5. Ordinance 1071~~

~~An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Thai Vu and Cam Tu Ho Lot Seven (7), Block Two (2), South Fill Development Park — 1st reading~~

~~6. Ordinance 1072~~

~~An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Chris Bourgeois of Lot One (1), North Fill Development Park Addition No. 1 — 1st reading~~

7. Record of excused absence for Mayor James Kallander from the 03-17-10 and 04-21-10 regular meetings. Reason – work related.

8. Record unexcused absence for Council member James Kacsh from the 04-21-10 regular meeting. Reason – vacation.

Vote on approval of the consent calendar: 6 yeas, 0 nays, 1 absent (van den Broek). Cheshier – yes; Reggiani – yes; Beedle – yes; Kacsh – yes; Allison – yes; Bradford – yes. Consent calendar approved.

Mayor Kallander stated that items 5 and 6 would be discussed after item #21.

H. APPROVAL OF MINUTES

9. Minutes of 04-21-10 Regular Meeting

M/Allison S/Reggiani to approve the 04-21-10 minutes.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

I. CONSIDERATION OF BIDS – None.

J. REPORTS OF OFFICERS

10. Mayor's Report – *Mayor Kallander* stated that the Capital budget went to the Governor on May 17th. He needed to determine the final budget by June 9th. He stated that there would be deep cuts. Cordova requested \$4.9M for the Cordova Center, PWSAC requested \$2.9M, and CEC requested \$4M. He has been in communication with Senator Murkowski's office. The Chief of Staff would like to come to Cordova with a Coast Guard rep. on the May 30th. One of the things she will be looking at is the Sound Developer in the Harbor. Lastly, he has been getting a lot of questions about parking.

11. Manager's Report – *Mark Lynch* stated they have made a few changes with parking to make it more accommodating. They would like to expand the long-term parking, and also reduce the fee for it to \$20/season. They are also implementing a parking permit to hang from the rear view mirror. A topic at the AML conference in August will be: harbors, ports and sunken vessels. They would like *Lynch* to attend that meeting to relate Cordova's experience with the Sound Developer. He could also address the LT2 issue. The Water and Sewer Department would like to implement an administrative fee of \$15 for hanging door warnings. That discussion led to another issue, which was that he would like to put all utility fees on a fee schedule that is approved annually, not by ordinance for each new issue. He would like Council's input on both of those issues. As far as ADF&G's attempt to build a fence, he has uncovered an agreement that stated that the agreement is only valid after an interagency land management agreement is drafted and enacted. So far he has not found an agreement, so that is one avenue they are pursuing. They are also attempting to extend their facility out into the water, which would need Council's approval. *Kacsh* stated that he thought it would be a good idea to have all the rates and fees on a schedule to be approved annually. *Mayor Kallander* stated that *Lynch* needed to bring the ordinance for the door hanging fee to the Council for the time being. *Beedle* asked about Lynch's meeting discussing GIS. *Lynch* stated the GIS accurately mapped boundaries. The City was trying to get training in Cordova for some of the City employees.

12. City Clerk's Report – in the packet.

13. Staff Reports

a. City Financials through April 30, 2010 – *Ashley Royal* stated that the sales tax was down a little bit from last year. *Allison* stated it was because Trident had spent \$25M in town, without using a sales tax exemption last year. *Mayor Kallander* asked how the absence of the heating fuel sales tax was looking. *Lynch* stated that that caused revenue to be down, but only a couple thousand from the previous year. *Royal* stated that the 2009 audit report was in the packet. The *Council* stated that they would like to meet with the auditor within the next four weeks.

b. UBS Financial Services reports

c. Susie Herschleb, Director Parks & Rec – Pool Report – *Herschleb* stated that the filter cycle was getting smaller, and at worst, they were cleaning the filters every three days. After discussing the problem with the pool manufacturer, they were able to pinpoint the reason down to the jets. Without fixing the pool, they could keep it open, but they would be spending twice as much on chemicals. About \$10K more a year. The jets should be replaced every 15 years, and these have been in for over 30 years.

