

**Mayor**

James Kacsh

**Council Members**

Kristin Carpenter

Tim Joyce

Tom Bailer

Bret Bradford

EJ Cheshier

David Reggiani

James Burton

**City Manager**

Randy Robertson

**City Clerk**

Susan Bourgeois

**Deputy Clerk**

Tina Hammer

**Student Council**

Summer Vacation

**REGULAR COUNCIL MEETING  
JULY 16, 2014 @ 7:00 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 Kacsh, Council members Kristin Carpenter, Tim Joyce, Tom Bailer  
Bret Bradford, EJ Cheshier, David Reggiani and James Burton

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

**E. DISCLOSURES OF CONFLICTS OF INTEREST**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speaker
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)

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

4. Record excused absences for Cheshier and Burton from the July 2, 2014 Regular Meeting

**H. APPROVAL OF MINUTES**

5. Regular Meeting Minutes 06-04-14..... **(page 1)**
6. Public Hearing Minutes 07-02-14..... **(page 7)**
7. Regular Meeting Minutes 07-02-14..... **(page 9)**

**I. CONSIDERATION OF BIDS**

**J. REPORTS OF OFFICERS**

8. Mayor's Report
9. Manager's Report
  - a. **Brandon Dahl**, refuse transfer site report
  - b. MOU with Cordova Electric Cooperative in re Crater Lake..... **(page 17)**
  - c. **Rich Rogers/Malvin Fajardo** – City water supply update
10. City Clerk's Report..... **(page 18)**

**K. CORRESPONDENCE**

**L. ORDINANCES AND RESOLUTIONS**

11. Substitute Resolution 07-14-27..... **(roll call vote)(page 19)**  
A resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table

**M. UNFINISHED BUSINESS**

12. Council member designation to Boards and Commissions..... **(page 23)**
  - a. Harbor Commission (may be 2 motions)..... **(voice vote)**
  - b. Parks and Recreation Commission..... **(voice vote)**
  - c. Planning and Zoning Commission..... **(voice vote)**

**N. NEW & MISCELLANEOUS BUSINESS**

- 12a.** Council disposal of City Lot..... (voice vote)(page 31a)
- 13.** Draft ordinance regarding raw fish tax – discussion..... (page 32)
- 14.** City Code on sales tax exemptions – discussion..... (page 48)
- 15.** Pending Agenda and Calendar..... (page 52)

**O. AUDIENCE PARTICIPATION**

**P. COUNCIL COMMENTS**

- 16.** Council Comments

**Q. EXECUTIVE SESSION**

- 17.** Cordova Center - attorney updates
- 18.** Attorney update regarding PWSSC disposal negotiation

**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](http://www.cityofcordova.net)**

**CITY COUNCIL REGULAR MEETING  
JUNE 04, 2014 @ 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 June 04, 2014, in the Library Meeting Room.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

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

**C. ROLL CALL**

Present for roll call were **Mayor James Kacsh** and Council members **Tim Joyce, Tom Bailer, Bret Bradford, Dave Reggiani** and **James Burton**. Council members **Kristin Carpenter** and **EJ Cheshier** arrived late at 7:05 pm and 7:30 pm respectively and both also via teleconference. Also present were City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

**D. APPROVAL OF REGULAR AGENDA**

**M/Reggiani S/Burton** to approve the Regular Agenda.

**M/Joyce S/Reggiani** to amend the regular agenda by adding item 7a under consideration of bids regarding Council approval of equipment auction items.

Vote on motion to amend: 6 yeas, 0 nays, 1 absent (Cheshier). Bradford-yes; Burton-yes; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion passes.

Vote on main motion as amended: 6 yeas, 0 nays, 1 absent (Cheshier). Carpenter-yes; Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes and Bradford-yes. Motion passes.

**E. DISCLOSURES OF CONFLICTS OF INTEREST – none**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speaker - none

2. Audience comments regarding agenda items – **David Allison** of 203 Whiskey Ridge Rd, commented on setting the mill rate. He said he doesn't mind raising the mill rate but too much at once would be hard on people. He doesn't like raising it just because we can; if there is a reason, fine; roads, replenish our reserves etc.

3. Chairpersons and Representatives of Boards and Commissions

**Harbor – Burton** said there hadn't been a Harbor Commission meeting since his last report to Council; **Health Services Board – Carpenter** said there would be a regular Health Services Board meeting on July 2 and some Providence folks would be down here for that, she was hoping the board could get together once before that; **Planning and Zoning – Reggiani** said that P&Z will be meeting next week; **Joyce** reported that the Cordova Center Committee met with the fundraising consultants, **Anne** and **Cecily** and the big local fundraising campaign kickoff will be July 4.

**G. APPROVAL OF CONSENT CALENDAR**

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

4. Ordinance 1117 An ordinance of the City Council of the City of Cordova, Alaska, authorizing a lease for a portion of Lot 5A, Block 3, Odiak Park Subdivision, Plat 79-5, specifically 38,069 square feet of land to the State of Alaska, Department of Fish and Game – 2<sup>nd</sup> reading

5. Proclamation of Appreciation for LCDR Michael Sarnowski

6. Record excused absence of Council member Bradford from the May 21, 2014 Regular Meeting

Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Cheshier). Joyce-yes; Bailer-yes; Burton-yes; Reggiani-yes; Bradford-yes and Carpenter-yes. Consent Calendar was approved.

**H. APPROVAL OF MINUTES**

**M/Burton S/Bradford** to approve the Minutes.

7. Public Hearing Minutes 05-21-14

Vote on motion: 6 yeas, 0 nays, 1 absent (Cheshier). Carpenter-yes; Bradford-yes; Joyce-yes; Burton-yes; Reggiani-yes and Bailer-yes. Motion passes.

## **I. CONSIDERATION OF BIDS**

7a. Council approval of disposal of equipment auction items

**M/Joyce S/Bailer** to approve the disposal of the equipment auction items as presented in the memo from the Manager.

Vote on motion: 6 yeas, 0 nays, 1 absent (Cheshier). Bradford-yes; Reggiani-yes; Bailer-yes; Carpenter-yes; Joyce-yes and Burton-yes. Motion passes.

## **J. REPORTS OF OFFICERS**

8. Mayor's Report – **Mayor Kacsh** said that he has had a plaque to give to **David Allison** but with meetings being canceled, etc., he is just now able to present it to him and it is in appreciation for his 6 most recent years' service on City Council. **Allison** expressed his appreciation to all of the Council members and all of the other volunteers that make Cordova a great place to live. **Mayor Kacsh** said that he will be attending the Copper River Nouveau this weekend and then will meet with the Chamber next week to discuss tactics to keep a positive message with the AMHS and the State.

9. Manager's Report – **Robertson** said the swimming pool is in great shape; the new filtration system is up and running well – Council needs to go see how it looks. The grand re-opening is on June 10. He said the Police department is looking at doing a bike patrol. **Bailer** said he has heard lots of good comments on the cleanup around town so he wanted to pass that along. However, he has also heard people wonder if the cleanup is in place of other things getting done (i.e. weeds being cut down but pot holes not being filled). **Mayor Kacsh** asked about the infrared pothole machine and **Robertson** said we are about a week away. **Robertson** said the health insurance cooperation with the CCMC is working well, to both of our advantage; he thanked **Theresa Carte** and her staff for the collaboration.

10. City Clerk's Report – **Bourgeois** said she had prepared the mill rate scenarios for tonight's meeting and had spent some time researching the ordinance eliminating the mill rate differential, also on tonight's agenda.

## **K. CORRESPONDENCE**

11. Letter to Mayor from AML in re 2014 dues 05-01-14

12. Letter from Council to Senator Berta Gardner in re Exxon reopener 05-22-14

13. Letter from Cliff Ward in re south Harbor ramp 05-25-14

14. Letter from John Harvill in re Harbor and Harbormaster 05-28-14

**Mayor Kacsh** asked if the AML bill had been paid and if it had been budgeted. The Clerk said yes it was paid, had been budgeted at \$2000 she paid the rest from Council contingency. **Bailer** commented on the letter from **John Harvill** praising the Harbormaster he agrees that he takes pride in his job and is making the harbor better because of it. **Bradford** echoed those comments and said he hoped more people would use the North Fill ramp because he has heard comments similar to **Ward's** letter from some others of late. **Joyce** said he has been watching the North Fill ramp and has seen only two guys using it, he doesn't understand why. **Bailer** said he has heard from fishermen that when there is more infrastructure available there they will use it; wash-down and other services. **Burton** said he has seen a line of trailers backing boats in there, obviously the other side has been the traditional spot, but there has been increased use on the North Fill.

## **L. ORDINANCES AND RESOLUTIONS**

15. Substitute Ordinance 1115

An ordinance of the City Council of the City of Cordova, Alaska, amending sections 3.40.020 entitled "planning commission created- membership," 3.40.030 entitled "planning commission-chairman," 3.40.050 entitled "planning commission-members' terms of office," 3.52.020 entitled "advisory parks and recreation commission-membership," and 11.08.020 entitled "harbor commission" to clarify and make consistent council

member designation for service on city commissions, make council member service on commissions permissive rather than obligatory

**M/Reggiani S/Burton** to adopt Substitute Ordinance 1115 an ordinance of the City Council of the City of Cordova, Alaska, amending sections 3.40.020 entitled “planning commission created- membership,” 3.40.030 entitled “planning commission-chairman,” 3.40.050 entitled “planning commission-members’ terms of office,” 3.52.020 entitled “advisory parks and recreation commission-membership,” and 11.08.020 entitled “harbor commission” to clarify and make consistent council member designation for service on city commissions and to make council member service on commissions permissive rather than obligatory.

**Reggiani** said this has been discussed and this is the second reading and we are ready to go. **Joyce** said he still doesn’t support it he thinks it’s a mistake and making the Council members service permissive will have us lose some knowledge on what’s happening there. There is 20 years of precedence and he doesn’t like the three-year terms. **Mayor Kacsh** agreed that he doesn’t like this he fears the lack of flow of information back and forth. He also doesn’t like three years; forcing someone’s hand in the long run, and/or forcing Council’s hand.

**Reggiani** spoke in favor of it; doesn’t see where it changes the flavor of the past twenty years.

Vote on motion: 6 yeas, 1 nay. Cheshier-yes; Carpenter-yes; Burton-yes; Bradford-yes; Bailer-yes; Reggiani-yes and Joyce-no. Motion passes.

**16. Ordinance 1118** An ordinance of the City Council of the City of Cordova, Alaska, repealing Cordova Municipal Code section 5.36.245 entitled “rural zone and mill rate differential” to eliminate the mill rate differential and separate tax zone created for the 68.23 square miles of land annexed to the City in March, 1993  
**M/Joyce S/Reggiani** to approve Ordinance 1118 An ordinance of the City Council of the City of Cordova, Alaska, repealing Cordova Municipal Code section 5.36.245 entitled “rural zone and mill rate differential” to eliminate the mill rate differential and separate tax zone created for the 68.23 square miles of land annexed to the City in March, 1993.

**Joyce** said the fact of the matter is that in the court case that occurred after the annexation in 1995 there was a five-year term put on this differential which expired in about 2000. Also, he said all the deficits in the annexed area at that time have been addressed; there’s fire & police protection, streetlights, etc. so he believes that the justification for the mill rate reduction has gone away. **Carpenter** agreed and is prepared to vote in favor of this. She believes today there is a much more comparable level of service and a big difference between now and when the settlement agreement was reached is that the City puts a lot more money into the medical center now which benefits everyone equally. **Joyce** wanted to bring up that this would not be in effect until next year for taxation purposes. **Reggiani** spoke in favor as well. He showed council a copy of a Municipality of Anchorage tax bill which shows a breakdown of what each service area in Anchorage pays millage equivalents to cover as far as expenses that the Municipality has annually. As far as communication, he thinks that would go a long way toward the community understanding taxes and what the taxes help support. **Bailer** spoke in support of the ordinance as well as **Reggiani’s** idea concerning tax bills.

Vote on motion: 7 yeas, 0 nays. Bradford-yes; Reggiani-yes; Cheshier-yes; Carpenter-yes; Joyce-yes; Bailer-yes and Burton-yes. Motion was passes.

**17. Resolution 06-14-25** a resolution of the City Council of the City of Cordova, Alaska, setting the mill rates for 2014

**M/Joyce S/Reggiani** to approve Resolution 06-14-25 a resolution of the City Council of the City of Cordova, Alaska, setting the mill rates for 2014 at 12.4 for the City and 11.4 for the annexed area.

**Joyce** said he went to that rate because of the off-budget expenses for the hospital, which came out of savings, which needs to be replaced. **Bourgeois** explained that since the packet had been printed and distributed, she did receive the final Alyeska taxable value (on Monday), which was up approximately \$4.8M from the original assessed value. She had plugged the new number in and to attain the revenue of \$2.129M that **Joyce** had been shooting for, with the increase, the mill rates could now be set at 12.07 and 11.07 instead of the 12.4 and 11.4.

**Bradford** said he will not be able to support an almost 30% property tax increase for a capital project for the hospital. **Reggiani** said he would support it, recalling the overwhelming community support at the health care

meetings. **Joyce** said we have been buying things a lot over the past few years and it has been reducing our savings, if we do that again this year, we will reduce savings even more.

**Mayor Kacsh** thought that this was a very steep jump for one year. He would prefer to see a mill rate that would bring in revenue at a little closer to the budgeted amount. **Bradford** said he also heard the support for the CT scanner but never heard anyone support a 30% increase in property tax to pay for it. **Cheshier** said we are needing to spend money on the hospital and the community supports it and so he supports it. **Burton** said he is in support of scenario 2, he will not support 12.4 and he does understand the need for the CT scanner. **Carpenter** said she doesn't have much to add and will vote in favor of this. **Bailer** said this will hit people hard. **Mayor Kacsh** said this would hurt the lower income household that is already struggling to stay in town. **Joyce** said he is willing to look at an in-between number. **Reggiani** insisted that Council has a spending problem. **Mayor Kacsh** reminded everyone that we set the revenue goal at budget of \$1.862 which was up from previous years of \$1.5M. **Burton** said he understands the dilemma but still thinks it needs to happen at a slower pace. He was hoping scenario 2 would be the chosen mill rates for this year. **Cheshier** opined that we have been under-taxing according to our spending for the past two to three years and we are drawing our reserves down and it's time to start building them back up.

**M/Joyce S/Reggiani** to amend the mill rates to 12.07 and 11.07.

**Reggiani** said he didn't think it needs to be amended. He said he'd go along with it but didn't think it was necessary. The Clerk did her due diligence and updated the number based on one property being updated. **Reggiani** said the intent of the main motion was option number 4. **Mayor Kacsh** said it was better to be very clear as to the mill rates Council was opting for.

Vote on motion to amend: 7 yeas, 0 nays. Joyce-yes; Burton-yes; Cheshier-yes; Reggiani-yes; Carpenter-yes; Bradford-yes and Bailer-yes. Motion was approved.

Vote on main motion as amended: 5 yeas, 2 nays. Cheshier-yes; Joyce-yes; Bradford-no; Burton-no; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion was approved.

## **M. UNFINISHED BUSINESS**

## **N. NEW & MISCELLANEOUS BUSINESS**

### **18. CVFD Request to continue with EMPG 05-20-14**

**M/Joyce S/Bradford** to continue the EMPG program, request funds from Alaska DHS&EM and sole source with Joanie Behrends as the EMPG Planner.

Vote on motion: 7 yeas, 0 nays. Cheshier-yes; Bradford-yes; Carpenter-yes; Bailer-yes; Joyce-yes; Burton-yes and Reggiani-yes. Motion was approved.

### **19. Pending Agenda and Calendar**

Council opted to cancel the second meeting in June, scheduled for June 18, 2014. They also agreed to schedule a work session with **Jim Quick** of **Dawson Construction** for Wednesday June 11 at 7pm.

## **O. AUDIENCE PARTICIPATION**

**Alice Grimwood** of the Radio Station said she wanted to inform Council that there are two ladies doing everything at the Post Office as they have just let one other employee go. If they have noticed, she has that mail has been pretty slow lately and some people have complained to the USPS regarding this.

