

Mayor

James Kallander

Council Members

Keith van den Broek

James Kacsh

David Allison

Bret Bradford

EJ Cheshier

David Reggiani

Robert Beedle

City Manager

Mark Lynch

City Clerk

Susan Bourgeois

Deputy Clerk

Robyn Kincaid

Student Council

REGULAR COUNCIL MEETING

JULY 20, 2011 @ 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 Kallander, Council members Keith van den Broek, James Kacsh, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and Robert Beedle

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

E. DISCLOSURES OF CONFLICTS OF INTEREST

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers
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 absence of Council member Cheshier from the 07-06-11 Regular Meeting
5. Resolution 07-11-33..... (page 1)
A resolution of the City Council of the City of Cordova, Alaska, appointing an Acting City Manager

H. APPROVAL OF MINUTES..... (voice vote)

6. June 28, 2011 Special Council Meeting Minutes..... (page 3)
7. July 6, 2011 Regular Council Meeting Minutes..... (page 10)
8. July 6, 2011 Council Joint Work Session with HSB..... (page 16)

I. CONSIDERATION OF BIDS

J. REPORTS OF OFFICERS

9. Mayor's Report
10. Manager's Report
11. City Clerk's Report..... (page 18)
12. Staff Reports
 - a. **Josh Hallquist**, COR, Cordova Center Project
 - b. **Cathy Sherman**, Cordova Center Phase 2Department Quarterly Reports
 - a. Harbormaster, **Dale Muma**..... (page 19)
 - b. City Planner, **Samantha Greenwood**..... (page 20)
 - c. City Fire Marshal, **Oscar Delpino**..... (page 22)
 - d. Investment Manager, **Buck Adams**, UBS Financial..... (page 26)
 - e. Director of Public Works, **Moe Zamarron**..... (page 48)
 - f. Facilities Maintenance Division..... (page 49)
 - g. Streets Division Superintendent, **Rob Brown**..... (page 50)
 - g. Water/Wastewater Division Superintendent, **Malvin Fajardo**..... (page 51)
 - h. Refuse Division Superintendent, **Greg Rankin**..... (page 55)

- i. Chief of Police, **Robert Baty**..... (page 56)
- j. Information Services Director, **Cathy Sherman**..... (page 58)
- k. Cordova Center Phase II, **Cathy Sherman**..... (page 60)
- l. Finance Director, **Ashley Royal**..... (page 62)

K. CORRESPONDENCE

- 13. Postcard from Thorne Popelka in re Prince William Sound Science Center..... (page 73)

L. ORDINANCES AND RESOLUTIONS

M. UNFINISHED BUSINESS

- 14. Land sale proposals – Council awarding of disposal..... (voice vote)(page 74)
 Original Townsite Blk 42, Lots 1-4
- 15. Performance Deed of Trust criteria, SFDP Block 2 Lot 3..... (voice vote)(page 81)
- 16. Performance Deed of Trust criteria, SFDP Block 2 Lot 5..... (voice vote)(page 85)

N. NEW & MISCELLANEOUS BUSINESS

- 17. Pending Agenda and Calendar..... (page 89)

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

- 18. Council Comments

Q. EXECUTIVE SESSION

- 19. Cordova Center Phase 1 financial update

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.

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A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: July 13, 2011
TO: Mayor & City Council
SUBJECT: Resolution 07-11-33

During Mark's recent unanticipated absence, Cathy Sherman acted as the City Manager per his designation of her as such. Per City Code, it appears as though it would be prudent that we have a resolution that makes this designation clear for any future unanticipated absences.

Recommended Motion: Move to approve Resolution 07-11-33

Required Action: Majority voice vote

**CITY OF CORDOVA, ALASKA
RESOLUTION 07-11-33**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA,
ALASKA, APPOINTING AN ACTING CITY MANAGER**

WHEREAS, the City Council desires to identify a staff member to be Acting City Manager during the period of time that the City Manager is absent for more than twenty-four hours as permitted under CMC 3.04.020; and

WHEREAS, the City Council is recommending that Cathy Sherman be appointed as Acting City Manager during any such period; and

WHEREAS, the Acting City Manager will be entitled to all powers normally held by the City Manager.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves the appointment of Cathy Sherman as the Acting City Manager.