Lynch stated that they were also paying to heat all the water that was leaking out the jets. *Mayor Kallander* stated that they would need to see a detailed budget. He stated that *Herschleb* should notify the City Manager when she receives a firm number and timeline, and *Lynch* can keep the Council updated.

d. Tom Cohenour, PWD – Street Light Report- *Cohenour* gave an overview of what lights would be disconnected. The *Council* directed *Cohenour* to proceed per the list, and disconnect the ones the committee decided on.

K. CORRESPONDENCE

14. Letter from Deputy Commissioner for Marine highway Operations in re: winter 2010-2011 ferry schedule teleconference
15. Letter to Bill Streur, DHSS in re: support NVE strategic planning project
16. Letter to Jennifer Fleming, PWSRCAC in re: appointment of Rochelle van den Broek
17. Letter from Clay Koplín in re: article in Rural Electric magazine
18. Letter from Mary Anne Bishop and Jennifer Gibbins in re: Ordinance 1066

L. ORDINANCES AND RESOLUTIONS

19. Ordinance 1066

An ordinance of the City Council of the City of Cordova, Alaska, approving property described as part of A.T.S. 1004 zoned to waterfront industrial -2nd reading

M/Allison S/Reggiani to adopt Ordinance 1066, an ordinance of the City Council of the City of Cordova, Alaska, approving property described as part of A.T.S. 1004 zoned to waterfront industrial.

Allison stated that contrary to some public comments, the topic has had many meetings, and there are no secrets to expanding waterfront industrial land. Regardless of what project goes in there, he thinks it is the right thing to do to rezone the property. *Bradford* stated that there has been quite a bit of public testimony against the zoning. He supports waterfront industrial expansion, but would like to see a definite plan with the community's support. He doesn't support the current ordinance. *Kacsh* stated that the Council had promised the public work sessions before they went forward with Ordinance 1066. He stated that he wouldn't support the ordinance at that time. *Beedle* stated that he was not clear on the issue himself, including what the boundaries would be. *Lynch* stated that the map with the dimensions and boundaries had been presented in a previous packet. *Reggiani* stated that he was trying to get a lot of issues that were related separate. The issue of zoning that area waterfront industrial has been discussed for over ten years and is part of the comprehensive plan that the Council adopted. He stated that alternate locations had been discussed with Planning and Zoning, and it was determined that there were not very many parcels with deep water nearby. He also stated that the City needed more land for the boat haul-out, however that was something that needed to be discussed in detail as well. He stated that they had talked with Samson about buying land back from them, and they were not interested. He stated that he was comfortable supporting Ordinance 1066. As for the gas company, that's another issue. Wherever the gas company is placed or not will be scrutinized thoroughly. *Cheshier* stated that he agreed that the City needed more waterfront industrial land. He thought with the right planning it could be done nicely. *Mayor Kallander* stated that he was grateful that previous Councils had the foresight to build waterfront industrial land for future businesses. He thought this Council should consider future needs of the City as well. He also thought that it wasn't the City's job to scrutinize a potential business's financials or funding. He stated that they should regulate and provide performance standards and criteria. *Kacsh* stated that his qualm with this particular piece of land and zone was that they needed to do what they said they were going to do, and have a discussion with the public. *Reggiani* stated that he

agreed that they needed to have work sessions with the public, but to discuss what should go on the land to make the area better. **Bradford** stated that he agreed with what **Reggiani** said, but would like to see a design model and conceptualization of land use before the zone change.

M/Kacsh to refer the motion back to Planning and Zoning, to rezone the whole thing properly, instead of just a parcel.

Allison clarified that P&Z had already recommended rezoning all of ATS 1004, and Council reduced the zone size due to public testimony.

Motion failed due to lack of a second.

Vote on main motion: 3 yeas, 3 nays, 1 absent (van den Broek). Reggiani – yes; Beedle – no; Kacsh – no; Allison – yes; Bradford – no; Cheshier – yes. Motion failed.

M/Allison S/Reggiani for reconsideration of Ordinance 1066.