**Donald Kurz** of 1001 Lake Avenue apologized for missing the last Council meeting, had a medical issue. He also had a concern with the condition of the ball field and the ball field bathrooms lately. He said there was excessive trash today when he was down there. He thinks parents could be doing a better job policing themselves and their kids.

## **P. COUNCIL COMMENTS**

### **20. Council Comments**

**Bailer** said he appreciated **Donald's** concern about the ball fields and thinks adults do need to pay a little more attention. He said over the past holiday weekend there had been a large kid-gathering of 200 some people out

the road and the next morning when he walked over to where they had been, you couldn't even tell; they did a great job of cleaning up after themselves.

**Joyce** said he has heard good things about the refuse transfer site on the South Fill. He was impressed with the people sorting their own stuff there.

**M/Reggiani S/Joyce** to take a five minute recess. With no objection the meeting was recessed at 8:30 pm and reconvened at 8:37 pm.

## **Q. EXECUTIVE SESSION**

### **21. City Land Sales and Performance Deeds of Trust**

**M/Joyce S/Reggiani** to enter into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government, specifically, City Land Sales and Performance Deeds of Trust.

Vote on motion: 6 yeas, 0 nays, 1 absent (Cheshier). Burton-yes; Joyce-yes; Bradford-yes; Carpenter-yes; Reggiani-yes and Bailer-yes. Motion passes.

Council entered the executive session at 8:38 pm and reconvened the regular meeting at 9:15 pm.

### **22. Attorney advice regarding CTC - Ski Hill lease**

**M/Joyce S/Reggiani** to enter into an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government, specifically, the CTC - Ski Hill lease.

Vote on motion: 6 yeas, 0 nays, 1 absent (Cheshier). Joyce-yes; Bradford-yes; Bailer-yes; Carpenter-yes; Burton-yes and Reggiani-yes. Motion passes.

Council entered the executive session at 9:17 pm and reconvened the regular meeting at 9:55 pm.

**M/Burton** to reconsider Resolution 06-14-25. **Joyce** said ... point of order as he didn't believe that someone on the failing side of the motion could reconsider it. **City Clerk Bourgeois** said that our code does allow for an instance which is anti to Roberts Rules, she read from Cordova Municipal Code...

**3.12.070 Meetings—Government of proceedings.** Robert's Rules of Order as newly revised shall govern the proceedings of the council when applicable and when not in conflict with state statute or this code, except with the following exception(s):

Any member may give notice of reconsideration of a failed motion.

**Joyce** went on to say that this was not a failed motion. The City Clerk agreed and said she had been mistaken. However...

**M/Bailer S/Burton** to reconsider Resolution 06-14-25.

**Burton** said he still had a hard time and he thinks the public will have a hard time so he thought he'd go somewhere in the middle. Therefore, he opted to...

**M/Burton S/Bradford** to amend the resolution by inserting 11.33 and 10.33 as the mill rates in Resolution 06-14-25.

**Joyce** said he can appreciate what **Burton** is trying to do but he thinks it would still have to be paid for in full (i.e. the CT scanner). **Reggiani** said he has always advocated for lowered property taxes especially on good raw fish tax years. He thinks this year we just have to take care of bad spending habits and raise property tax as well. If we go away from paying for the CT scanner in full this year, we would be continuing those bad spending habits. **Joyce** said we might have to curb one of our biggest expenses which is the schools. **Burton** said to that, if we raise taxes and drive people with kids out, our school population shrinks, state funding goes up and our allowed match goes up; a vicious cycle. **Cheshier** said take a little sip of water and swallow the bitter pill.

Vote on motion to amend: 3 yeas, 4 nays. Cheshier-no; Bradford-yes; Burton-yes; Joyce-no; Carpenter-no; Bailer-yes and Reggiani-no. Motion fails.

Vote on main motion: 4 yeas, 3 nays. Carpenter-yes; Cheshier-yes; Joyce-yes; Bailer-no; Burton-no; Reggiani-yes and Bradford-no. Motion passes.

**R. ADJOURNMENT**

*M/Burton S/Joyce* to adjourn. Hearing no objections the meeting was adjourned at 10:07 pm.

Approved: July 16, 2014

Attest: \_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk

DRAFT



**CITY COUNCIL PUBLIC HEARING  
JULY 02, 2014 @ 6:30 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

**Mayor James Kacsh** called the Council public hearing to order at 6:30 pm on July 2, 2014, in the Library Meeting Room.

**B. ROLL CALL**

Present for roll call were **Mayor James Kacsh** and Council members **Kristin Carpenter, Tim Joyce, Tom Bailer, Bret Bradford** and **Dave Reggiani**. Council Members **EJ Cheshier** and **James Burton** were absent. Also present were City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

**C. PUBLIC HEARING**

**1. Ordinance 1118**

An ordinance of the City Council of the City of Cordova, Alaska, repealing Cordova Municipal Code section 5.36.245 entitled “rural zone and mill rate differential” to eliminate the mill rate differential and separate tax zone created for the 68.23 square miles of land annexed to the City in March, 1993

**2. Resolution 07-14-27**

A resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table

**Mayor Kacsh** opened the hearing up for public comment

**David Allison** of 203 Whiskey Ridge Rd. said he supported the ordinance regarding doing away with the mill rate differential and he supported the Cordova Center Phase 2 and said he thought it was time to get going.

David Allison also read a letter into the record for **Linda Crider** who couldn’t be in attendance but also supported the Cordova Center.

**Wendy Ranney** of 2500 Orca Rd spoke in support of the Cordova Center and moving ahead with the project.

**Diana Rubio** spoke against the Ordinance regarding rescinding the mill rate differential. She hoped Council would vote it down.

**Cindy Appleton** spoke in support of the Cordova Center moving forward and against the ordinance eliminating the mill rate differential in the annexed area.

**Sylvia Lange** spoke in support of the Cordova Center.

**Penny Oswalt** spoke in favor of the Cordova Center project moving ahead.

**Jim Holley** spoke as a strong supporter of the Cordova Center and as a member of the Cordova Center committee. He urged Council to vote to continue the project.

**Dottie Widman** spoke in favor of the Cordova Center.

**Katrina Hoffman** of 301 South Second Street spoke in favor of the Cordova Center citing Resolution 08-11-36 that Council passed in 2011 committing the City to cover any deficit in funding needed to complete the Cordova Center.

**Debra Adams** of 103 Fisherman Avenue spoke in favor of option one to complete the Cordova Center.

**Clay Koplín** of 100 Jensen Drive encouraged council to go with option one and continue to move ahead with the Cordova Center project.

**Karl Becker** of 101 Lake Avenue spoke in favor of the Cordova Center.

**D. ADJOURNMENT**

**M/Bailer S/Bradford** to adjourn the Public Hearing

Hearing no objection, the Public Hearing was adjourned at 7:14 pm.

Approved: July 16, 2014

Attest: \_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk

**CITY COUNCIL REGULAR MEETING  
JULY 02, 2014 @ 7:00 PM  
LIBRARY MEETING ROOM  
MINUTES**

**A. CALL TO ORDER**

*Mayor James Kacsh* called the Council Regular Meeting to order at 7:20 pm on July 02, 2014, in the Library Meeting Room.

**B. INVOCATION AND PLEDGE OF ALLEGIANCE**

*Mayor 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, Tim Joyce, Tom Bailer, Bret Bradford* and *Dave Reggiani*. Council members *EJ Cheshier* and *James Burton* were absent. Also present were City Manager *Randy Robertson* and City Clerk *Susan Bourgeois*.

**D. APPROVAL OF REGULAR AGENDA**

*M/Reggiani S/Bradford* to approve the Regular Agenda.

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

**E. DISCLOSURES OF CONFLICTS OF INTEREST – none**

**F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS**

1. Guest Speaker – **Candace Winkler**, CEO Alaska Community Foundation spoke to Council about her meeting with the Cordova Center Committee and they had asked her to meet with Council as well to describe some of the things she might be able to offer the City regarding the project. She said the organization has done things as small as fund a rice cooker in a classroom to funding a \$1 million grant to Covenant House for homeless teens in Anchorage. They also have 9 community affiliates which Cordova might think of doing at some point (i.e. setting up a community affiliate here) because you can locally do all the things a community foundation does but not have the overhead and costs of the infrastructure (they would offer that). She said they have a total of about \$80 million in 315 different funds. They make about \$6 million in grants each year throughout the state. She said for the Cordova Center a good option would be a designated fund – earmarked just for the Cordova Center and the benefit is that donors feel confident that the money they are donating is for exactly what they want it to be for – some donors are leery of writing a check to simply “the City of Cordova”. **Winkler** explained that for this type of designated fund the cost would be 3% of the funds as they come in – i.e. right off the top. She offered some fund agreements for Council to look over. **Council** and the **Mayor** and the **City Attorney** had some back and forth and **Winkler** explained that the infrastructure of maintaining the 501C3 status and IRS reporting etc. was part of the overhead cost. She said the AK Community Foundation also accepts the funds from the various donors – they might send in a check or donors have the ability to donate online earmarked for specific funds (projects), these can also be recurring in nature. **Winkler** said her group then recognizes these individuals and sends out the appropriate tax receipts to the donors. They manage the funds, hold them and then make grants back out for use on the project. **Wells** mentioned that the City would never setup a 501C3, they could use a public corporation instead. **Bradford** asked if the Cordova Historical society had a 501C3 set up. The response was yes it did. **Mayor Kacsh** asked what the next step would be. **Winkler** said that the body (i.e. the Council) would take whatever action it needed to and then get with our staff and we would set it up. **Sherman** opined that she thought the Cordova Center Committee would be making a recommendation to Council as the next step.

2. Audience comments regarding agenda items

**Cindy Appleton** said another side effect that the Cordova Center could have is something that just occurred yesterday at City Hall. A man called interested in a job listing and the reason he even looked into Cordova was

that his wife had just attended the Fiber Festival and loved Cordova. Now, he is possibly applying for an open position with the City.

**David Allison** of 203 Whiskey Ridge Rd regarding item 18 school's request for additional funding for FY14. He said his disdain for this request is well-documented; he won't read all his notes on this again. He doesn't believe Council will pass this tonight, but he encourages them not to in case they are unsure. He believes that the Board had been given erroneous information at their meeting when they passed this resolution; he believes they are very close to the maximum they are allowed to have in their savings account.

### 3. Chairpersons and Representatives of Boards and Commissions

**Harbor – Burton** was not present; **Health Services Board – Carpenter** said they had just met and had nothing further to report; **Planning and Zoning – Reggiani** said that P&Z will be meeting next week and last month had been canceled; **Bradford** said he had been out of town for the last School Board meeting.

## G. APPROVAL OF CONSENT CALENDAR

**Mayor Kacsh** informed Council that the consent calendar was before them. **Reggiani** pulled item 6 and it was placed after item 19 on the agenda.

4. Approval of exception for "Copper River Wild Salmon Festival" July 18-19, 2014 location Mt. Eyak Ski Area and/or Bidarki

5. Approval of exception for "The Painted Bird" Closing Reception July 31, 2014

~~6. Resolution 07-14-28 A resolution of the City Council of the City of Cordova, Alaska, authorizing the city manager to enter into a five (5) year lease of the building locally known as the "Old Sea Grant Office" located on a portion of Lot 3, Block 7A, Tidewater Development Park with the Prince William Sound Science Center~~  
Vote on Consent Calendar: 5 yeas, 0 nays, 2 absent (Cheshier, Burton). Carpenter-yes; Joyce-yes; Bailer-yes; Reggiani-yes and Bradford-yes. Consent Calendar was approved.

## H. APPROVAL OF MINUTES

**M/Reggiani S/Bradford** to approve the Minutes.

7. Regular Meeting Minutes 05-21-14

8. Public Hearing Minutes 06-04-14

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

## I. CONSIDERATION OF BIDS

### J. REPORTS OF OFFICERS

9. Mayor's Report – **Mayor Kacsh** said he has been working with DCRA who had received a response from Department of Law regarding Raw Fish Tax ordinance she's been drafting, so he is hoping to bring that as a discussion item in time for our next Council meeting.

10. Manager's Report – **Robertson** said he received a resignation from **Brandon Dahl** and he will be gone in two weeks' time. He has done a very good job for the City – **Robertson** said he will hope to have him here in two weeks to speak to them about the transfer site and to speak concerning a way forward for the refuse department. He would also like to have on a future agenda – possibly August 6 – a swearing in ceremony for **Chief Hicks**. Chip seal material is en route and he sent around some photos of work that's been done around town, one picture was of Council Avenue which has been torn up and will get quite a bit more material added to it before chip seal. He also reported that they are getting quite a bit of positive feedback on the infrared machine. Other pictures were of some of the work that temporary summer staff have been completing around town. The aluminum fish on Main Street, weed trimming, etc. **Robertson** said unfortunately, **Bingham** (an employee who has done some of that work) has left to go fishing and we will try to get others on it now.

a. Information on possible bond amortization schedules

11. City Clerk's Report

a. Report on effect of Substitute Ordinance 1115

**Bourgeois** asked Council to read up on this ordinance and there will be agenda items regarding Council members on boards and commissions at the July 16 meeting. The Clerk also mentioned that tax bills were mailed July 1; dues dates are first half August 31, second half October 31.

#### **K. CORRESPONDENCE**

- 12. Letter from Janice Warga on 06-06-14 regarding Mill Rate for 2014
- 13. Email from David Allison on 06-12-14 regarding School District Budget
- 14. Letter from AMHS Employee Union representatives on 06-05-14 regarding negotiations
- 15. Email from Jeff Bailey on 06-16-14 regarding Cordova Center Funding
- 16. Letter from State of Alaska on 06-20-14 regarding 2015 Designated Legislative Grant

#### **L. ORDINANCES AND RESOLUTIONS**

17. Ordinance 1118 An ordinance of the City Council of the City of Cordova, Alaska, repealing Cordova Municipal Code section 5.36.245 entitled “rural zone and mill rate differential” to eliminate the mill rate differential and separate tax zone created for the 68.23 square miles of land annexed to the City in March, 1993 – 2<sup>nd</sup> reading

**M/Joyce S/Reggiani** to adopt Ordinance 1118 an ordinance of the City Council of the City of Cordova, Alaska, repealing Cordova Municipal Code section 5.36.245 entitled “rural zone and mill rate differential” to eliminate the mill rate differential and separate tax zone created for the 68.23 square miles of land annexed to the City in March, 1993.

**Joyce** said he appreciates some of the comments heard tonight but if the citizens in a neighborhood were interested in water or sewer they could establish a Special Assessment District for that. That was never part of the settlement agreement. Street lights on Whitshed are State responsibility not City. He believes that the people in the outlying areas use the services of the community so it is only fair. **Mayor Kacsh** said, for the record, this is for taxation purposes alone, leash laws, etc. will not be effected. **Bradford** said he will not support this he thinks the services out there are just not comparable. He also said a Special Assessment District is not realistic for the 6 mile area, would be cost-prohibitive to the citizens.

Vote on motion: 4 yeas, 1 nay, 2 absent (Cheshier, Burton). Bradford-no; Joyce-yes; Carpenter-yes; Bailer-yes and Reggiani-yes. Motion passes.

18. Resolution 05-14-21 A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY14 budget by changing line item #101-902-57000 to \$830,975 and by changing line item #101-300-40001 to \$1,892,334 and authorizing the transfer of an additional \$30,334 to the Cordova School District to fund the school district to the maximum local contribution allowed by the Alaska Department of Education and Early Development

**M/Carpenter S/Bailer** to approve Resolution 05-14-21 a resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the FY14 budget by changing line item #101-902-57000 to \$830,975 and by changing line item #101-300-40001 to \$1,892,334 and authorizing the transfer of an additional \$30,334 to the Cordova School District to fund the school district to the maximum local contribution allowed by the Alaska Department of Education and Early Development.

**Joyce** said that they had gone through the school 2015 budget at a special meeting recently and they learned about the school’s \$600K savings account and the maximum they are allowed to carry by state law is about \$640K. He also saw that they budgeted \$100 in interest on that money and he didn’t see any reason for us to transfer \$30K of our money into their savings account (because their fiscal year has already ended) especially if that money is earning very little interest.