PASSED AND APPROVED THIS 20th DAY OF JULY, 2011.

Jim Kallander, Mayor

ATTEST:

Susan Bourgeois, City Clerk

**CITY COUNCIL SPECIAL MEETING
JUNE 28, 2011 @ 7:00 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor Jim Kallander called the Council Special Meeting to order at 7:00 pm on June 28, 2011 in the Library Meeting Room.

B. ROLL CALL

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

C. APPROVAL OF AGENDA

M/Reggiani S/Allison to approve the agenda.

Vote on motion: 5 yeas, 0 nays, 2 absent. (Cheshier, Beedle).

D. DISCLOSURES OF CONFLICTS OF INTEREST

Allison declared a conflict on items 26 and 31. *Mayor Kallander* agreed.

van den Broek was also deemed conflicted on two land sales; items 32 and 33.

E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience comments regarding agenda items.

Council member *Cheshier* arrived at 7:18 pm.

MaryAnne Bishop spoke against the passage of Ordinance 1082. She entered her written comments into the record.

Steve Witsoe of Shelter Cove spoke concerning Ordinance 1082 said he was not particularly against the idea of natural gas, but he thought the public process was lacking.

David Roemhildt of mile 6 Copper River Highway, spoke about his proposals on two South Fill lots, items 32 and 33. He said that his proposals both offer services that will benefit the fishing fleet.

Becky Chapek of 608 Cedar, she said she also put in two proposals under agenda items 32 and 33. She said there were five good proposals which just goes to show the confidence that businesses have in Cordova.

Angela Arnold of 403 Council said that Native Village of Eyak also put in two proposals which she thinks are good – she also said that the other proposals look good.

Tom Bailer 304 Orca Inlet Drive, said he was the only Planning Commissioner to vote nay on the land sale proposals. He said that he believes that Planning and Zoning should have done a more thorough analysis and made a recommendation to Council. That is not what they did this time and he would like some direction from Council on this.

Becky Chapek of 608 Cedar felt like she had to defend the building she intended to move – it is sturdy and it is built to commercial standards and it will be open year round.

Kristin Carpenter of Copper River Watershed Project said she was speaking against Ordinance 1082 because she was upset that there hadn't been more genuine exploration of the options that were discussed during the couple of meetings last summer. She said the permitting process will just be more contentious without community support. She reiterated that there had never been public input against the shipyard development.

Jennifer Gibbins 305 Browning spoke against the passage of Ordinance 1082. She said that the public comment has not been respected. She doesn't think the process has been transparent and she doesn't think

it's right. She said it is more than a lack of genuine discussion; she is really disappointed and hopes tonight there is a little more thorough discussion and transparency.

Jason Borer of 325 First Street spoke concerning Ordinance 1082 – he is really for the idea of pursuing Natural Gas in Cordova, he would like to see that this passes the cost-benefit test. He also spoke in favor of NVE's proposal on the South Fill lots in order to expand the museum and cultural center.

Tim Joyce commented on Ordinance 1082. He said this process has been going on 3 years at least – people have had their chance to comment, however, the result may not be what certain public members had hoped – that doesn't mean they didn't get a chance to speak. The benefit of gas is a pollution abatement issue (diesel is dirty). Gas will also lower the cost of running a business in Cordova – could help the economy by bringing in businesses. It will also help the poor in this community. This is a real opportunity for this Council to reduce costs for people (citizens).

F. APPROVAL OF MINUTES

M/Reggiani S/Kacsh to approve the minutes.

