

**CITY COUNCIL REGULAR MEETING
MAY 20, 2015 @ 7:00 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Regular Meeting to order at 7:00 pm on May 20, 2015, in the Library Meeting Room.

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 Kacsh* and Council members *Kristin Carpenter*, *Tom Bailer* and *Josh Hallquist*. Council members *Tim Joyce* and *Robert Beedle* were present via teleconference. Council members *Dave Reggiani* and *James Burton* were absent. 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.

Mayor Kacsh added the Northwind Quilters Guild as guest speaker and *Sean McCallister* will not be on as guest speaker.

Vote on motion: 5 yeas, 0 nays, 2 absent. Burton-absent; Joyce-yes; Beedle-yes; Hallquist-yes; Carpenter-yes; Reggiani-absent and Bailer-yes. Motion was approved.

E. DISCLOSURES OF CONFLICTS OF INTEREST - none

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker

a. Max Mertz, Agee Rehfeld Mertz, LLC - CCMC audit presentation

Mertz presented the audit over the phone and had a power point running in the meeting room. This was the CCMC audit for the FY ending 12/31/14. He said generally it is an unmodified report and a clean opinion. He did mention liquidity problems and said cash on hand – 6 months is great to have, 3 months would be prudent and CCMC had on 12/31/14, 12 days of available cash on hand. Inventory-wise the hospital is pretty solid. Payable-days are about 60 days which is double the benchmark, which directly relates to the liquidity problem as well. *Mertz* said that CCMC is not in this alone, 20-25 years ago with the increase in equipment wants and needs (i.e. MRIs, CT-scanners), as well as people migrating to the bigger cities to have their work done, small hospitals (in towns with one hospital) have felt the crunch. Exacerbating that is the reimbursement environment right now – we get paid fairly poor rates from Medicaid – we've had difficulty getting paid decent rates for services and Cordova has a payer class that consists of a lot of uninsured or underinsured people.

b. ~~Sean McCallister, Providence Health & Services Alaska~~

c. Members of the Northwind Quilters Guild

The quilters (*Diane Ujioka*, *Darlene Robertson* and *Terri Stavig*) presented a quilt that they made as a group and donated to the Cordova Center in order to be raffled off. *Cathy Sherman* accepted it and was very grateful to the guild. She thanked them because this is the second quilt they have donated to the cause. *Sherman* announced that raffle tickets will go on sale the second night of Salmon Jam, July 18.

2. Audience comments regarding agenda items

Richard Groff of 201 Whiskey Ridge Rd urged Council to approve the COOP (continuity of operations plan) that is before them tonight.

3. Chairpersons and Representatives of Boards and Commissions (Harbor, HSB, Parks & Rec, P&Z, School Board)

Carpenter reported for the HSB that **Sean McCallister** is moving ahead with drafting a consulting agreement. The RFP for management services closes May 26. He is also actively working on filling a position in finance to assist **Tiffany (Varnadoe)** and to fill the DON (director of nursing) position – he says he has 2 strong candidates for that.

Bailer said that in looking at the CCMC audit, salaries are up over \$500K and you've said they'll be hiring more people, can you speak to that? Discussion ensued regarding Council's role, the HSB existence after the recent vote on charter change, etc. **Mayor Kacsh** said the HSB stays in effect until code changes are made. **Joyce** said this was a good conversation but it is premature.

Bailer reported on the Planning and Zoning Commission - said there was a meeting last night they made decisions on some lots; they decided not to sell Lot 4A Block 5 (North Fill), they agreed to sell to Arvidson – with stipulations, they ok'd the Alpine Diesel request for lease, and there was a subdivision before them that was kind of incomplete – it was sent back to staff and there was a final plat that was approved.

Bailer said he also attended School Board and an issue that will concern Council is the continued leaking of the Mt. Eccles windows. **Barb Jewell** added that they have been busy with teacher negotiations and budget hearings and she is happy to say both are concluded. Budget is finalized; teacher contract should be ratified at a special meeting on June 2, 2015. She said most importantly we graduated the class of 2015.

G. APPROVAL OF CONSENT CALENDAR

Mayor James Kacsh informed Council that the consent calendar was before them.