**M/Joyce S/Reggiani** to postpone the resolution indefinitely.

Vote on motion: 4 yeas, 1 nay (Carpenter), 2 absent (Cheshier, Burton). Motion passes.

19. Resolution 07-14-27 A resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table

**M/Carpenter S/Bradford** to approve Resolution 07-14-27 a resolution of the City Council of the City of Cordova, Alaska, adopting a Cordova Center phase II project budget as summarized pursuant to the following table.

As co-chairs of the Cordova Center Committee, **Joyce** and **Carpenter** presented a short power point presentation regarding where we were, where we've been, and where we are now regarding the Cordova Center project. **Carpenter** said the Cordova Center Committee has been working pretty hard this spring and really is ready to get going on the Capital Campaign. **Joyce** explained that the Phase 2 contractor was chosen by qualifications not by low bid. There are some deficiencies from phase 1 that this contractor will be repairing – including the windows. The GMP (guaranteed maximum price) has been established and it is beneficial for us to now lock that in.

**Reggiani** asked if there was an estimate of the exact amount of revenue that the Cordova Center would bring in to the City. **Joyce** and **Sherman** said that the fees have not been set. **Joyce** said that the ancillary businesses that benefit are the more important dollar amounts.

**Carpenter** said that 88% of the money for this budget is already in place and that does not include the Rasmuson and Murdock monies which they feel very confident about getting as well. She opined that she would be in favor of going back to the legislature if necessary, especially over the idea of a bond to complete this but the timing is such that she doesn't believe we could/should go back to the legislature unless we are actively working on the project and are spending the money they have already given us. **Carpenter** went on to say it is critical to use the momentum we have, move forward and get on with the local fundraising campaign, etc.

**Bailer** had questions from the meeting of June 11. He wanted to know what the flanged windows would cost. **Quick** said yes, if you wanted to change the design currently, flanged windows would be a change and would be at an additional cost. **Bailer** also expressed a concern that he wanted to ensure an energy audit was performed and that a blower door test was completed. **Bradford** said he concurs with some of these concerns. He is ok with passing this budget which is what is before them now. **Reggiani** said a lot of Council's work and discussion on this has been in executive sessions and so he wants to ensure that the people are aware of what's happening now. He said now we need to step back. **Reggiani** said this resolution needs a little bit of work. He believes we need revenues and expenses on a budget resolution. He'd like a work session to get a good handle on this. He will advocate for us taking a good hard look at the bond information. He'd suggest putting a bond proposal before the voters this November; a bond of up to \$5 million. **Bradford** said that overwhelmingly he heard testimony from people that said "let's get going and finish this project". He suggests as we prepare for bonding and educating the people, that we start construction – get some forward motion. **Joyce** said that we need to get going now, this summer. We already have a letter from our attorney that says that there are ramifications if we don't get going. We already know we have \$8.7 million in hand ready to spend. We have a GMP of \$9.9 million and we have about \$1 million in contingency. **Joyce** said he is not so sure that we need to bond; he said we might but he certainly doesn't think we have to do so as quickly as this November; why slow the project down thinking about bonding. **Mayor Kacsh** reminded Council that they will not be making any edits to the budget (i.e. change orders, etc.) until the budget is approved – and that's what this resolution will do. **Jim Quick** interjected that there could be some serious value-engineering that lowers some of these budgeted costs. **Carpenter** said if we do bond let's wait until at least the March regular election; we will know more about the settlement then as well. **Bailer** said if we don't put in flanged windows that would be the second biggest mistake we make on this building and if we don't do the independent energy audit with a blower door test that will be the third biggest mistake. **Reggiani** asked if the window fix is included in the \$9 million GMP for phase 2. **Joyce**, **Mayor Kacsh**, all of the other Council members, **Jim Quick** and **Robertson** all ensured **Reggiani** that yes, of course, that was the case. Attorney **Wells** talked about the change order, an amendment, that was approved that added the windows. **Reggiani** said he doesn't see the urgency in passing this tonight; it appears as though we have issued change orders without an approved budget so we are not forced to pass this budget tonight. He'd like to see revenues on this piece of paper. **Joyce** said that the first

biggest mistake would be to not proceed. We are putting our attorney in a very difficult situation; not sure how much that is costing us. We are also losing money, revenues to this community by not moving on with this. He is unsure what we will do differently in the future. He said if we delay a decision tonight we are hamstringing our legal position which will cost us money. We have a budget before us, right now; change orders can come later. **Joyce** said we can proceed logically. **Reggiani** opined that this budget is not the key to moving forward – the next page – picking the phases/stages in the next agenda item is the key to moving forward. He wants this budget to be discussed in a work session in the public; we need revenues on this paper. He said we owe it to the community to have a voice; he wasn't sure how well-attended the Cordova Center Committee meetings have been. **Carpenter** said she was thinking back to how many times they sit around the Council table and all the chairs in the audience are empty and tonight for the public hearing – the chairs were full. People are tracking with us it is not as though people don't know what's going on, they do.

Vote on motion: 3 yeas, 2 nays, 2 absent (Cheshier, Burton). Joyce-yes; Bailer-no; Reggiani-no; Bradford-yes; and Carpenter-yes. Motion fails. A budget resolution requires a majority of all Council members which would have to be four.

**6. Resolution 07-14-28** A resolution of the City Council of the City of Cordova, Alaska, authorizing the city manager to enter into a five (5) year lease of the building locally known as the "Old Sea Grant Office" located on a portion of Lot 3, Block 7A, Tidewater Development Park with the Prince William Sound Science Center **M/Reggiani S/Bradford** to approve Resolution 07-14-28 a resolution of the City Council of the City of Cordova, Alaska, authorizing the city manager to enter into a five (5) year lease of the building locally known as the "Old Sea Grant Office" located on a portion of Lot 3, Block 7A, Tidewater Development Park with the Prince William Sound Science Center

**Reggiani** said he pulled this because he believes according to Code it should have gone through the Planning and Zoning Commission. **Planner Greenwood** said that the practice has been that renewals don't go to P&Z only new leases. **Reggiani** asked if that practice is consistent with Code – he asked this of the Attorney. **Greenwood** said it is an interpretation of Code. **Joyce** and **Mayor Kacsh** opined to act as we have in the past and if the P&Z or a council member wants the ordinance reviewed or changed that can be looked at in the future. **Reggiani** said he would prefer to refer this to P&Z's meeting next week.

**M/Bailer S/Bradford** for a five minute recess at 9:22 pm. With no objection Council recessed the meeting until 9:28 pm.

**City Attorney Wells** said that they should refer to P&Z.

**M/Joyce S/Bradford** to refer to staff so P&Z could see this and give a recommendation to City Council.

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

**Mayor Kacsh** said that at Pending Agenda we should discuss a code revision regarding this section.

## **M. UNFINISHED BUSINESS**

## **N. NEW & MISCELLANEOUS BUSINESS**

**20. Cordova Center Phase II** amendment to the contract with Dawson Construction Inc., establishing a Gross Maximum Price for approx. \$9.9M and authorizing work up to approx. \$8.7M

**M/Joyce S/Bradford** to direct the City Manager to adopt Option One proposed in the City Manager's Memorandum dated June 26, 2014 and to approve Amendment No. 1 marked as Option 1, Exhibit 1 and that would be for the construction for the Cordova Center Phase 2 amendment to the contract with Dawson Construction establishing a gross maximum price of approximately \$9.9 Million and authorizing work up to approximately \$8.7 Million.

**Joyce** said option one would not exceed our cash in hand, it would allow the contractor to go in and get started, proceeding with the phase 2 corrections to the facility as needed. It would show good faith with the community that we heard from tonight and we could begin our fundraising. **Reggiani** clarified that the motion on the table was approving option one which meant only approving stage one and then it would come back to them again in order to approve stage two. **Joyce** agreed that was the intent of his motion. **City Attorney Holly Wells** was present to speak, as she had written the memo and the options. She said the goal in drafting this option was to

ensure they had maximum flexibility while creating a binding contract that sets the GMP which gives the City some stability. She said that Council approval is required at each stage. **Reggiani** said he is in favor of this because he'd like us weathered in as quickly as possible and we are burning good weather right now. He wanted to see the benchmarks come in and we will know way ahead that we are ready to move into stage two and this will also give us the flexibility to get the budget ready to go so that the goal will be to knock this whole project out by Christmas next year.

Vote on motion: 4 yeas, 1 nay, 2 absent (Cheshier, Burton). Carpenter-yes; Bradford-yes; Joyce-yes; Reggiani-yes and Bailer-no. Motion passes.

**21. Resolution 07-14-29** A resolution of the City Council of the City of Cordova, Alaska, appropriating \$8,701,057 from the Cordova Center fund balance to pay Dawson Construction Inc. for construction of the Cordova Center Project

**M/Joyce S/Bradford** to approve Resolution 07-14-29 a resolution of the City Council of the City of Cordova, Alaska, appropriating \$8,701,057 from the Cordova Center fund balance to pay Dawson Construction Inc. for construction of the Cordova Center Project.

**Joyce** said this is just setting up an account, it doesn't pay Dawson anything. **Bradford** wanted to know why we had to appropriate it now, why can't we leave it where it is and pay it out as needed. **Stavig** explained that these funds are in the grants now and we need to do this as the "go forward" authorization to spend them. **Wells** said this appropriation sets certainty on the "funds available" question which makes this compliant with the Code. **Reggiani** said his thought was that we would link the appropriation to the stage we are entering into. So he would like to see the appropriation amount matched to the dollar amount of stage one. **Wells** said the contract is for the full amount that the Council has available for the project but it still does require council approval at each stage of construction. The contract is comprehensive (all stages) yet approval is required at each stage. The best practice would be to appropriate the funds to demonstrate that the funds available for this contract, are in fact available; so by appropriating the funds it shuts down any ambiguity. **Wells** tried to clarify that there is a four step process in the Request for Qualifications process that the Council went through. Council awarded the contract to Dawson, pre-construction services was the first step. Then, a negotiation regarding the guaranteed maximum price (GMP) is step two (that was just approved in the previous agenda item). The contract commits to \$8.7 Million but is still subject to stage approval by the Council. **Bradford** asked **Wells** if there is a benefit or a penalty if they were to appropriate only enough for stage one. **Wells** said she thought there was a risk; she said the best practice is to approve the contract for \$8.7 million and appropriate the same amount. **Reggiani** asked questions of the **City Manager** concerning how we would fund a project manager for the Cordova Center Phase 2 if we appropriate all of the funds available for the project to Dawson. **Robertson, Sherman** and Human Resources Director **Cindy Appleton** all answered that there was a fully funded position within the City called Superintendent of Facilities which has a secondary function of Project Management of all City Projects which has not been hired as of yet but is presently advertised. **Robertson** also said that City Engineer, **Rich Rogers** is more than capable of handling the project management duties until that person comes on or until council chooses a different project manager for the Cordova Center phase 2.

**M/Reggiani S/Bailer** to amend the resolution to change the \$8,701,057 to \$698,425 in the title and in the "now therefore be it resolved" section of the resolution.

**Reggiani** said his intention is to appropriate per stage that is approved. **Joyce** said what **Mr. Reggiani** said is option 2 and we already approved option 1 so we are telling Dawson that they will have to demob and then remob. That is the message that will be sent. That we have \$8.7 million but we are only committing to giving you \$698 thousand.

**Wells** suggested that the full amount be placed in the second whereas. The maker of the amendment, **Reggiani** and the second, **Bailer**, agreed to add to the amendment the change of "approximately \$8.7 million" to "\$8,701,057".



Vote on motion to amend: 1 yea (Reggiani), 4 nays (Carpenter, Joyce, Bailer, Bradford), 2 absent (Cheshier, Burton). Motion fails.

Vote on main motion: 4 yeas, 1 nay, 2 absent (Cheshier, Burton). Bradford-yes; Reggiani-no; Bailer-yes; Carpenter-yes and Joyce-yes. Motion passes.

## 22. Pending Agenda and Calendar

**Mayor Kacsh** mentioned a possible special election maybe for raw fish tax and maybe for a bond proposition for streets and maybe for Cordova Center. **City Attorney Wells** was also asked to look at a code revision regarding 5.22 disposal of property to delineate between lease “renewals” and “new” leases of City property – to allow for renewals to maybe go straight to Council vs. having to go through P&Z. **Bradford** suggested that we get the Cordova Center budget approved – asked **Reggiani** if he still wants a work session. **Reggiani** said yes, he does. Council opted for a 6pm work session on July 16 previous to the next City Council meeting. **Robertson** reminded Council of a training session **Ms. Wells** is offering tomorrow from 11am – 1pm on Roberts Rules of Order – it is a brown bag lunch and other boards and commissions were invited as well; the School Board has three or four members attending.

## O. AUDIENCE PARTICIPATION

**Nancy Bird** said she knows it’s late but she cannot leave without expressing the frustration she as a Cordova Center Committee member is feeling. She said those meetings have been well-attended by a broad group of this community. She said if you want to continue to have that sort of support for this project you need to have your work session, get informed and understand your budgets. It’s disappointing to me that those of you who were at the June 11 meeting with Mr. Quick didn’t understand things tonight like the windows being included. She understands when people have to leave town and have to miss meetings but Mr. Quick made a point of stating how he was available by phone or email to further discuss with Council any aspect they needed explained. So, tonight’s concerns could have been addressed with talks/communication ahead of the public meeting. She appreciates that everyone wants the public informed/ wants transparency, and wants to get this project funded and completed. On the flip side, she said, summer is rapidly disappearing and we need to stop dragging our feet – that is the message people are getting. Your actions speak louder than words. She wants to remain a team member working together but she doesn’t want to feel as though she has to continually badger you all. She appreciates that they want to do the best for this community.

**David Allison** read a comment into the record for **Linda Crider** of Eccles Lagoon, she stated that the Whitshed Road reconstruction and multiuse pathway project is still on the STIP it just has not received specified funding at this time. There should be a resurfacing project this fall or next spring at which time we could propose paved shoulders and shoulder stabilization be put into the design for resurfacing – it would help greatly with the potholing.

**David Allison** of 203 Whiskey Ridge Rd mentioned a law that was passed this session which allows for donations to secondary and elementary schools which are tax credits to the company that donates. First \$100K tax credit is a \$50K credit and the next \$100K is dollar for dollar. He is all over the school district to be on top of this too.

**Cindy Appleton** wanted to echo **Nancy Bird’s** sentiments and wished Council would just finish this. She thought the idea of a bond election in November was ludicrous. She feels like taxpayers would prefer Council continue to look for grant money instead of burdening them with the cost of the rest of the project.

**Donald Kurz** of 1001 Lake Avenue said that at the last Council meeting he was outspoken concerning conditions at the sand lot. He is happy to report what great shape it has been in over these last few weeks of the season – cleaned up, bathrooms well-stocked, new hardware and fixtures – he is grateful for that. He gave kudos to **Krista Hoover**, **Jennifer Gibbens** and the chamber for throwing the Fourth of July celebration this year – he was looking forward to it. He is a big supporter of the Cordova Center – for selfish reasons he wants an auditorium that was meant for acoustics and sound and he looks forward to that.

## P. COUNCIL COMMENTS

### 23. Council Comments

**Bailer** said he wants to get the building done, everyone wants to get the building done. He is fearful of the costs for changes such as the thermal imaging for the energy audit and flangeless windows.

**Reggiani** said concerns such as those that **Mr. Bailer** is bringing up are exactly the reason he wants to ensure that we have a project manager on to see this project through.

**Bradford** thanked the public for coming out tonight.

**Carpenter** said she is looking forward to the budget work shop and moving ahead on this next phase.

**Joyce** said the kelp box derby is at 10 am on Friday and entrants need to be there at 9:30 am; barbecue at noon. They still need helpers to take the tent down afterwards. He said we had some good debate tonight; Councils are supposed to be for and against and have debate representing their points of view; you end up with a better product that way. He said it is frustrating and argumentative but never should it be take personally. He said **Jim Quick** of **Dawson** is speaking about existing design; we are the team; if we want changes, he will make changes, and yes those could cost more money.