Allison stated that his intent was to not let the ordinance die, and have to start all over again. He questioned the Council if a work session would alleviate the concerns of the Council members that voted no. **Kacsh** stated that a work session would be nice since that is what the Council had previously stated they would do. **Bradford** stated that he would like to see a plan for the land. **Allison** recommended that they refer it back to staff, and have a work session prior to the next meeting.

M/Allison S/Kacsh to refer to staff to schedule a workshop and reschedule a second reading and public hearing.

Mayor Kallander stated that they still needed to vote on the previous motion. **Reggiani** stated that the second motion was out of order.

Vote on motion to reconsider: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

M/Allison S/Cheshier to refer to staff to schedule a workshop prior to the first meeting in June and reschedule a second reading and public hearing before the second meeting in June.

Allison stated that his direction to staff was to schedule a workshop and bring back any information.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

20. Ordinance 1070

An ordinance of the City Council of the City of Cordova, Alaska, amending title 18 by enacting chapter 18.60.015 special conditions for placement of communication towers – 1st reading.

Bradford stated that he may have a conflict of interest with this item. **Mayor Kallander** stated that he didn't think it was a conflict, unless Council disagreed. The **Council** did not disagree.

M/Reggiani S/Cheshier to adopt Ordinance 1070, an ordinance of the City Council of the City of Cordova, Alaska, amending title 18 by enacting chapter 18.60.015 special conditions for placement of communication towers.

Allison had a question for the P&Z rep. He asked if any towers would be grandfathered in, in case a current tower fell down. **Reggiani** stated that he hasn't been to a P&Z meeting due to time conflicts, so he is unsure of the answer. However, he thought that if it did need to be replaced, it would have to come up to the existing Code standards. **Cervenka** stated that the issue would be dealt with under a variance, under section G in the ordinance. She stated that certainly a grandfathered situation would be up for consideration.

Vote on motion: 5 yeas, 0 nays, 1 abstention (Bradford), 1 absent (van den Broek). Motion carried.

21. Resolution 05-10-31

A resolution of the City Council of the City of Cordova, Alaska, authorizing supplemental appropriations in the total amount of \$37,829 in the general fund, and enterprise funds to pay a 2010 wage increase for all City employees; based on their rate of pay effective July 1, 2010; and amending the City of Cordova's 2010 budget accordingly.

Kacsh stated that he had a conflict of interest with this since his wife was an employee of the City. **Mayor Kallander** stated that he did not see a conflict unless the Council disagreed. **Reggiani** stated that he saw a perceived conflict of interest. **Mayor Kallander** then ruled that **Kacsh** had a conflict of interest.

M/Bradford S/Cheshier to approve Resolution 05-10-31, a resolution of the City Council of the City of Cordova, Alaska, authorizing supplemental appropriations in the total amount of \$37,829 in the general fund, and enterprise funds to pay a 2010 wage increase for all City employees; based on their rate of pay effective July 1, 2010; and amending the City of Cordova's 2010 budget accordingly.

Vote on motion: 5 yeas, 0 nays, 1 conflict of interest (Kacsh), 1 absent (van den Broek). Beedle – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes. Motion carried.

5. Ordinance 1071

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Thai Vu and Cam Tu Ho Lot Seven (7), Block Two (2), South Fill Development Park – 1st reading

M/Bradford S/Cheshier to adopt Ordinance 1071, an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Thai Vu and Cam Tu Ho Lot Seven (7), Block Two (2), South Fill Development Park.

Beedle stated that he would like clarification on what they plan to do. **Cervenka** stated that they were putting up a large building that will accommodate three businesses. She stated that they needed to stay consistent with the plans that they provided to the P&Z in order to release to them the Deed of Trust. **Reggiani** stated that this has been discussed for a long time, and this is just the last step.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

6. Ordinance 1072

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Chris Bourgeois of Lot One (1), North Fill Development Park Addition No. 1 – 1st reading.

M/Allison S/Bradford to adopt Ordinance 1072, an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Chris Bourgeois of Lot One (1), North Fill Development Park Addition No. 1.