4. Ordinance 1129 An ordinance of the City Council of the City of Cordova, Alaska, amending section 5.40.030 C, 5.40.030 D and 5.40.030 BB of the Cordova Municipal Code regarding exemptions from sales tax – 1st reading

Vote on Consent Calendar: 5 yeas, 0 nays, 2 absent. Beedle-yes; Joyce-yes; Hallquist-yes; Bailer-yes; Carpenter-yes; Burton-absent and Reggiani-absent. Consent calendar was approved.

H. APPROVAL OF MINUTES

M/Bailer S/Hallquist to approve the minutes.

5. 04-15-15 Regular Meeting Minutes

6. 05-06-15 Public Hearing Minutes

Vote on motion: 5 yeas, 0 nays, 2 absent. Joyce-yes; Bailer-yes; Burton-absent; Beedle-yes; Reggiani-absent; Hallquist-yes and Carpenter-yes. Motion was approved.

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

7. Mayor's Report – **Mayor Kacsh** said he has been extremely busy getting the fleet ready to go fishing.

8. Manager's Report – **Robertson** said the bond rate was set at 3.58% for the \$3 million for the Cordova Center – we should be able to access that in the first week of June. The bike pump track arrived early – Providence donated the money for that, AML covered the shipping – we have gotten a great deal for a recreational opportunity. **Robertson** said the utilities are down, he's happy with the hard work of **Trumblee** on that. **Robertson**, handed out a harbor newsletter and showed Council a graphic that **Sherman** created regarding where our money goes – it will be on the website. **Carpenter** wondered if we could revisit the flat-rate billing for attorney's fees. **Robertson** thought it was fairly open-ended and thought **Ms. Wells** would be amenable to revisiting that. After some discussion Council also asked to go out for RFP for attorney services.

a. Cordova Center update report – including financial summary

Rich Rogers said that the auditorium steel work is going on to support the catwalk above and the acoustic ceiling tile, gypsum wall board and painting continues, lattice work in main entry foyer and decorative woodwork on the ceiling also going in now. Windows – flashing comes in Friday – install of windows to begin Monday on Memorial Day. The contractor has advised that they believe substantial completion has been pushed back 9 days from July 9 to July 18 – this is no surprise to us. Auditorium seats will be here in late July, some kitchen items and museum floor won't be complete until mid-July. Submittals and RFIs are

current, windows are for sale, and they are advertised per City Code – we may have to entertain smaller bids of a few windows. **Sherman** said the capital campaign amount has changed again and the total today is \$313,866 – although there is even more that arrived today that has yet to be added in.

9. City Clerk's Report – **Bourgeois** said the absentee votes were counted today and she handed out those numbers for Council to insert into the resolution to certify later tonight.

K. CORRESPONDENCE

10. CEC letter in re Crater Lake feasibility study 04-17-15

11. Thank you note from Chamber in re Cordova cleanup

L. ORDINANCES AND RESOLUTIONS

12. Ordinance 1126 An ordinance of the City Council of the City of Cordova, Alaska, amending section 3.12.035 of the Cordova Municipal Code regarding meetings - agenda and 3.12.060 (C) meetings - order of business – 1st reading

M/Carpenter S/Joyce to adopt Ordinance 1126 An ordinance of the City Council of the City of Cordova, Alaska, amending section 3.12.035 of the Cordova Municipal Code regarding meetings - agenda and 3.12.060 (C) meetings - order of business.

Joyce appreciates how this is written and will support it. **Bailer** said he is not in support and still wants Council to have the option of adding items to the agenda. He will therefore propose an amendment.

M/Bailer S/Hallquist to amend the ordinance by not amending the 3.12.060 portion, only make the amendments to the 3.12.035 portion of the ordinance.

Joyce continues to believe that items that come up under Manager's report or an added guest speaker is allowable under OMA because these are things listed in the agenda. What we are guarding against is adding items that haven't at all been noticed.

Vote on motion to amend: 3 yeas, 2 nays, 2 absent. Carpenter-no; Hallquist-yes; Bailer-yes; Beedle-yes; Burton-absent; Reggiani-absent and Joyce-no. Motion to amend was approved.