### Q. EXECUTIVE SESSION

**Robertson** said these were not necessary especially concerning the lateness of the hour.

~~24. Contract negotiations with Dawson Construction Inc.~~

~~25. Direction from attorney regarding PWSSC disposal negotiation update~~

### R. ADJOURNMENT

**M/Bradford S/Burton** to adjourn. Hearing no objections the meeting was adjourned at 10:46 pm.

Approved: July 16, 2014

Attest: \_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF CORDOVA  
AND  
CORDOVA ELECTRIC COOPERATIVE**

The parties authorized to act on behalf of Cordova Electric Cooperative, Inc. and the City of Cordova hereby agree as follows:

**WHEREAS**, Crater Lake has the potential to provide energy, water, recreational and economic opportunities to Cordova; and

**WHEREAS**, development of Crater Lake as a hydroelectric resource for Cordova can improve the energy and water security of the community of Cordova and derive lower costs and higher benefits if approached cooperatively and collaboratively; and

**WHEREAS**, portions of Crater Lake and watershed are located on The Eyak Corporation, State of Alaska, City of Cordova, and Chugach Alaska Corporation surface and subsurface lands; and

**WHEREAS**, the cooperation between these landholders, Cordova Electric Cooperative, and the City of Cordova would be mutually beneficial in reducing Cordova's dependence upon fossil fuel for energy and would allow for improvements to the City of Cordova water supply.

**NOW, THEREFORE, BE IT RESOLVED**, that the parties will seek opportunities to work together to develop energy and water storage at Crater Lake to maximize benefits and minimize costs to the extent possible as it is mutually beneficial to all parties and the community of Cordova.

City of Cordova

Cordova Electric Cooperative, Inc.

By: \_\_\_\_\_

By: \_\_\_\_\_

James Kacsh  
Mayor

Tim Joyce  
Board Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_



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](mailto:cityclerk@cityofcordova.net)

## CITY CLERK'S REPORT TO COUNCIL

*July 16, 2014 Regular Council Meeting*

**Date of Report:** July 07-11, 2014

**Things I need feedback on or am reporting to Council on:**

- See agenda item 12 regarding boards and commissions

**Things the Clerk's Office has been working on:**

- Signed paychecks/other AP checks
- Prepared agenda and packet for work session and regular meeting on 07-16-14
- Deputy Clerk prepared and mailed property tax bills
- Deputy Clerk completed and forwarded the state report on Assessments to the State Assessor
- Working with Attorneys on two recent records requests concerning an RFP and the Cordova Center Dawson contract, Cordova Center Business Plan
- Attended staff meeting on July 8, 2014
- Renewed three City vehicle registrations with assistance from helpful, efficient City public safety/DMV staff members – streamlining this process for revenue boost to City
- Completed minutes for tonight's packet – at least caught up for Regular meetings – special meetings and work sessions still lagging behind unfortunately
- Assisted with Cordova Center budget resolution agenda item



# CITY OF CORDOVA

## *Office of City Manager*

**TO:** Mayor, City Council  
**FROM:** Randy Robertson, City Manager  
**Re:** Cordova Center Budget Phase II

July 10, 2014

Before you is the Cordova Center Phase II budget in the amount of \$11,992,314 million (Eleven million, nine hundred ninety-two thousand, three hundred and fourteen dollars.)

Attached is the Cordova Center Project – Financial Summary. These are the same figures presented to you at the June 11, 2014 Work Session and at the July 2<sup>nd</sup>, 2014 Regular City Council meeting with the addition of an Addendum providing more explanation.

The City of Cordova line item for \$1,089,757 is in the budget but does not represent an allocation at this time. This amount may be addressed as the project moves forward through 1) contingency savings; 2) capital campaign achievements; 3) value engineering decisions or 4) grants.

**Recommended action:** Roll Call Vote.

I move to approve Substitute Resolution 07-14-27, a Resolution of the City Council of the City of Cordova, Alaska adopting a Cordova Center Phase II Project Budget as summarized pursuant to the following table.

Randy Robertson  
City Manager

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](mailto:citymanager@cityofcordova.net)  
Web: [www.cityofcordova.net](http://www.cityofcordova.net)

**CITY OF CORDOVA, ALASKA  
SUBSTITUTE RESOLUTION 07-14-27**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
ADOPTING A CORDOVA CENTER PHASE II PROJECT BUDGET  
AS SUMMARIZED PURSUANT TO THE FOLLOWING TABLE:**

<b>Phase II</b>	<b>EXPENSES</b>	
426-402-70110	CoC Administration	\$ 193,228
426-402-70130	Construction	\$ 9,997,277
426-402-70140	Project Consultation and Management	\$ 325,500
426-402-70150	Administrative Contingency	\$ 699,809
426-402-70160	Furnishings	\$ 541,500
426-402-70180	1% for Art	\$ 235,000
		<b>\$ 11,992,314</b>

<b>Phase II</b>	<b>INCOME</b>	
	EVOS Trustee Council	\$ 3,675,937
	DCCED	\$ 4,994,478
	Capital Campaign	\$ 2,232,142
	City of Cordova	\$ 1,089,757
		<b>\$11,992,314</b>

**WHEREAS**, the City Manager submitted his proposed FY14 Operating Budget; and,

**WHEREAS**, the Cordova Center Phase II Project Budget was not complete at that time and City Council has conducted a work session reviewing the proposed Cordova Center project budget; and

**WHEREAS**, the Capital Campaign for the Cordova Center Project Phase II is currently and continually underway.

**NOW, THEREFORE BE IT RESOLVED THAT** the City Council of the City of Cordova, Alaska, hereby adopts the Cordova Center Phase II Project Budget.

**PASSED AND APPROVED THIS 16<sup>th</sup> DAY OF JULY, 2014.**

\_\_\_\_\_  
James Kaesh, Mayor

ATTEST:

\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk

## Cordova Center Project - Financial Summary

Updated July 10, 2014

### #1 Income - Actual received and spent on Pre-Const. and Phase I

EVOS Trustee Council	7,000,000	2008 awarded
Congressional appropriation	2,488,100	2000-2004 awarded
Alaska Legislative appropriation	6,525,000	2004, 2009, 2011 awarded
Governor's Capital Budget	1,000,000	received 2005
City of Cordova land purchase	362,000	2005, 2009
City of Cordova appropriation	1,500,000	received 2005
City of Cordova match to EDA grant	85,000	2002 awarded
Local events and individuals	24,112	through 2009
<b>TOTAL income through 2013</b>	<b>\$18,984,212</b>	

### #2 Income - Balance in hand for Phase II

EVOS Trustee Council	2,375,937	balance from 2008 award
DCCED FY14 approp.	994,478	awarded for construction
Businesses	0	
Individuals	342	
Events	300	
Lynden	10,000	
<b>Total in hand</b>	<b>\$3,381,057</b>	
<b>Income - Pending</b>		
DCCED FY14 approp.	4,000,000	awarded for construction
Lynden	20,000	In-Kind Freight
EVOS Trustee Council	\$1,300,000	awarded for construction
<b>Total Pending</b>	<b>\$5,320,000</b>	
<b>Total income secured Phase II</b>	<b>\$8,701,057</b>	

### #3 Future Income - Anticipated Sources\*

Foundations	1,290,000
Regional and State Corporate	475,000
Businesses	150,000
Individuals	136,500
Events	150,000
<b>TOTAL</b>	<b>\$2,201,500</b>

\*Details in Addendum

### #4 Expenses - Actual to date PAID

Pre-Construction	1,040,456
Phase I construction	14,619,957
Other expenses	\$947,862
<b>TOTAL expenses to date</b>	<b>\$16,608,275</b>
Income to date (see at left) minus expenses = Bal. Avail.	\$2,375,937
<i>This balance is reflected in Phase II Income, at left below</i>	

### #5 Expenses - Phase II

<i>*Potential for grant funding</i>	
Phase II Construction	9,997,277
Design Team Consultation	325,500
CoC Administration	193,228
Contingency 7% of construction costs	699,809
1% for Art	235,000
Conference Center - Furnishings	57,500
*Theater/Performance Space	125,000
*Project Room	1,500
*Education Room	2,500
*Library Offices, Patron Furnishings/Stacks	175,000
City Administrative Offices	10,000
*Museum Offices/Exhibits	125,000
AV/IT/Communications (RFP Pending by City)	45000
<b>TOTAL Expenses Phase II</b>	<b>\$11,992,314</b>

### SUMMARY as of July 10, 2014

Income available for all future expenses	\$8,701,057
Est. Expenses for Phase II construction	9,997,277
Est. Expenses for other items (listed above)	1,995,037
Income anticipated from fundraising	\$2,201,500
<b>Final balance or shortfall</b>	<b>\$1,089,757</b>



## **Cordova Center Project Addendum to Financial Summary**

### **Pending Revenue Status**

- **DCCED FY15:** Paperwork for this has been completed and returned to the State.
- **EVOSTIC Supplemental:** A request to release the additional funding has been sent to the Trustee Council.
- **Capital Campaign:** To date (FY14), over \$30K have been committed by corporate entities (Lynden) and local contributors with many more poised to donate once Phase II is underway.

### **Anticipated Revenue**

- **Foundations:** The Cordova Center Committee has entered in to deliberate conversations with both the Rasmuson Foundation and the Murdoch Trust. Both have completed site visits and have expressed a desire and level of interest in investing in the project (\$1,290,000). We are on the schedule for the Rasmuson Foundation's December review and the following month's for Murdoch Trust. The Committee is confident the numbers represented on the Financial Summary can be obtained.
- **Capital Campaign:** With the thorough review and input from the Cordova Center Committee and the benefits of working with Myren/Stem Consultants, the committee is confident the fund-raising goals outlined in the Capital Campaign can be obtained. As with the aforementioned Foundation conversations, work is already underway to reach this goal and includes applications for grants to Conoco Phillips for the theater and museum areas of the Cordova Center. Other phases of the Capital Campaign are poised to begin with Council's Notice to Proceed including but not limited to an effort involving CDFU, the fishermen and the processors as well as opportunities for local theater and art patrons to invest in the performance space.

### **Estimated Expenses – Detail**

- **CoC Administration:** This budget line includes the salary for the Cordova Center Project Manager (\$85,000); Capital Campaign (\$75,000); Administrative costs (\$33,228).
- **Grant Potential:** Staff has identified potential grant sources for many of the cultural, art and education aspects of the Cordova Center.

### **Business Plan – Executive Summary- Long Term Revenue and Expense Projections**

- The initial business plan was created in 2009 and is updated regularly. This represents estimated direct income and expenses to the City. As determined in the McDowell Report and as cited by the U.S. Department of Commerce Bureau of Economic Analysis, there will be additional multiplied revenue to the community in the form of indirect spending. The Pro-forma is also updated regularly as a part of this document.



---

## A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

---

DATE: August 8, 2014

TO: Mayor and City Council

SUBJECT: Council Members on Boards & Commissions  
i.e. effect of Substitute Ordinance 1115

---

These three code sections were amended with passage of Substitute Ordinance 1115 which had an effective date of July 13, 2014. Therefore, tonight, Council should deal with the changes that have been created based on the code implementation.

3.40.020 regarding Planning and Zoning Commission

3.52.020 regarding Parks and Recreation Commission

11.08.020 regarding Harbor Commission

The substantive change was that a Council member now **MAY** be designated by the Council from its number to serve a **regular three year term** on the commission/board. The dilemma is that previously, the Council designated seats on the boards/commissions were one year and used to begin and end on or about the middle of March (i.e. after certification of the election that year). To equalize the seats, I am suggesting all terms of all members of all these three boards/commissions be consistent as to start/end date (i.e. month). A motion from Council to do that would be appropriate tonight. My thoughts are since most are already in November, we should stick with that date – end of November ideally. Therefore, as I see it, a motion to extend all Harbor commission terms from January of the year until end of November of same year would be the first motion requested.

- 1) **RECOMMENDED MOTION:** Move to extend all Harbor Commission terms of office from January of the year until end of November of the same year; or as follows:

**Beedle** change to end date of November 30, 2017

**LoForte** change to end date of November 30, 2016

**Wiese** change to end date of November 30, 2017

**Jones** change to end date of November 30, 2016

**REQUIRED ACTION:** Majority voice vote

Council needs to determine whether or not a Council member is being designated to serve on the **Harbor Commission**, and if so, which Council member. One motion, as below, could handle both parts.

If Council opts not to put a Council member on **Harbor Commission** then they would just direct the City Clerk to advertise a vacancy. Since the ordinance does say the terms shall be overlapping, to me that means on a five member board, 2 end one year, 2 end the following year and one ends on the third year – if you notice, the missing year on **Harbor Commission** currently is the first year out or 2015. If you have a different/better plan it is your prerogative.

- 2) RECOMMENDED MOTION: Move to designate Council member \_\_\_\_\_ to serve on the **Harbor Commission** for a term of three years commencing immediately and ending November 2015.

OR: Move to direct the City Clerk to advertise a vacancy on the **Harbor Commission** for a term to commence immediately and ending November 2015.

REQUIRED ACTION: Majority voice vote

If Council opts not to put a Council member on the **Parks and Recreation Commission** then they would just direct the City Clerk to advertise a vacancy. Since the ordinance does say the terms shall be overlapping, to me that means on a seven member board, 2 end one year, 2 end the following year and three end on the third year – if you notice, there are currently three vacancies on the **Parks and Recreation Commission**, therefore, there are multiple options as to the term if a Council member is designated as a commission member tonight. Please discuss and decide the best insertions for the years that are left blank in the suggested motion. If you have a different/better plan it is your prerogative.

- 3) RECOMMENDED MOTION: Move to designate Council member \_\_\_\_\_ to serve on the **Parks and Recreation Commission** for a term of three years commencing immediately and ending November 201\_\_.

OR: Move to direct the City Clerk to advertise vacancies on the **Parks and Recreation Commission** for terms to commence immediately and ending November 201\_\_, November 201\_\_, and November 201\_\_.

REQUIRED ACTION: Majority voice vote

If Council opts not to put a Council member on the **Planning and Zoning Commission** then they would just direct the City Clerk to advertise a vacancy. Since the ordinance does say the terms shall be overlapping, to me that means on a seven member board, 2 end one year, 2 end the following year and three end on the third year - if you notice, the missing year on the **Planning and Zoning Commission** currently is the third year out or 2017. I know that a term ending November 2017 would make that longer than 3 years, so if you have a different/better plan it is your prerogative.

- 4) RECOMMENDED MOTION: Move to designate Council member \_\_\_\_\_ to serve on the **Planning and Zoning Commission** for a term of three years commencing immediately and ending November 2017.

OR: Move to direct the City Clerk to advertise a vacancy on the **Planning and Zoning Commission** for a term to commence immediately and end November 2017.