2. Minutes of 06-01-11 Public Hearing

3. Minutes of 06-01-11 Regular Meeting

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

G. CORRESPONDENCE

4. Letter from Ramona Curry in re Marie Smith Jones bridge naming

5. Letter from William Smith in re Marie Smith Jones bridge naming

6. Postcard from Alison Bidlack in re PWSSC

7. Postcard from Bill Black in re PWSSC

8. Postcard from Susan Ogle in re PWSSC

9. Postcard from Aurora Lang in re PWSSC

10. Letter and Invoice from Alaska Municipal League

11. Letter from Jai Kim in re Mile Glacier Truss Bridge

12. Letter from Robert Groves in re 2010 US Census

13. Postcard from Cordovan (unable to read name) in re PWSSC

14. Invoice in re membership dues from Southeast Conference

15. Letter from Bill Black in re Observation Avenue intersection

16. Postcard from Mark Steen in re PWSSC

17. Postcard from Rochelle van den Broek in re PWSSC

18. Postcard from Charles Weaverling in re PWSSC

19. Postcard from Elizabeth Hahn in re PWSSC

20. Letter from State Petroleum Assessor in re Oil & Gas property in Cordova

21. Postcard from Amy O'Neill Houck in re PWSSC

22. Letter to ADF&G Commissioner Cora Campbell

23. Letter to Rear Admiral Thomas C. Ostebo in re: James and Amy Houck

24. Postcard from Marina Briggs in re PWSSC

25. Postcard from Sharon Ermold in re PWSSC

Mayor Kallander asked if there were any comments on correspondence. The **Clerk** asked Council if they were interested in joining Southeast Conference this year – she said the bill was under item 14. After some discussion and with redistricting looming, Council decided not to spend the money.

Bradford mentioned the letter from Ramona Smith who asked that Marie Smith Jones be memorialized as **Chief** Marie Smith Jones. The **Clerk** was asked to contact Ms. Smith and tell her she can take it up with the people at the State level now.

H. NEW BUSINESS**26. Ordinance 1081**

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Trident Seafoods Corporation of Tract 2, Alaska Tidelands Survey No. 220, Cordova Recording District – 1st reading

M/Reggiani S/Kacsh to adopt Ordinance 1081 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Trident Seafoods Corporation of Tract 2, Alaska Tidelands Survey No. 220, Cordova Recording District.

Vote on motion: 5 yeas, 0 nays, 1 absent. (Beedle) 1 conflict of interest (Allison).

27. Ordinance 1082

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Alaska Intrastate Gas Company of 4.21 acres of tidelands located in ATS 1004 – 1st reading

M/Kacsh S/Reggiani to adopt Ordinance 1082 an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Alaska Intrastate Gas Company of 4.21 acres of tidelands located in ATS 1004.

Mayor Kallander asked the *Manager* if this contract was already approved by Council. *Lynch* said that the attorney's wrote this contract exactly how Council wanted it. He was going to clarify that the language did in fact protect the City (he believed section 10.3 survival covered this concern). He also said that section 7c of the contract gave the performance information that Council wanted in there. There was clarification that AIGCO themselves added the canoe launch site and that was on ATS 900, but this contract before Council tonight only included the sale of land in ATS 1004 (4.21 acres).

Bradford said he will not support this – he hasn't seen evidence that this company will perform. *van den Broek* said he said he has also heard lots of people being against this. *Mayor Kallander* said that besides the environmental community, he has heard nothing but support. He said for three years, the same few people have testified against this. He thinks Council needs to cast a wider net to get public input on this. *Reggiani* said he would support the first reading but would like those couple of issues already mentioned cleared up for the next reading. *Kacsh* said he has heard a lot of people speak against this, however, he has also heard a lot of people say that the number one concern for businesses and residents in Cordova is the cost of energy. He also thinks that some of the comments he has heard are beyond the scope of the things that government should do when it comes to private enterprise.

Vote on motion: 4 yeas, 2 nays (van den Broek and Bradford), 1 absent. (Beedle).