M/Joyce S/Bailer to amend 3.12.060 C by changing the second sentence to read as follows: With no objection from council, discussion or informational items may be added to the agenda or any item may be removed from the agenda by councilmembers, mayor, city manager or city clerk at the time of approval of regular meeting agenda.

Carpenter called for the question. **Mayor Kacsh** said, with no objection, and he tried to go to the vote on the amendment. **Beedle** said if the motion by **Carpenter** was to call for the question, that is a motion, and **Beedle** wanted a roll call vote on the motion for the question, since there were 2 Council members on the phone. **Mayor Kacsh** said that is fine. **Joyce** asked if **Beedle** had an objection to the call for the question and **Beedle** said yes, his objection is to the immediate ... "with no objection...let's go to the vote", he said that stifles debate. **Joyce** disagreed and said there is no reason that the Mayor cannot just say "with no objection" and go to the vote, it moves the meeting along.

Vote on the motion to call for the question: 4 yeas, 1 nay, 2 absent. Beedle-no; Carpenter-yes; Burton-absent; Hallquist-yes; Bailer-yes; Reggiani-absent and Joyce-yes. Motion was approved.

Vote on motion to amend: 4 yeas, 1 nay, 2 absent. Hallquist-yes; Reggiani-absent; Bailer-yes; Beedle-no; Carpenter-yes; Joyce-yes and Burton-absent. Motion to amend was approved.

Vote on main motion, as amended 2 times: 4 yeas, 1 nay, 2 absent. Hallquist-yes; Reggiani-absent; Beedle-no; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-absent. Motion as amended was approved.

13. Ordinance 1130 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code Chapter 18.21 by repealing subsection 18.21.070(B) and amending section 18.21.080 in order to eliminate the minimum lot width requirement and reduce the yard requirements in the RR3 rural residential district – 1st reading

M/Bailer S/Carpenter to adopt Ordinance 1130 an ordinance of the City Council of the City of Cordova, Alaska, amending Cordova Municipal Code Chapter 18.21 by repealing subsection 18.21.070(B) and

amending section 18.21.080 in order to eliminate the minimum lot width requirement and reduce the yard requirements in the RR3 rural residential district.

Bailer said he was on P&Z when this district was made, the issue is that it has a 60 foot setback which is kind of crazy; he doesn't know how it got in there. There is still a bit of a restriction but he supports this wholeheartedly. **Carpenter** said P&Z has a resolution that was handed to us tonight that they just passed last night supporting this ordinance change.

Vote on motion: 5 yeas, 0 nays, 2 absent. Joyce-yes; Burton-absent; Beedle-yes; Reggiani-absent; Carpenter-yes; Hallquist-yes and Bailer-yes. Motion was approved.

14. Resolution 05-15-26 A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to use the UBS line of credit account in an amount not to exceed \$1.1 million to provide payment to Dawson Construction, Inc. for construction work completed by it on the Cordova Center

M/Carpenter S/Joyce to approve Resolution 05-15-26 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to use the UBS line of credit account in an amount not to exceed \$1.1 million to provide payment to Dawson Construction, Inc. for construction work completed by it on the Cordova Center.

Carpenter said she would like to make these funds available to pay the contractor. **Robertson** said the legislature is still in session and he has put this before Council because the EVOS funds may not be available as timely to us as they would have been if the legislature was already adjourned and the capital budget was signed and had begun to be executed. This is just an "in case" provision.

Vote on motion: 5 yeas, 0 nays, 2 absent. Beedle-yes; Joyce-yes; Hallquist-yes; Burton-absent; Carpenter-yes; Bailer-yes and Reggiani-absent. Motion was approved.

15. Resolution 05-15-27 Certification of the official results of the May 12, 2015 Special Election

M/Carpenter S/Bailer to approve Resolution 05-15-27 Certification of the official results of the May 12, 2015 Special Election approving proposition one a change to the City charter article 3 section 9 concerning management of healthcare facilities owned by the City of Cordova, 168 votes in favor of the charter change and 18 votes against, total ballots cast at the special election were 186.

Carpenter said she is in support of these results.