REQUIRED ACTION: Majority voice vote

CITY OF CORDOVA, ALASKA  
SUBSTITUTE ORDINANCE 1115

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AMENDING SECTIONS 3.40.020 ENTITLED "PLANNING COMMISSION CREATED-  
MEMBERSHIP," 3.40.030 ENTITLED "PLANNING COMMISSION-CHAIRMAN," 3.40.050  
ENTITLED "PLANNING COMMISSION-MEMBERS' TERMS OF OFFICE," 3.52.020  
ENTITLED "ADVISORY PARKS AND RECREATION COMMISSION-MEMBERSHIP," AND  
11.08.020 ENTITLED "HARBOR COMMISSION" TO CLARIFY AND MAKE CONSISTENT  
COUNCIL MEMBER DESIGNATION FOR SERVICE ON CITY COMMISSIONS, MAKE  
COUNCIL MEMBER SERVICE ON COMMISSIONS PERMISSIVE RATHER THAN  
OBLIGATORY

WHEREAS, City Council members are designated as members on City of Cordova, Alaska ("City") commissions during their service on City Council; and

WHEREAS, it is in the City's best interest to permit but not require Council members to be appointed to commissions during their service as Council members; and

WHEREAS, the method of appointing Council members to commissions should be consistent for all commissions; and

WHEREAS, it is necessary to meet the governing needs of the City to have only five members on the Parks and Recreation Commission instead of seven;

BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1. Chapter 3.40.020 is hereby amended to read as follows:

3.40.020 Planning commission created - Membership

A. There is created a city planning commission consisting of seven members.

B. Only residents of the city who qualify as municipal voters pursuant to Section 2.12.020 herein shall be entitled to serve on the planning commission. One of the members of the commission shall may be designated by the council from its number. ~~Each of the remaining six members not designated by the council from its number shall be nominated by the mayor and confirmed by the council. Each term of membership shall be for three years, and terms of individual members shall be overlapping. Members shall serve without compensation.~~

**C. Each term of membership shall be for three years, and terms of individual members shall be overlapping. All members shall serve without compensation.**

Section 2. Section 3.40.030 is hereby amended to read as follows:

3.40.030 Planning commission—Chairman.

A chairman of the commission shall be selected annually, and shall be elected from and by the appointive members **of the commission.**

Section 3. Section 3.40.050 is hereby amended to read as follows:

**[ADDED LANGUAGE BOLD AND UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]**



3.40.050 Planning commission—Members' terms of office.

**A.** Members of the commission shall be appointed for three years **and terms of individual members shall be overlapping**; provided, however, that in the first instance one-third thereof shall be appointed for three years, one-third for two years, and one-third for one year.

**Section 4.** Section 3.52.020 is hereby amended to read as follows:

3.52.020 Advisory parks and recreation commission-Membership

A. The advisory parks and recreation commission shall consist of seven members. Only residents of the city who qualify as municipal voters pursuant to Section 2.12.020 of this code shall be entitled to serve on the commission. One of the members of the commission ~~shall~~**may** be designated by the council from its number. ~~Each of the remaining six m~~**Members not designated by the council from its number** shall be nominated by the mayor and confirmed by the council. ~~All m~~**All** Members shall serve without compensation.

B. Ex Officio Members. The mayor, the city manager, the public works director, parks and recreation director and the planning director shall be ex officio members of the commission, and shall have the privilege of the floor, but no right to vote.

C. Terms of Office. Members of the commission, **except as otherwise provided in this chapter,** shall be appointed for three year terms; provided however, that in the first instance two members be appointed for three years, two members for two years and one member for one year.

D. Filling of Vacancies. Appointments to fill vacancies shall be for the unexpired term of the vacated position.

**Section 5.** Section 11.08.020 is hereby amended to read as follows:

11.08.20 Harbor Commission

A. A harbor commission shall be established for the purpose of advising the city council on the operation, maintenance and improvement of the Port of Cordova's facilities, and for such additional purposes as the city council may from time to time designate. The harbor commission shall consist of five voting members. The city manager and harbormaster shall be ex officio members of the commission and shall have the right of the floor to participate in all discussions, however, they shall not have a vote. The commission shall elect a chairman and vice-chairman from its membership each January.

B. Only residents of the City who qualify as municipal voters pursuant to Section 2.08.010 of this code shall be entitled to serve on the harbor commission. One of the members of the commission ~~shall~~**may** be designated by the council from its number. ~~Each of the remaining four M~~**members not designated from the council from its number** shall be nominated by the mayor and confirmed by the council.

C. ~~Each T~~**Terms** of membership ~~for the members, not including the council member,~~ shall be for three years ~~each or until a successor in office is appointed by the council.~~ **Terms of individual members and shall be overlapping,** and shall commence January 1st of each year. ~~The member from the council shall serve at the pleasure of the council.~~ **All m**Members shall serve without compensation.

D. The harbor commission shall hold a minimum of one meeting per quarter or as needed at a date, time and place as set by the commission, except that the commission shall not be required to have meetings during the fishing season or any like period as may hereafter be set by the commission, during any given year, said period not to exceed six months.

E. The harbor commission shall conduct its meeting in accordance with Robert's Rules of Order.

**[ADDED LANGUAGE BOLD AND UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]**

F. The unexpired portion of any term remaining after a vacancy exists on the commission shall be filled as the original appointment.

G. The harbor commission shall recommend for adoption by the city council a general plan for the Port of Cordova, Port of Cordova rules and regulations, and Port of Cordova fees, payments and assessments, which recommendation shall be presented to the city council, in writing, by the city manager at the first regular city council meeting in the month of March each year.

H. The harbor commission shall review all plans for construction and development within the confines of the Port of Cordova or anywhere within ATS 220, and shall report to the city council the expected impact of such construction or development on the Port of Cordova. The harbor commission shall make appropriate recommendations to the council concerning such construction or development.

Section 6. This ordinance shall be effective thirty (30) days after its passage and publication. This ordinance shall be enacted in accordance with Section 2.13 of the Charter of the City of Cordova, Alaska, and published within ten (10) days after its passage.

1st reading of Ordinance 1115:

May 7, 2014

1st reading of Substitute Ordinance 1115:

May 7, 2014

2<sup>nd</sup> reading and public hearing of Substitute Ordinance 1115:

May 21, 2014

2<sup>nd</sup> reading and public hearing of Substitute Ordinance 1115  
after another substantive change:

June 04, 2014

**PASSED AND APPROVED THIS 4<sup>th</sup> DAY OF JUNE, 2014**



  
James Kacsh, Mayor

Attest:

  
Susan Bourgeois, CMC, City Clerk

**[ADDED LANGUAGE BOLD AND UNDERLINED, REMOVED LANGUAGE STRICKEN OUT]**

**CITY OF CORDOVA, ALASKA – ELECTED OFFICIALS**  
**& APPOINTED BOARDS and COMMISSIONS**  
 updated as of 06/09/14

**MAYOR AND CITY COUNCIL - ELECTED**

seat/length of term		email	Date Elected	Term Expires
Mayor:	name	<b>James Kacsh</b>	March 5, 2013	March-16
3 years	address	Box 1305	<a href="mailto:Mayor@cityofcordova.net">Mayor@cityofcordova.net</a>	
	home phone	424-7710		
Council members:				
Seat A:	name	<b>Kristin Carpenter</b>	March 5, 2013	March-16
3 years	address	Box 1430	<a href="mailto:CouncilSeatA@cityofcordova.net">CouncilSeatA@cityofcordova.net</a>	
	home phone	424-5135		
	Council rep to:			
Seat B:	name	<b>Timothy Joyce</b>	March 4, 2014	March-17
3 years	address	Box 555	<a href="mailto:CouncilSeatB@cityofcordova.net">CouncilSeatB@cityofcordova.net</a>	
	home phone	424-7575	March 14, 2013 filled vacancy	
	Council rep to:		August 2, 2012 appt to A	
Seat C:	name	<b>Tom Bailer</b>	March 4, 2014	March-17
3 years	address	Box 2533		
	phone	424-5301	<a href="mailto:CouncilSeatC@cityofcordova.net">CouncilSeatC@cityofcordova.net</a>	
	Council rep to:			
Seat D:	name	<b>Bret Bradford</b>	March 6, 2012	March-15
3 years	address	Box 171	March 3, 2009	
	home phone	424-5804	<a href="mailto:CouncilSeatD@cityofcordova.net">CouncilSeatD@cityofcordova.net</a>	
	Council rep to:	School Board		
Seat E:	name	<b>Elmer (E.J.) Cheshier</b>	March 6, 2012	March-15
3 years	address	Box 2264	<a href="mailto:CouncilSeatE@cityofcordova.net">CouncilSeatE@cityofcordova.net</a>	
	home phone	424-7106	March 3, 2009	
	Council rep to:		March 6, 2007 2 yr trm	
			March 7, 2006 elected, resigned then appt	
Seat F:	name	<b>David Reggiani, Vice Mayor</b>	March 5, 2013	March-16
3 years	address	Box 1098	<a href="mailto:CouncilSeatF@cityofcordova.net">CouncilSeatF@cityofcordova.net</a>	
	home phone	424-3147	March 2, 2010	
	Council rep to:	Planning & Zoning Commission	March 3, 2009 1 yr trm	
Seat G:	name	<b>James Burton</b>	March 5, 2013	March-16
3 years	address	Box 41	<a href="mailto:CouncilSeatG@cityofcordova.net">CouncilSeatG@cityofcordova.net</a>	
	phone	253-3364		
	Council rep to:	Harbor Commission		
City Staff to the Council		City Clerk <b>Susan Bourgeois</b>	424-6248 or 253-6248	<a href="mailto:cityclerk@cityofcordova.net">cityclerk@cityofcordova.net</a>
		Deputy City Clerk <b>Tina Hammer</b>	424-6286	<a href="mailto:cityclerk3@cityofcordova.net">cityclerk3@cityofcordova.net</a>



## SCHOOL BOARD - ELECTED

length of term			Date Elected	Term Expires
3 years	name	<b>Daniel Reum</b>	March 6, 2012	March-15
	address	Box 1836		
	home phone	424-3759		
3 years	name	<b>Tammy Altermott</b>	March 5, 2013	March-16
	address	Box 2106		
	home phone	424-3742		
3 years	name	<b>Peter Hoepfner</b>	March 6, 2012	March-15
	address	Box 1204	March 3, 2009	
	home phone	424-3140	March 7, 2006	
3 years	name	<b>Sheryl Glasen</b>	March 4, 2014	March-17
	address	Box 2202		
	home phone	424-4797		
3 years	name	<b>Barb Jewell, President</b>	March 5, 2013	March-16
	address	Box 2173		
	home phone	424-8695		
3 years	name	<b>Bret Bradford (appointed)</b>	March-14	March-15
	address	Box 171	April-13	
	home phone	424-5804		
		City Council Rep (non-voting)		
Staff to the Board		Superintendent – <b>Theresa Keel</b>	424-3265 tkeel@cordovasd.org	

## LIBRARY BOARD - APPOINTED

length of term	Board Members:		Date Appointed	Term Expires
3 years	name	<b>Wendy Ranney</b>	April-13	November-15
	address	Box 21		
	home phone	424-3578		
3years	name	<b>Shannon Mallory</b>	November-13	November-16
	address	Box 1551		
	home phone	424-3244		
3 years	name	<b>Krysta Williams</b>	November-11	November-14
	address	Box 1055		
	home phone	424-7772		
3 years	name	<b>Kay Groff</b>	December-11	November-14
	address	Box 911	January-09	
	home phone	424-5542		
3 years	name	<b>Mary Anne Bishop</b>	November-13	November-16
	address	Box 2396	November-10	
	home phone	424-5290	November-06	

# CORDOVA COMMUNITY MEDICAL CENTER – HEALTH SERVICES BOARD - with Council election

length of term			Date Appointed	Term Expires
3 years	name	<b>Kristin Carpenter, President</b>		with Council office
	address	Box 1430		
	home phone	424-5135		
3 years	name	<b>Tom Bailer</b>		with Council office
	address	Box 2533		
	home phone	424-5301		
3 years	name	<b>Tim Joyce</b>		with Council office
	address	Box 555		
	home phone	424-7575		
3 years	name	<b>James Burton</b>		with Council office
	address	Box 41		
	home phone	253-3364		
3 years	name	<b>Bret Bradford</b>		with Council office
	address	Box 171		
	home phone	424-5804		
3 years	name	<b>Elmer (E.J.) Cheshier</b>		with Council office
	address	Box 2264		
	home phone	424-7106		
3 years	name	<b>David Reggiani</b>		with Council office
	address	Box 1098		
	home phone	424-3147		
CCMC Staff to the Board		Interim CEO of CCMC – Stephen Sundby	424-8223 ssundby@cdvcmc.com	
		Executive Admin Asst - <b>Faith Wheeler</b>	424-8231 fwheeler-jepson@cdvcmc.com	

## PLANNING AND ZONING COMMISSION - APPOINTED

length of term			Date Appointed	Term Expires
3 years	name	<b>Allen Roemhildt</b>	January-14	November-16
	address	Box 2151		
	home phone	253-7667		
3 years	name	<b>Scott Pegau</b>	December-11	November-14
	address	Box 2126		
	home phone	424-7785		
3 years	name	<b>John Baenen</b>	December-12	November-15
	address	Box 2461		
	home phone	424-3742		
3 years	name	<b>Tom Bailer, Chair</b>	November-13	November-16
	address	Box 2533	December-11	
	home phone	424-5301	November-08	
3 years	name	<b>Tom McGann</b>	December-11	November-14
	address	Box 1624	April-11	
	home phone	424-3826		
3 years	name	<b>John Greenwood</b>	December-12	November-15
	address	Box 2551	November-09	
	home phone	424-5729		
3 years	name	<b>David Reggiani</b>	April-13	March-14
	address	Box 1098	April-10	
	home phone	424-3147 City Council Rep (voting member)		
City Staff to the Commission		City Planner – <b>Samantha Greenwood</b>	424-6233 planning@cityofcordova.net	
		Asst City Planner - <b>Leif Stavig</b>	424-6220 planning2@cityofcordova.net	



## HARBOR COMMISSION - APPOINTED

length of term			Date Appointed	Term Expires
3 years	name	<b>Robert Beedle</b>	January-14	January-17
	address	Box 1242		
	home phone	424-7207		
3 years	name	<b>Greg LoForte</b>	February-13	January-16
	address	Box 865	January-10	
	home phone	424-5585	January-07	
3 years	name	<b>Max Wiese</b>	January-14	January-17
	address	Box 1708	March-11	
	home phone	424-3667		
3 years	name	<b>Ken Jones</b>	February-13	January-16
	address	Box 615		
	phone	360-3456		
3 years	name	<b>James Burton</b>	March-14	March-15
	address	Box 41	April-13	
	home phone	253-3364 City Council Rep (voting)		
City Staff to the Commission	Harbormaster - <b>Tony Schinella</b>		424-6279 harbor@cityofcordova.net	
	Harbor Admin Asst - <b>Brandy Griffith</b>		424-6400 harboradmin@cityofcordova.net	

## PARKS AND RECREATION COMMISSION - APPOINTED

length of term			Date Appointed	Term Expires
3 years	name	<b>vacant</b>		November-14
	address	Box		
	home phone	424-		
3 years	name	<b>Kara Johnson</b>	December-12	November-14
	address	Box 954		
	home phone	429-3711		
3 years	name	<b>vacant</b>		November-15
	address	Box		
	home phone	424-		
3 years	name	<b>vacant</b>		March-15
	address	Box		
	home phone	424-		
3 years	name	<b>Stephen Barnes</b>	December-12	November-15
	address	Box 332	October-09	
	home phone	424-5691	February-05	
3 years	name	<b>Marvin VanDenBroek</b>	February-14	November-16
	address	Box 921		
	home phone	424-3486		
3 years	name	<b>Karen Hallquist</b>	November-13	November-16
	address	PO Box 861	August-12	
	home phone	424-4784		
City Staff to the Commission	Parks and Recreation Director – <b>Susie Herschleb</b>		424-7282 bidarki@cityofcorodva.net	31
	<b>Shannon Phillips</b>		424-7282 parksadmin@cityofcordova.net	

# Memorandum

**To:** City Council  
**From:** Planning Staff  
**Date:** 7/9/14  
**Re:** Land Disposal of Lot 4A, Block 5, North Fill Development Park Addition No. 2

---

## **PART I – GENERAL INFORMATION**

Requested Action: Disposal of Lot 4A, Block 5, North Fill Development Park Addition No. 2 by requesting sealed proposals to lease or purchase the property  
Lot, Block, Survey: Lot 4A, Block 5, North Fill Development Park Addition No. 2  
Lot Size: 8,267 sq. ft.  
Parcel Number: 02-060-128  
Zoning: Waterfront Industrial  
Location Map: Attachment A

## **PART II – BACKGROUND**

In the 2014 Land Disposal Maps approved by the Planning Commission and City Council, Lot 4A, Block 5, North Fill Development Park Addition No. 2 (commonly referred to as the “Impound Lot”) is designated “Available.” In the past, this lot has been designated “Not Available” and has been used most recently by the City as an impound lot. The City has received letters of interest for the Impound Lot.