Beedle asked what would be built on the land. **Allison** stated that a warehouse would be built.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

22. Legal opinion of Charter and Code concerning Health Services Board

Mayor Kallander stated that **Allison** had previously voiced a concern that the Charter and Code in his opinion didn't agree with each other concerning the Health Services Board. **Lynch** stated that the attorney sent an email addressing the question and it's in the packet. To summarize, he said that there are some inconsistencies, but he didn't find any legal necessity to change either before the strategic planning session. **Allison** stated that the answer was no surprise because the Code and Charter can be defensible and challengeable. He stated that he is more concerned about making the Code, Charter and HSB bylaws coincide. **Mayor Kallander** stated that he thought that **Allison's** statement at a previous meeting warranted an opinion from the attorney.

23. Clerk's certification of 2010 property tax roll

M/Allison S/Reggiani to approve the Clerk's certification of the 2010 property tax roll.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

24. CRWP request for letter of support

M/Allison S/Reggiani to direct the Mayor to write a letter in support of the CRWP's project.

Vote on motion: 6 yeas, 0 nays, 1 absent (van den Broek). Motion carried.

25. Consideration of NVE contract in re: Interim Hospital Administrator

Mayor Kallander stated that several people from the HSB and the Council expressed interest in discussing the month to month contract. **Cheshier** stated that for stability at the hospital and in light of embarking on a long-term plan with NVE, he thought it would be a good idea to grant a longer contract. **Allison** stated that HSB had discussed it, and they were advertising for a CEO. He thought that a month-to-month contract was working fine. He stated that the HSB was moving forward, and did not make any recommendation to offer a longer contract. **Bradford** stated that he echoed **Cheshier's** statement. It would give the HSB and the Council time to advertise for a new CEO, as well as time to do some strategic planning. **Reggiani** agreed with **Bradford**. **Mayor Kallander** stated that the time and money spent on the interim administrator was negotiable, and he recommended that the City Manager negotiate. **Allison** stated that he disagreed, because the Council agreed at the last joint meeting that the HSB was the administrative authority. He stated that the community had concern about NVE taking over health services. He thought an open discussion with Council was the best way to handle the situation. Furthermore, he didn't think the Council was going to save any money by locking them into a six month contract, which they may want to get out of in three months. **Kacsh** agreed with **Allison**, and was comfortable with the month-to-month contract. **Mayor Kallander** stated that HSB members and Council members had expressed concern about the interim being half-time and the amount of compensation for being half-time, and he thought the City Manager should meet with her and renegotiate the contract.

M/Reggiani S/Bradford to have staff re-negotiate the contract with NVE, concerning the interim administrator.

Allison stated that he was not in favor.

Vote on motion: 3 yeas, 3 nays, 1 absent (van den Broek). Kacsh – no; Allison – no; Bradford – yes; Cheshier – yes; Reggiani – yes; Beedle – no. Motion fails.

26. Pending Agenda and Calendar

Bourgeois questioned when John Bost would speak about the audit. The **Council** decided that he would be guest speaker during the June 2nd meeting.

Allison stated that they needed to reschedule the workshop for the rezone. The *Council* decided on June 2, 2010 at 6:15 pm.

Mayor Kallander stated that there would be no Mayor lunches during the summer.

O. AUDIENCE PARTICIPATION

Connie Benell thanked a few of the Council members for working towards getting a workshop for the rezone. She also thought that there was no such thing as a beautified industrial zone next to sport fishing. Lastly, she thought that the Council members should consider other opinions other than their own.

Clay Koplín thanked Tom Cohenour for his work with the street lights. He also stated that he supported Ord. 1066, but was open to suggestions for finding a better place.

Barbara Beedle thought that the Council should let the HSB do their work without interfering.

P. COUNCIL COMMENTS

27. Council Comments there were no Council comments because of the late hour.

Q. ADJOURNMENT

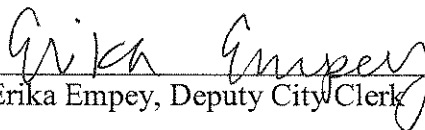
M/Reggiani S/Bradford to adjourn the regular meeting.

Vote on motion: 6 yeas 0 nays 1 absent (van den Broek). Motion carried.

The regular meeting adjourned at 11:00 pm.

Approved: June 16, 2010

Attest:


Erika Empey, Deputy City Clerk