Vote on motion: 5 yeas, 0 nays, 2 absent. Carpenter-yes; Beedle-yes; Joyce-yes; Bailer-yes; Burton-absent; Reggiani-absent and Hallquist-yes. Motion was approved.

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

16. City Council approval of COOP (continuity of operations plan)

M/Bailer S/Carpenter to approve the COOP as presented and direct the City Manager and Mayor to sign the proclamations page of the plan.

Robertson said he would commend **Joanie Behrends** and **Dick Groff** on their hard work writing this plan. He said it is a fluid document, names might be changing, already we have an addition to this, with new names dependent on succession of roles – he handed out the new names. **Behrends** said one of the most important things that the Council should be aware of is that should we have a really big disaster and the last part of the plan talks about devolution – i.e. what are we going to do if all department heads and City Manager succumb in the disaster. She wants them to know that the plan says that the Council will be taking over – that's what our plan says. In general, **Behrends** said this plan is for how we will continue with our essential functions for at least thirty days in the event of such a disaster that decimates the entire infrastructure or even if just one building. **Joyce** asked about specific names being in there vs. just generic positions instead. **Behrends** said she will revisit annually and will edit names per discussions with department heads, etc. **Joyce** said as long as she revisits it annually that will work. **Hallquist** said this is well-written, etc. he appreciates the hard-work that went into this. His question was about financial support and/or on-going costs associated with maintaining

this plan. **Behrends** said that Council approval of this does commit them to funding the cost of moving City operations – that is written into the plan. Also, she asks for the time of the Department heads. **Beedle** said what a great endeavor and hopefully a total waste of time.

Vote on motion: 5 yeas, 0 nays, 2 absent. Beedle-yes; Hallquist-yes; Burton-absent; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-absent. Motion was approved.

17. Certification of the 2015 property assessment roll

M/Hallquist S/Carpenter to certify the 2015 property assessment roll.

Joyce said for the record, the total assessed value of all the property in Cordova for 2015 is \$389,889,290, the total exemptions are \$205,166,480 and the total taxable value is \$184,722,810. **Mayor Kacsh** said that on June 3 they will be setting the mill rate. **Carpenter** said that the Clerk asked Council to opine on any other mill rate scenarios they would like put before them on June 3 – we could email her as well before next Wednesday for inclusion in that June 3 packet. **Joyce** said he would also like to see the Finance Director and City Manager report at that meeting on how the City budget is looking so far regarding budgeted and unbudgeted revenues and expenses.

Vote on motion: 5 yeas, 0 nays, 2 absent. Carpenter-yes; Beedle-yes; Joyce-yes; Bailer-yes; Burton-absent; Reggiani-absent and Hallquist-yes. Motion was approved.

18. City Clerk job description amendments/modifications – Council was ok with the description and made no changes.

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

Council asked for an update on the CCMC budget. **McCallister** would be coming before Council on 6/3/15 as a guest speaker to speak about a consulting agreement. **Robertson** would work on a draft for RFP for City Attorney – but possibly not until the second meeting in June. **Bourgeois** reiterated that they would be seeing a resolution setting the mill rate on June 3 and there would be a public hearing on that matter on 6/3/15 as well.

O. AUDIENCE PARTICIPATION - none

P. COUNCIL COMMENTS

20. Council Comments

Joyce thanked **Joanie** and **Dick** again for the COOP, kudos to them both. He also thanked staff for all the work on all the projects, a lot of work and they are putting in a ton of time.

Beedle reiterated thanks to **Joanie** and **Dick**.

Carpenter echoed the thanks to **Joanie** and **Dick** and to **Rich Rogers** on the Cordova Center.

Bailer echoed thanks to **Dick** on his volunteer work. He thanked **Cathy Sherman** for the financial update on the Cordova Center. He commented that the Alaska Municipal League might offer trainings on site and maybe that's something we should explore.

Hallquist also thanked **Dick**, **Joanie** and staff.

Q. EXECUTIVE SESSION

R. ADJOURNMENT

M/Bailer S/Carpenter to adjourn. Hearing no objections the meeting was adjourned at 9:22 pm.

Approved: June 3, 2015

Attest:


Susan Bourgeois, CMC, City Clerk