The Planning Commission met on July 8<sup>th</sup>, 2014 to discuss a recommendation to City Council on the disposal of Lot 4A, Block 5, North Fill Development Park Addition No. 2. The following motion occurred:

*M/McGann S/Greenwood* to recommend to City Council disposal of Lot 4A, Block 5, North Fill Development Park Addition No. 2 by requesting sealed proposals to lease or purchase the property.

Upon voice vote, motion passed 6-1.

Yea: *Bailer, Greenwood, McGann, Baenen, Roemhildt, Reggiani*

Nay: *Pegau*

Absent: None

## **PART III – APPLICABLE CRITERIA**

5.22.060 DISPOSAL OF CITY REAL PROPERTY – Methods of disposal for fair market value.

*A. In approving a disposal of an interest in city real property for fair market value, the council shall select the method by which the city manager will conduct the disposal from among the following:*

- 1. Negotiate an agreement with the person who applied to lease or purchase the property;*
- 2. Invite sealed bids to lease or purchase the property;*
- 3. Offer the property for lease or purchase at public auction;*
- 4. Request sealed proposals to lease or purchase the property.*

#### **PART IV – STAFF RECOMMENDATION**

Staff recommend disposing the Impound Lot by requesting sealed proposals to lease or purchase the property.

#### **PART V – SUGGESTED MOTION**

“I move the City Manager dispose of Lot 4A, Block 5, North Fill Development Park Addition No. 2 by requesting sealed proposals to lease or purchase the property.”

Attachment A





NERKA ENTERPRISES

02-060-128  
Box 865  
Cordova Alaska  
99574

September 23, 2013  
City of Cordova ,Planning Department

att. Sam Greenwood


We realize that the property south of our building on Lot 4a Block 5 is not presently for sale. We want to go on record that I don't have any concerns with this lot being used as the City's Impound Storage Site, however if this lot should ever be considered for sale I would be extremely interested with purchasing it at fair market value.

We would propose two development plans for consideration. The first option would be for a Boat Maintenance Warehouse @ 60' x 60', estimated cost for construction would be @\$250,000.00. The second option which we would like to propose would be for us to purchase the said property and use it for boat trailer storage in the summer months and the have an agreement with the city that 1/2 of this lot would be used by the City for winter snow storage and the remaining 1/2 be used by us for winter boat storage. If this option was considered we would expect some adjustment to the sale price.

We have had numerous inquires for these services and sincerely think that either one would be an asset to the fishing industry.

Again we want to state that we have no problem with the present condition of this lot but want our plans to be considered if the situation changes in the future.

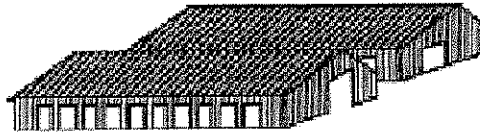
Sincerely yours,

  
Gregory LoForte



# **BAYSIDE STORAGE**

350 Seafood Lane  
Box 265  
Cordova, AK 99574  
(907)424-3109



March 9, 2011

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

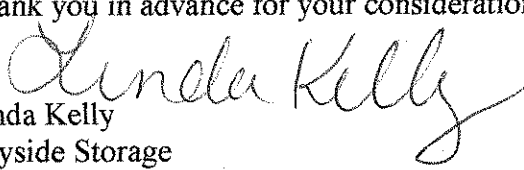
Re: Purchase proposal lot, block, North Fill

Dear Mr. Lynch,

Bayside Storage would like to enter an agreement to purchase addition #2, lot 4A, Block 5, North Fill Development. We realize that this lot is substandard size and not suitable for building. Bayside Storage proposes to use the lot for snow removal needs and would be willing to sign an agreement stating we would not build a structure on the lot. While we prefer to purchase the property, leasing would also be acceptable if it could be renewable for subsequent years.

When we purchased our last two lots the lot listed above was a designated snow dump. Our building plans for buildings 4-5 and 6 were contingent on having this lot to use as a snow dump according to the city land use maps. This past summer the entire lot was fenced off as a city impound yard making snow removal extremely difficult.

Thank you in advance for your consideration.

  
Linda Kelly  
Bayside Storage

Cc: Sam Greenwood, City Planner; Tom Cohenour, Public Works Dept.

---

## A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

---

DATE: July 9, 2014

TO: Mayor and City Council

SUBJECT: Raw Fish Tax Discussion

---

Mayor Kacsh has been working with a Local Government Specialist with the State Division of Community and Regional Affairs (under the Department of Commerce, Community and Economic Development) who drafted the attached sales tax ordinance with the “raw seafood products” 1% tax included. She informed him that the State Tax Assessor had reviewed this. Tonight it is before Council as a discussion item.

## Chapter 5.40 SALES TAX

### Sections:

5.40.005 Purpose and intent.

5.40.010 Levied.

5.40.011 Goods or services delivered outside the city.

5.40.012 Surtax levied on certain sales, services and rents.

5.40.013 Surtax levied on "raw fish products."

5.40.020 Definitions.

5.40.030 Exemptions to the 6% sales tax.

5.40.031 Exemptions to the 1% "raw fish products" sales tax.

5.40.032 Exemption application and exemption authorization card.

5.40.033 Revocation of exemption status.

5.40.040 Refunds.

5.40.041 Protest of tax by buyer.

5.40.042 Refund for construction materials and services.

5.40.043 Refund for taxes paid by benevolent or civic organizations.

5.40.044 Rebate of tax on sales of home heating oil.

5.40.050 Bracket collection schedule.

5.40.060 Payment and collection.

5.40.070 Disposition of proceeds.

5.40.080 Tax return—Payment to city.

5.40.090 Compensatory collection discount.

5.40.100 Record keeping and investigation.

5.40.110 Estimated tax.

5.40.120 Recovery of taxes—Delinquency date.

5.40.125 Lien.

5.40.130 Penalty for violations.

5.40.140 Additional regulations enacted when.

5.40.150 Delinquent sales tax roll confidentiality.

### **5.40.005 Purpose and intent.**

It is the purpose of the tax levied under this chapter to raise revenues. To that end, the scope of the tax levied shall be broadly interpreted, and exemptions shall be allowed only when falling clearly within an exemption as defined in this chapter. (*Ord. 865 (part), 2000*).



#### 5.40.010 Levied.

There is levied on all sales equal to or more than twenty cents, services provided and rents collected within the city, except sales, services and rents that are exempt from taxation under this chapter, a tax equal to six percent of the sale price, charge for services or rents collected. (Ord. 865 (part), 2000).

#### 5.40.011 Goods or services delivered outside the city.

Sales of goods delivered or services delivered or rendered outside of the city shall be taxable if the sales or services are contracted for or agreed to be made within the city. Such taxable services shall include the contractual services of water craft vessels and personnel for services not directly related to commercial fishing, examples of which would include contractual services for oil spill response charters (not including training sessions) and charter boat services. (Ord. 865 (part), 2000).

#### 5.40.012 Surtax levied on certain sales, services and rents.

- A. Effective August 1, 1999, in addition to any and all other taxes and charges, there shall be levied a surtax equal to one hundred percent of the tax levied under [Section 5.40.010](#) on the following sales, services and rents:
- B. Public accommodation services; and
- C. Motor vehicle rentals, excluding watercraft.

#### 5.40.013 Surtax levied on "raw fish products."

- A. Effective \_\_\_\_\_, in addition to any and all other taxes and charges, there shall be levied and shall be collected a tax only on the sales of "raw seafood products" within the city of Cordova for the purpose of processing, resale, storing, transporting or consumption for profit at the rate of one percent (1%) of the primary gross sales value.
  - 1. The tax shall be computed on the gross sales price.
- B. If any buyer of "raw seafood products" or any seller or other person required to collect a tax under this chapter sells, leases or in any other manner disposes of the business or if the business is transferred voluntarily or involuntarily, the person selling, leasing or otherwise transferring the business shall make or otherwise deliver to the city within fifteen days of the date of the transactions a final sales tax return.
- C. The sale of "raw seafood products", as taxed under the terms of subsection (a) of this section are exempt from the 6% sales tax levied by section 5.40.013.
- D. (Ord. No. \_\_\_\_\_). (Ord. 865 (part), 2000).

Commented [DU1]: Insert

#### 5.40.020 Definitions.

For the purpose of this chapter, the following terms shall be defined as follows:

- A. "Sale" means the transfer of or contract to transfer rights in property from a seller to a buyer or consumer for a consideration and includes the sale of goods, renting of property, and sale of services which either commence or terminate within the city, or which are in any part rendered, supplied or provided within the city, including the following by means of example:
1. Local transportation for hire of persons by common carriers, including motor transportation, taxicab companies, and all other means of transportation for hire;
  2. Printing or printed matter of all types, kind and character, and other service of printing;
  3. The service of renting personal or real property;
  4. Foods, confections and all liquors, beverages and drinks sold and dispensed by retail stores, restaurants or other dispensers, and sold for immediate consumption upon the premises or delivered or carried away from the premises for consumption elsewhere;
  5. Advertising of all kinds, type and character originating in the city;
  6. Gross proceeds derived from the operation of pinball machines, jukeboxes, merchandise vending machines or amusement devices of any kind;
  7. The sale of tickets or admissions to places of amusement, to athletic entertainment, recreational events or dues or fees for privilege of having access to or the use of amusement, entertainment, athletic or recreational facilities;
  8. The retail sale of all gas and petroleum products;
  9. The provision of electrical, telephone, water, garbage or sewer utility services including installation and connection charges and fees;
  10. Commissions or fees by brokers or agents in such transactions as real estate sales;
  11. Services and rentals performed partially within the city;
  12. Sales, services or rentals provided by a peddler, itinerant merchant or street vendor; or
  13. Sales or services made by a seller at a special annual public event.
- B. "Sales price" means the total consideration in money, credit, rights or other property or value expressed in terms of money, paid or delivered by a buyer to a seller, all without deduction on account of costs of labor, interest, discount, delivery, taxes or other seller's expense paid or accrued. The sales price includes any federal or state excise tax. Sales price does not include the "trade-in" value of a used vehicle intended for resale taken in trade as a credit or part payment on the sale of a new or used article.
- C. "Seller" means every person, firm or corporation selling to buyer or consumer as agent, broker or principal and every person, firm or corporation performing compensated services, exclusive of services rendered as a salaried employee or wage earner, but including services for remuneration for which an Alaska Business License and/or city business license is required.
- D. "Services" means all services of every manner and description that are performed or furnished for consideration, whether in connection with the sales of goods or not, but does not include the services rendered by an employee to an employer.

- E. "Business" means and includes all activities or acts, personal, professional or corporate, engaged in or caused to be engaged in, including but not limited to receipts from advertising services, construction, process or manufacturing and the sale of any goods or services upon which sales tax is required to be paid under Section 5.40.010. The giving or supplying of services as an employee and the furnishing of property, services, substances or things, by a person who does not hold himself out as regularly engaging in such transactions, does not constitute business within the meaning of this chapter.
- F. "Buyer" means the person who, in the ordinary meaning of the term, takes title to, takes possession of, or rents property, or receives services for a consideration.
- G. "Casual, occasional or isolated sales or services" means a sale made or service provided by a person who is not engaged in a business.
- H. "Special annual public events" means those events which are annually scheduled and open to the public, such as the Shorebird Festival and the Bidarki Christmas Bazaar.
- I. "Public accommodation services" means providing, for consideration, members of the public with temporary or transient sleeping accommodations and related services for a period of less than thirty consecutive days in any facility, including hotels, motels, lodges, tourist homes, houses or courts, lodging houses, resorts, campgrounds, inns, rooming houses, boarding houses, bunkhouses, bed and breakfasts, trailer houses or motels, apartment hotels, and any other facility in which rooms, beds or sleeping facilities or space are furnished for consideration.
- J. "Raw seafood product" means fin fish and shellfish and includes, but is not limited to: crabs, shrimps, scallops, clams, oysters, sea cucumbers, salmon, herring, halibut, cod, flounder, and pollock that have not been processed.
- K. "Processed or Processing" means cooking, canning, smoking, butchering, freezing, salting, dehydrating and other activities that modify the condition of the raw seafood production in preparation of the raw seafood product for sale, but does not include decapitating, gutting, gilling, sliming, or icing by the person harvesting the fish if done for the purpose of maintaining the quality of the raw seafood product until it can be sold. (Ord. 865 (part), 2000).

Commented [DU2]: Insert

#### 5.40.030 Exemptions to the 6% sales tax.

Commented [DU3]: Insert clarification

The following sales and services are exempt transactions and are not subject to the tax levied under Sec. 5.40.012.

Commented [DU4]: Add

- A. Proceeds from casual, occasional or isolated sales which are easily identified as the sale of personal goods or property at such private functions as moving, garage, yard, food and bake sales, sale of private vehicles when the seller is not a dealer in used vehicles, or services such as babysitting or house-sitting. A city license is not required under this subsection A;
- B. Sales of insurance and bonds of guaranty and fidelity;

- C. Fees for sales and services in excess of two thousand, five hundred dollars per single purchase transaction. This exemption does not apply to accumulative purchases and billed as a lump sum in excess of two thousand five hundred dollars except as provided in Section 5.40.030(D) relating to sales of construction materials and services. In the event of an oil spill that requires mobilization of the oil spill response vessels, this exemption is automatically suspended for ninety days on all fees for sales and services commencing on the day of the oil spill.
- D. Sales of construction materials and services exceeding two thousand, five hundred dollars for use in each construction project paid for by any one purchaser during any twelve consecutive month period; provided, that the purchaser has obtained a building permit from the city prior to the start of the project and all receipts for construction materials and services clearly show the building permit number. Construction materials are those items becoming a permanent part of the structure. Purchaser may pay all sales tax on such materials and services and may apply for a refund as set out in [Section 5.40.042](#) of this code or may pre-pay applicable city sales tax in advance and receive an exemption card;
- E. Gross receipts or proceeds derived from servicing, freezing, storing, handling or wharfing of fisheries commodities awaiting shipment or in the process of being shipped;
- F. Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the state, or under the laws and the Constitution of the United States, including but not limited to:
1. Sales by the U.S. Postal Service,
  2. Sales of any items purchased with food coupons, food stamps or other type of certificate issued under 7 U.S.C. Sections 2011-2025 (Food Stamp Act),
  3. Purchases made under the authority of or made with any type of certificate issued pursuant to 42 U.S.C. Sections 1771-1789 (Child Nutrition Act of 1966),
  4. Interstate sales,
  5. Air transportation including that portion of any chartered fishing or hunting expedition which covers the cost of air transportation,
  6. Gross receipts or proceeds derived from sales to the United States, state, city or any political department thereof;
- G. Gross receipts or proceeds from the transportation (including freight and shipping charges), loading, unloading or storing of cargo from marine vessels or aircraft in foreign, interstate or intrastate commerce;
- H. Services of a person licensed or certified by the state of Alaska as a doctor of medicine and surgery, a doctor of osteopathy and surgery, a doctor of veterinary medicine, a chiropractor, a dentist, a naturopath, an optometrist, an audiologist, a hospital, an occupational therapist, a physical therapist, a massage therapist or a licensed or practical nurse; provided, that the service is within the scope of the state license or certificate;
- I. Services of a person licensed or certified by the state of Alaska as a psychologist or psychological associate, a clinical social worker, an alcohol and drug counselor, or a marital and family therapist;

- J. Fees for supplies, equipment and services provided by a hospital, medical clinic or dental clinic for patient treatment including laboratory and x-ray services;
- K. Gross receipts or proceeds of the retail sale of prescription drugs.
- L. Sale of cemetery plots, caskets, funeral and burial related items and the services by a funeral home;
- M. Commissions received by travel agencies for their services that are not set by and billed by the travel agencies. Service charges set by and billed by the travel agencies are not exempt from taxation under this chapter;
- N. Dues or fees to clubs, labor unions or fraternal organizations;
- O. Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;
- P. Sales by any student organization, parent/teacher organization or booster club recognized by the school or educational organization in which it operates, which proceeds are utilized to further the purposes for which the organization was formed;
- Q. Sales and services by schools or other educational organizations made in the course of their regular functions and activities, which proceeds are utilized to further the purposes for which such organization was formed;
- R. Sales of food at educational and hospital cafeterias and lunchrooms which are operated primarily for staff and/or students, and which are not operated for the purpose of sale to the general public for profit;
- S. Sales, services and rentals by or to religious organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of religious activity; provided, the income from the exempt transaction is also exempt from federal income taxation;
- T. Sales, services and rentals by or to scouting, 4H or similar youth organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation;
- U. Sales, services and rentals by or to benevolent or civic organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation and the income is donated to a charity. Such organizations shall pay the sales taxes at the time of purchase and shall apply to the city for a refund as provided in Section 5.40.040;
- V. Proceeds from contract services provided by a state-licensed child care contractor;
- W. Proceeds from contract services provided by a person for the purpose of taking temporary care of minors for another person;
- X. Proceeds from products sold as wholesale sales to businesses designated by the state of Alaska as wholesalers. These include the sales of goods, wares, or merchandise to a retail dealer, manufacturer, or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if

the subsequent sale is subject to the city sales tax. In this connection a retailer must stock that merchandise for resale, display the same to the public and hold himself out as regularly engaged in the business of selling such products;

Y. Proceeds from products sold for resale:

1. Sales of goods, wares or merchandise to a retail dealer, manufacturer or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if the subsequent sale is subject to the city sales tax. The product must be an item that is sold as part of the reseller's primary business and must be of such nature that it can be purchased by the general public in a transaction that is not dependent upon the purchase of another product or service,
2. Goods, wares or merchandise that can be purchased only as part of a package purchase of services, such as a bed-and-breakfast or a fishing or hunting charter and not by the general public as separate and individual items are not exempt under this chapter,
3. Food products that are purchased for resale must be purchased and sold as is or prepared in a kitchen that is DEC-certified in order to qualify for sales tax exemption. Proof of certification must be available upon request;

Z. Proceeds from services for resale: Services that are provided by a subcontractor to a contractor for a third party is considered services for resale and is exempt from taxation;

AA. Sales of real property. Rentals of real property are not exempt from taxation by the city.

BB. Commissions or fees in excess of two thousand five hundred dollars earned by brokers or agents in real estate sales transactions.

CC. Home heating oil purchased for use in a dwelling, as defined in Section 18.08.190, for use at that location conditioned on the following:

1. That no more than fifty percent of the floorspace of the building(s) considered as dwellings be used as nonresidential use, including business activities.
2. That the dwelling be operated in compliance with all other regulations and laws.
3. If a fuel tank is used to supply more than one structure or area then no more than fifty percent of the floorspace and area supplied shall be nondwelling and nonresidential including business activities. *Ord. 1037 § 1, 2008; Ord. 865 (part), 2000). (Ord. No. 1049, § 1, 6-10-2009; Ord. No. 1067, § 1, 3-2-2010), (Ord. 865 (part), 2000), (Ord. 1039 § 1, 2008)*

#### 5.40.031 Exemptions to the 1% "raw fish products" sales tax.

Commented [DU5]: Insert clarification

The following sales and services are exempt transactions and are not subject to the tax levied in Sec. 5.40.013

- A. The sale of raw seafood product, for the sole purpose and use as bait, from one boat to another. This exemption does not apply to sales or purchases of raw seafood product by seafood processors. (Ord. No. \_\_\_\_\_)

**B. Sales of goods and services, except "raw fish product."**

**5.40.032 Exemption application and exemption authorization card.**

Commented [DU6]: Edit Number

Any person, corporation, or other organization claiming an exemption under Section 5.40.030 shall apply to the city for an exemption authorization card within one month of operating or conducting business or sales or performing services within the city in the first year in which sales are made, and thereafter shall apply by December 15th of each year for the following calendar year. Numbered exemption authorization cards will be issued by the city. The exemption authorization card must be shown to all sellers or the number must be recorded on a list provided by City Hall for all sales and must be recorded at the time of sale by the seller. The exemption is valid only for those items that are purchased for resale as described under Section 5.40.030(Y) or are purchased by agencies and organizations that are exempted by city, state or federal law. Any person that believes an attempt to purchase unauthorized items as tax exempt is being made at his place of business may refuse to accept the exemption card. (Ord. 865 (part), 2000).

**5.40.033 Revocation of exemption status.**

Commented [DU7]: Edit Number

- A. The city manager or his designee may revoke any exemption authorization, card or other authority to obtain an exemption if the person holding the exemption has been found to have used the exemption authorization card to obtain an exemption to which the holder or any other person is not entitled. The burden of proving an exemption shall be on the person claiming an exemption.
- B. Upon a determination by the city manager or his designee that an exemption holder has misused or permitted another to misuse the sales tax exemption authorization issued to the holder, the city manager or his designee may revoke the sales tax exemption authorization of such person by sending written notice via certified mail to the exemption holder. Before such action, the city manager or his designee shall send written notice via certified mail to the exemption holder advising the holder of the violation and that the holder has the right to request a meeting with the city manager or his designee to discuss and resolve the issue without revocation of the sales tax exemption authorization. Should the holder not respond within five business days of receipt of the certified letter, the city manager or his designee may revoke the sales tax exemption authorization of the holder.
- C. The revocation shall be permanent unless the city manager or his designee provides for a shorter period in the revocation order.
- D. The order and period of revocation may be appealed to the city council if an appeal is filed in writing with the city clerk within ten days of the receipt of the written order. The decision of the city manager or his designee is final and may be appealed only to the city council.

a. (Ord. 865 (part), 2000).

**5.40.40 Refunds.**

- A. A claim for refund of payment of sales tax or a protest of assessment of sales tax which is made more than six months from the date on which the tax was paid or became due and payable is forever barred, except for a refund for construction materials and services as set forth in [Section 5.40.042](#) and a refund for taxes paid by a benevolent and civic organization as set forth in Section 5.40.043.
- B. A claim for refund of payment or a protest of assessment shall be made by filing with the city manager or his designee a statement of claim, specifying the date the tax was imposed, the amount of protest or refund claimed and the basis upon which the protest or claim for refund is made. The city manager or his designee shall respond in writing within thirty days. If the city manager or his designee does not respond within thirty days, the claim of refund or protest shall be deemed to be approved. The decision of the city manager or his designee shall be the final decision of the city.
- C. Any appeal of the city's decision must be filed in the superior court for the state of Alaska in Cordova within thirty days of the final decision of the city manager or his designee in accordance with the Alaska Rules of Appellate Procedure. Failure to file an appeal within the time period waives any claims to a sales tax refund. (*Ord. 865 (part), 2000*).

#### **G. 5.40.041 Protest of tax by buyer.**

- A. If a seller adds the tax levied under this chapter to the selling price, service charge or rent in a transaction that the buyer believes is exempt from taxation under this chapter, the buyer may remit the tax to the seller with a statement that the tax is paid under protest, and requesting that the seller mark any receipt, invoice or other evidence of the sale to indicate that the tax is paid under protest. A buyer who fails to remit the tax at the time of the sale with a statement that the tax is paid under protest waives the right to protest the tax or otherwise to challenge the imposition of the tax. The seller shall include with the seller's sales tax return for the tax reporting period in which the protested tax was paid a copy of the receipt, invoice or other evidence of the sale marked to reflect the payment of the tax under protest. The seller shall pay the protested tax to the city with any other sales tax that is due for the reporting period.
- B. A buyer who has remitted sales tax under protest in accordance with subsection A of this section shall file with the finance director a statement of protest on a form provided by the finance director accompanied by a copy of the receipt or invoice for the sale within ten days after the date of the sale. The buyer shall state on the form the terms of the sale, the amount of the sale, the goods, rental or services purchased, the location from which the seller fulfilled the order, and all other information necessary to support the exemption of the transaction from taxation. A buyer who fails to make a timely filing of a completed statement of protest waives the right to protest the tax or otherwise to challenge the imposition of the tax.
- C. A buyer who files a statement of protest under subsection B of this section bears the burden of proving that a transaction is exempt from taxation. In addition, the finance director or



designee may investigate the facts related to the claim of exemption, and seek the advice of the city attorney on the claim. The finance director or designee shall issue a written decision within thirty days after the filing, stating the reasons for granting or denying the protest. The ruling will be mailed to the buyer and the seller at the addresses given on the protest.

- D. If a protest is granted, the city shall refund the protested tax amount to the buyer upon receipt of protested tax from the seller.
- E. If a protest is denied, the buyer may appeal the denial by filing an appeal to the city manager, and providing a copy of the appeal to the finance director, within twenty days after the date of mailing of the notice of denial. The decision of the city manager shall be the final decision of the city on the protest. (Ord. No. 1016, § 1, 5-7-2008)

#### **5.40.042 Refund for construction materials and services.**

A purchaser seeking a refund for construction materials and services shall submit to the city manager or his designee, no later than February 1st of each year, a completed sales tax refund form for the previous year. The purchaser shall attach a copy of the building permit issued for the project for which the refund is sought, and receipts for all purchases of construction materials and services within the city for each project for which the purchaser seeks a refund. If a project is not completed within one year, the purchaser shall submit an affidavit with the sales tax refund form stating that the work on the same project is continuing in order to obtain a refund for the following year. The total time period for sales tax refunds on any one project cannot exceed four years. The project may be reviewed annually by the municipal assessor or the city manager or his designee. Subsections 5.40.040(B) and 5.40.040(C) of this chapter shall apply to refunds for construction materials and services. (Ord. 865 (part), 2000).

#### **5.40.043 Refund for taxes paid by benevolent or civic organizations.**

- i. A benevolent or civic organization seeking a refund for taxes paid on sales and services shall submit to the city manager or his designee, no later than February 1st of each year, a completed sales tax refund form for the previous year. The organization shall attach a copy of the receipts for all purchases of sales and services within the city for the taxes for which the organization seeks a refund and proof that the proceeds were donated to charity.

b. (Ord. 865 (part), 2000).

#### **5.40.044 Rebate of tax on sales of home heating oil.**

- A. The city shall rebate to the buyer sales tax on purchases of home heating oil delivered to a dwelling, as defined in Section 18.08.190, occupied by the buyer for use at that location, subject to the remainder of this section. To be eligible to receive the rebate, a buyer must be a member of a household with adjusted gross income for federal income tax purposes that is not greater than specified under the Federal Health and Human Services Poverty Guidelines for 2008 as follows:

H. People in Household	I. Income Level
J. 1	K. \$13,000
L. 2	M. 17,500
N. 3	O. 22,000
P. 4	Q. 26,500
R. 5	S. 31,000
T. 6	U. 35,500
V. 7	W. 40,000
X. 8	Y. 44,500
Z. Add \$4,500 for each additional member of the household.	

- B. The buyer shall apply for a rebate under this section to the city manager or designee on a form approved by the city manager. The application shall be accompanied by a receipt showing payment of the sales tax for which the rebate is sought, and a copy of the buyer's most recent federal income tax form 1040 as proof that the income of the buyer's household does not exceed the maximum specified in this section. The buyer must submit the application within thirty days after the date of the purchase of the home heating oil.
- C. The rebate authorized by subsection A of this section shall apply only to home heating oil purchases occurring before July 1, 2009 unless extended by resolution of the city council.

a. (Ord. 1039 § 1, 2008)

#### 5.40.050 Bracket collection schedule.

A. **Collection schedule 6% sales tax:** Sellers shall add the tax levied under Sec. 5.40.012 to the selling price, service charge or rent collected in accordance with a schedule prepared by the manager in such a manner as to provide an effective tax collection equal to the applicable rate levied by Section 5.40.010. (Ord. 865 (part), 2000).

B. **Collection schedule 1% "raw fish products" sales tax:** Buyer shall add the tax levied under Sec. 05.40.013 by multiplying the primary gross sales value by one percent. The tax due on a sale shall be rounded to the nearest whole cent with fractions of one-half cent and more rounded upwards. (Ord. \_\_\_\_\_).

#### 5.40.060 Payment and collection.

- A. **Payment and collection 6% sales tax:** Taxes imposed by under Sec. 5.40.012 shall be due and paid by the buyer to the seller at the time of sale, or with respect to credit transactions, at the time of collection. It shall be the duty of each seller making sales taxable under this chapter to collect the taxes imposed by this chapter from the buyer at the time of each sale, or with respect to a credit transaction, at the time of collection of sales, and to hold those taxes in trust for the city. Failure by the seller to collect the tax shall not affect the seller's responsibility for payment therefor to the city. (Ord. 865 (part), 2000).

- B. **Payment and collection 1% “raw fish products” sales tax:** Taxes imposed under Sec. 5.40.013 shall be an obligation of the seller and collected by the buyer at the time of sale.

#### 5.40.070 Disposition of proceeds.

- A. The revenue received by the city under this chapter shall be first applied by the city treasurer in accordance with the provisions of any outstanding bond or other evidence of indebtedness secured by a pledge of such revenue and consistent with the ordinances creating the same.
- B. Sales tax revenue received by the city which is not obligated as security for the payment of bonded indebtedness of the city shall be deposited in the general fund of the city. (*Ord. 865 (part), 2000*).

#### 5.40.080 Tax return—Payment to city.

- A. On or before the last day of the month succeeding the end of each quarter year ending March 31st, June 30th, September 30th and December 31st every seller who has made any retail sales and every person who has performed any services during the preceding quarter shall complete and deliver to the city a sales tax return for that preceding quarter upon forms to be provided by the city manager or his designee, setting forth the amount of all gross sales and services, the amount of such sales and services claimed exempt, the amount of sales tax credits accruing as a result of uncollectible accounts receivable and the amount of all taxable sales and services for such preceding quarter, and the amount of the tax thereon and such other information as may be required, and shall sign and transmit the same to the city treasurer. Every person holding a city business license must file a sales tax return form even if there is no reported gross revenue for that period of time. The preparer of the sales tax return form shall keep and maintain all documentation supporting any and all claims of exempted sales and purchases, and to produce the documentation if requested. Documentation will include for exempted sales the number of the city exemption authorization card presented by the buyer at the time of the purchase. Failure to provide such documentation will invalidate only that portion of the claim of exemption for which no documentation is provided.
- B. The seller shall sign and transmit the same to the city manager or his designee. The amount of tax due shall be paid by the seller to the city manager or his designee at the time of transmitting the return.
- C. The city manager or his designee may require that a seller or any person performing services make out a return on a monthly basis and file the return on the last day of each calendar month if the seller has been in business for less than twelve consecutive calendar months, or if a seller has been late in filing sales tax returns or transmitting sales taxes collected two or more times within the preceding two-year period. (*Ord. 865 (part), 2000*).

#### 5.40.090 Compensatory collection discount.

All sellers required to submit returns to the city shall be allowed to compensate themselves for costs incurred in the collection, recordkeeping, remittance and accounting for the tax imposed by taking two percent of the tax due, but not to exceed two hundred dollars, within any one quarter as a tax collection discount to reduce the tax remittance; provided, that returns are filed and paid on a timely basis and there is no sales tax penalty or interest due for any previous reporting period. (*Ord. 948, 2004: Ord. 865 (part), 2000*).

#### **5.40.100 Record keeping and investigation.**

- A. It shall be the duty of every seller engaged or continuing in business in the city to keep and preserve suitable records of all sales made, and such other books or accounts as may be necessary to determine the amount of tax for collection of which the seller is liable herein, including records of the gross daily sales, together with invoices of purchases and sales, bills of lading, bills of sale or other pertinent records and documents as will substantiate and prove the accuracy of a tax return. In the event the seller allows an exemption pursuant to Section 5.40.030(C), the seller shall reserve a copy of the bill of sale therefor. It shall be the duty of every such seller to keep and preserve for a period of three years from the date of filing any return, all such books, invoices and other records as may be necessary, all of which shall be subject to examination by the city treasurer or any authorized employee or agent thereof who is engaged in checking or auditing the records of any seller required to make a return under the provisions of this chapter.
- B. For the purpose of ascertaining the correctness of a return, or for the purpose of determining the amount of tax collected or which should have been collected, the city treasurer, or his or her duly authorized agent, may hold investigations and hearings concerning any matters covered by this chapter, and may examine any relevant books, papers, records or memoranda of any seller, or may require the attendance of any seller, or officer or employee of seller. The city council shall have the power to issue subpoenas to compel attendance or to require production of relevant books, papers, records or memoranda. (*Ord. 865 (part), 2000*).

#### **5.40.110 Estimated tax.**

In the event the city manager or his designee is unable to ascertain the tax due from a seller by reason of the failure of the seller to keep accurate books, allow inspection, or file a return, or by reason of the seller filing a false or inaccurate return, the city manager or his designee may make an estimate of the tax due based on any evidence in his or her possession. Notice of the estimate of taxes due shall be furnished to the seller and shall become final for the purpose of determining liability of the seller to the city thirty days thereafter, unless the seller earlier files an accurate return. (*Ord. 865 (part), 2000*).

#### **5.40.120 Recovery of taxes—Delinquency date.**

- A. Taxes due but not paid may be recovered by the city by an action at law against the buyer. Taxes collected by the seller but not transmitted to the city or which should have been

collected by the seller but were not may be recovered by an action at law against the seller, and sales tax returns shall be prima facie proof of tax collected but not transmitted.

- B. Taxes shall be considered delinquent if not received by the city manager or his designee by the due date for transmission of the seller's tax return for each quarter as required by Section 5.40.080. (Ord. 865 (part), 2000).

#### **5.40.125 Lien.**

The tax, penalty and interest, as imposed by this chapter, together with all administrative and legal costs incurred, shall constitute a lien in favor of the city upon all the seller's real and personal property. The lien arises upon delinquency, and continues until the liability for the amount is satisfied, or the property is sold at a foreclosure sale. The lien has priority as allowed by AS 29.45.650(e). (Ord. 865 (part), 2000).

#### **5.40.130 Penalty for violations.**

- A. A seller who has made sales in the city, and who thereafter fails to file a sales tax return, as required by this chapter, shall incur a civil penalty of twenty-five dollars for the first sales tax return not timely filed, and fifty dollars for each next sales tax return not timely filed within a one-year period thereafter.
- B. A seller who has collected taxes and who thereafter fails to transmit the collected taxes, as required by this chapter, shall incur a civil penalty of ten percent of the taxes for the first month of delinquency, or any fraction thereof, and five percent of the taxes for each month thereafter, or any fraction thereof, from the time between the date the taxes should have been transmitted and the date they were transmitted, but not to exceed a total of twenty percent of the amount of the taxes due to be transmitted.
- C. In addition to the amount of civil penalty as provided for violation of each subsection applicable herein, interest shall accrue at the rate of fifteen percent per year on the unpaid tax from the date of delinquency until paid for sellers, and from the date of sale for buyers.
- D. A buyer who purchased items as exempted purchases and who thereafter is found to have used the exemption card fraudulently shall incur a civil penalty of one hundred percent of the taxes not paid in addition to payment of the unpaid taxes. Further, the exemption card shall be permanently revoked. (Ord. 865 (part), 2000).

#### **5.40.140 Additional regulations enacted when.**

The council may promulgate by resolution such additional regulations as may be found necessary from time to time to carry out the purpose of this chapter. (Ord. 865 (part), 2000).

#### **5.40.150 Delinquent sales tax roll confidentiality.**

- A. During the third week of June of each year, the city manager or his designee shall publish, in a newspaper of general circulation in the city, a notice with the names of those sales tax accounts that are delinquent for the quarter ending March 31st; and successively in

September, those sales tax accounts that are delinquent for the second quarter ending June 30th; in December, those sales tax accounts that are delinquent for the third quarter ending September 30th; in March, those sales tax accounts that have become due and delinquent for the fourth quarter ending December 31st. The manager or his designee shall include in the notice the names of those sales tax accounts which remain delinquent from any preceding quarter. For the purposes of determining delinquency for publication, an account shall be considered delinquent if the account is delinquent as defined by Section 5.40.120(B) and no agreement has been reached by the seller with the city for other means of payment. The publication of such delinquent sales tax accounts shall not be considered a disclosure within the provisions of this section.

1. All returns filed with the city for the purpose of complying with the terms of this chapter, all data obtained for such returns, and all books, papers, record or memoranda obtained under the provisions of this section are declared to be confidential, and shall be exempt from inspection of all persons except the city treasurer, city manager and city attorney, or any authorized employee thereof; provided, however, the city manager may present to the city council in executive session any return or data obtained therefrom; provided, the purpose of such presentation is informational or concerning legal action against the person whose return or tax remittance is in question.
  2. All returns referred to in this chapter, and all data taken therefrom, shall be kept secure from public inspection, and from all private inspection, except as provided otherwise in this section; provided, however, nothing in this section shall be construed to prohibit the delivery to a person, or his duly authorized representative, of a copy of any return or report filed by him or her, nor to prohibit the publication of notices provided for in this section.
- B. The use of tax returns in a criminal or civil action brought to enforce the terms of this chapter against any person shall not be deemed a violation of this section, and the city, in the prosecution of any such action, may allege, prove and produce any return theretofore filed by and on behalf of any such defendant, including any data obtained from any such return or returns, other provisions of this chapter to the contrary notwithstanding. (*Ord. 865 (part), 2000*).

---

FOOTNOTE(S):

---

--- (6) ---

*Note*—Prior history: Prior code §§ 13.202—13.207, 13.210 and 13.212 and Ords. 498, 505, 512, 517, 593, 611, 618, 625, 640, 657, 663, 688, 704, 745, 756, 800 and 833. ([Back](#))

---

## A MEMO FROM SUSAN BOURGEOIS, CMC, CITY CLERK

---

DATE: July 9, 2014  
TO: Mayor and City Council  
SUBJECT: Sales Tax Code - exemptions

---

Mayor Kacsh agreed to put the sales tax code – specifically the exemptions under the sales tax code on this agenda as was requested by Council member Tom Bailer. This is intended as a discussion item.



## Chapter 5.40 SALES TAX

.  
.   
.

### 5.40.030 Exemptions.

The following sales and services are exempt transactions and are not subject to taxation by the city:

- A. Proceeds from casual, occasional or isolated sales which are easily identified as the sale of personal goods or property at such private functions as moving, garage, yard, food and bake sales, sale of private vehicles when the seller is not a dealer in used vehicles, or services such as babysitting or house-sitting. A city license is not required under this subsection A;
- B. Sales of insurance and bonds of guaranty and fidelity;
- C. Fees for sales and services in excess of two thousand, five hundred dollars per single purchase transaction. This exemption does not apply to accumulative purchases and billed as a lump sum in excess of two thousand five hundred dollars except as provided in Section 5.40.030(D) relating to sales of construction materials and services.

In the event of an oil spill that requires mobilization of the oil spill response vessels, this exemption is automatically suspended for ninety days on all fees for sales and services commencing on the day of the oil spill;

- D. Sales of construction materials and services exceeding two thousand, five hundred dollars for use in each construction project paid for by any one purchaser during any twelve consecutive month period; provided, that the purchaser has obtained a building permit from the city prior to the start of the project and all receipts for construction materials and services clearly show the building permit number. Construction materials are those items becoming a permanent part of the structure. Purchaser may pay all sales tax on such materials and services and may apply for a refund as set out in Section 5.40.042 of this code or may pre-pay applicable city sales tax in advance and receive an exemption card;
- E. Gross receipts or proceeds derived from servicing, freezing, storing, handling or wharfing of fisheries commodities awaiting shipment or in the process of being shipped;
- F. Gross receipts or proceeds derived from sales or services which the municipality is prohibited from taxing under the laws of the state, or under the laws and the Constitution of the United States, including but not limited to:
  - 1. Sales by the U.S. Postal Service,
  - 2. Sales of any items purchased with food coupons, food stamps or other type of certificate issued under 7 U.S.C. Sections 2011-2025 (Food Stamp Act),
  - 3. Purchases made under the authority of or made with any type of certificate issued pursuant to 42 U.S.C. Sections 1771-1789 (Child Nutrition Act of 1966),
  - 4. Interstate sales,
  - 5. Air transportation including that portion of any chartered fishing or hunting expedition which covers the cost of air transportation,
  - 6. Gross receipts or proceeds derived from sales to the United States, state, city or any political department thereof;
- G. Gross receipts or proceeds from the transportation (including freight and shipping charges), loading, unloading or storing of cargo from marine vessels or aircraft in foreign, interstate or intrastate commerce;
- H. Services of a person licensed or certified by the state of Alaska as a doctor of medicine and surgery, a doctor of osteopathy and surgery, a doctor of veterinary medicine, a chiropractor, a dentist, a naturopath, an optometrist, an audiologist, a hospital, an occupational therapist, a physical therapist, a massage therapist or a licensed or practical nurse; provided, that the service is within the scope of the state license or certificate;

- I. Services of a person licensed or certified by the state of Alaska as a psychologist or psychological associate, a clinical social worker, an alcohol and drug counselor, or a marital and family therapist;
- J. Fees for supplies, equipment and services provided by a hospital, medical clinic or dental clinic for patient treatment including laboratory and x-ray services;
- K. Gross receipts or proceeds of the retail sale of prescription drugs;
- L. Sale of cemetery plots, caskets, funeral and burial related items and the services by a funeral home;
- M. Commissions received by travel agencies for their services that are not set by and billed by the travel agencies. Service charges set by and billed by the travel agencies are not exempt from taxation under this chapter;
- N. Dues or fees to clubs, labor unions or fraternal organizations;
- O. Fees and charges for extracurricular activities or events promoted or undertaken by educational or student organizations;
- P. Sales by any student organization, parent/teacher organization or booster club recognized by the school or educational organization in which it operates, which proceeds are utilized to further the purposes for which the organization was formed;
- Q. Sales and services by schools or other educational organizations made in the course of their regular functions and activities, which proceeds are utilized to further the purposes for which such organization was formed;
- R. Sales of food at educational and hospital cafeterias and lunchrooms which are operated primarily for staff and/or students, and which are not operated for the purpose of sale to the general public for profit;
- S. Sales, services and rentals by or to religious organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of religious activity; provided, the income from the exempt transaction is also exempt from federal income taxation;
- T. Sales, services and rentals by or to scouting, 4H or similar youth organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation;
- U. Sales, services and rentals by or to benevolent or civic organizations which have obtained a 501(c)(3) or 501(c)(4) exemption certificate from the Internal Revenue Service and which are made in the normal conduct of activity; provided, the income from the exempt transaction is also exempt from federal income taxation and the income is donated to a charity. Such organizations shall pay the sales taxes at the time of purchase and shall apply to the city for a refund as provided in Section 5.40.040;
- V. Proceeds from contract services provided by a state-licensed child care contractor;
- W. Proceeds from contract services provided by a person for the purpose of taking temporary care of minors for another person;
- X. Proceeds from products sold as wholesale sales to businesses designated by the state of Alaska as wholesalers. These include the sales of goods, wares, or merchandise to a retail dealer, manufacturer, or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if the subsequent sale is subject to the city sales tax. In this connection a retailer must stock that merchandise for resale, display the same to the public and hold himself out as regularly engaged in the business of selling such products;
- Y. Proceeds from products sold for resale:
  - 1. Sales of goods, wares or merchandise to a retail dealer, manufacturer or contractor, for resale within the city as is or incorporated into a product or commodity to be sold by the dealer, manufacturer or contractor within the city, if the subsequent sale is subject to the city sales tax. The product must be an item that is sold as part of the reseller's primary

- business and must be of such nature that it can be purchased by the general public in a transaction that is not dependent upon the purchase of another product or service,
2. Goods, wares or merchandise that can be purchased only as part of a package purchase of services, such as a bed-and-breakfast or a fishing or hunting charter and not by the general public as separate and individual items are not exempt under this chapter,
  3. Food products that are purchased for resale must be purchased and sold as is or prepared in a kitchen that is DEC-certified in order to qualify for sales tax exemption. Proof of certification must be available upon request;
- Z. Proceeds from services for resale: Services that are provided by a subcontractor to a contractor for a third party is considered services for resale and is exempt from taxation;
- AA. Sales of real property. Rentals of real property are not exempt from taxation by the city.
- AB. Commissions or fees in excess of two thousand five hundred dollars earned by brokers or agents in real estate sales transactions.
- BB. Home heating oil purchased for use in a dwelling, as defined in Section 18.08.190, for use at that location conditioned on the following:
1. That no more than fifty percent of the floorspace of the building(s) considered as dwellings be used as nonresidential use, including business activities.
  2. That the dwelling be operated in compliance with all other regulations and laws.
  3. If a fuel tank is used to supply more than one structure or area then no more than fifty percent of the floorspace and area supplied shall be nondwelling and nonresidential including business activities.

*(Ord. 1037 § 1, 2008; Ord. 865 (part), 2000).*

*(Ord. No. 1049, § 1, 6-10-2009; Ord. No. 1067, § 1, 3-2-2010)*

## **Pending agenda:**

Capital Priorities List Meeting **Sep 3, 2014; Dec 3, 2014; Mar 4, 2015; June 3, 2015**

HSB Quarterly regular meetings **Oct 1, 2014; Jan 7, 2015; Apr 1, 2015; July 1, 2015**

Staff quarterly reports in packets: **Aug 6, 2014; Oct 15, 2014; Jan 21, 2015; April 15, 2015**

Date change from July 16 to August 6

**Traffic Authority** discussion – including City parking lots: date scheduled: \_\_\_\_\_

Ability to **lease** City land to City department (and/or Enterprise fund) – specifically **Harbor**? Date scheduled: \_\_\_\_\_

Code revision concerning 5.22 in re disposal of property – i.e. lease renewals vs. new leases

## **Committees:**

***Cordova Center Committee:*** Tim Joyce, Sylvia Lange, Randy Robertson, Kristin Carpenter, Native Village of Eyak Representative, Chamber of Commerce Representative, Business Community Representative, PWSSC Representative, Stage of the Tides Representative.

***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

## **Calendars:**

3 months of calendars are attached hereto  
July 2014; August 2014; September 2014

# July 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend <b>CH</b> -City Hall Conference Room <b>LMR</b> -Library Mtg Rm <b>HSL</b> -High School Library <b>FH</b> —fire hall		1	2 5:15 HSB mtg LMR 6:30 pub hrg LMR 7:00 reg mtg LMR	3 Roberts rules training session w/Holly Wells 11-1 LMR	4 Independence Day City Hall Offices Closed	5
6	7	8 6:30 P&Z LMR	9 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	10	11	12
13	14	15	16 6:00 work session 7:00 reg mtg LMR	17	<b>18</b> Pignic FH 5:30 Copper River Wild Salmon Festival <a href="http://www.copperriverwild.org">www.copperriverwild.org</a>	<b>19</b> Copper River Wild Salmon Festival <a href="http://www.copperriverwild.org">www.copperriverwild.org</a>
20	21	22	23	24	25	26
27	28	29	30	31		Location Legend <b>CH</b> -City Hall Conference Room <b>LMR</b> -Library Mtg Rm <b>HSL</b> -High School Library <b>FH</b> —fire hall

# August 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm					1	2
3	4	5	6 7:00 reg mtg LMR	7	8	9
10	11	12 6:30 P&Z LMR	13 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	14	15	16
17	18	19	20 6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	21	22	23
24	25	26	27	28	29	30
31						Location Legend HSL-High School Library

# September 2014

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library	<i>1</i>  Labor Day City Hall Offices Closed	<i>2</i> First Day of School	<i>3</i>  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	<i>4</i>	<i>5</i>	<i>6</i>
<i>7</i>	<i>8</i>	<i>9</i>  6:30 P&Z LMR	<i>10</i>  7:00 Sch Bd HSL 7:00 Hrbr Cms CH	<i>11</i>	<i>12</i>	<i>13</i>
<i>14</i>	<i>15</i>	<i>16</i>	<i>17</i>  6:45 pub hrg (maybe) LMR 7:00 reg mtg LMR	<i>18</i>	<i>19</i>	<i>20</i>
<i>21</i>	<i>22</i>	<i>23</i>	<i>24</i>	<i>25</i>	<i>26</i>	<i>27</i>
<i>28</i>	<i>29</i>	<i>30</i>				Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library