28. Resolution 06-11-30

A resolution of the City Council of the City of Cordova, Alaska, establishing local government contribution of National Forest Receipts for the Cordova Public School District for the school fiscal year ending June 30, 2012

M/Kacsh S/Cheshier to approve Resolution 06-11-30 a resolution of the City Council of the City of Cordova, Alaska, establishing local government contribution of National Forest Receipts for the Cordova Public School District for the school fiscal year ending June 30, 2012.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

29. Resolution 06-11-31

A resolution of Cordova City Council in support of the safe routes to schools grant efforts

M/Bradford S/Kacsh to approve Resolution 06-11-3 a resolution of Cordova City Council in support of the safe routes to schools grant efforts.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

30. Resolution 06-11-32

MINUTES – SPECIAL MEETING

JUNE 28, 2011

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A resolution of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$81,424 to the Cordova School District, specifically to be spent for acquiring equipment in the Mt. Eccles addition and renovation, and amending the 2011 City of Cordova budget accordingly

M/Bradford S/Cheshier to approve Resolution 06-11-32 a resolution of the City Council of the City of Cordova, Alaska, authorizing the transfer of \$81,424 to the Cordova School District, specifically to be spent for acquiring equipment in the Mt. Eccles addition and renovation, and amending the 2011 City of Cordova budget accordingly.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

31. Resolution 06-11-33

A resolution of the City Council of the City of Cordova, Alaska, approving a site plan for Trident Seafoods Inc. to install two dolphin pilings on Tract 2, ATS 220, to provide additional moorage

M/Reggiani S/Bradford to approve Resolution 06-11-33 a resolution of the City Council of the City of Cordova, Alaska, approving a site plan for Trident Seafoods Inc. to install two dolphin pilings on Tract 2, ATS 220, to provide additional moorage.

Vote on motion: 5 yeas, 0 nays, 1 absent. (Beedle) 1 conflict of interest (Allison).

32. Land sale proposals - South Fill Lot 3, Block 2

Mayor Kallander asked Planner **Sam Greenwood** to give a quick run through of the proposals for this lot. **Greenwood** started by saying all three of the proposals met the criteria of the plan for the South Fill Development Park.

a) Chapek – proposes a year-round restaurant bringing in the Depot Diner from the airport - \$500K, sounds ready to roll.

b) The Roemhildt's – year-round food, laundry, showers, work space and business center – to support the fleet in summer – 5200 square feet, \$1.2M – completed within 3 years

c) Native Village of Eyak – Ilanka cultural Center and museum – expansion of gift shop and museum – approximately 4000 square feet on each floor – estimated \$1.5Million – construction to start as soon as they can hire an architect to draw the plans

Reggiani said that he struggled with this so he went to Code. **Kacsh** said he said he would prefer the business that was in best support of the fleet – as he thought the South Fill was intended for that. **Allison** said he would have liked to have seen a recommendation from the Planning Commission. **Mayor Kallander** said he would like to see NVE pursue such an expansion but he would like to see them do so on Main Street. **Cheshier** said he hates that this is so subjective but he said it is our job and we can't push it off on anyone else. He said he can only go on his personal bent and that would be the biggest tax base and the biggest benefit to the fishing industry, therefore...

M/Cheshier S/Bradford to approve the Roemhildt proposal.

Bradford agreed – seems to have the most bang for the small space. He is concerned that such a facility may not stay open year round. **Allison** echoed Mayor's comments in re NVE being better suited for Main Street location. Roemhildt's is the most fishing-oriented and makes the most sense. **Kacsh** also had chosen the Roemhildt proposal before discussion began. **Reggiani** said he is comfortable supporting this proposal.

Vote on motion: 5 yeas, 0 nays, 1 absent. (Beedle) 1 conflict of interest (Allison).

33. Land sale proposals - South Fill Lot 5, Block 2

Greenwood gave an overview of the four proposals for this lot.

a) The Roemhildt's are intending a building in order to extend the space currently being used by Redden Net in their existing building on the adjacent lot – more services to the fleet – ability to hang seine nets – indoor storage for nets - \$750K, completion time estimated at 2 years.

b) The Blackler's are intending a space for their "Shipyard Rentals" business but would also include space for a hydraulic equipment sales and repair component to the business. They anticipate a 3150 square foot

building, geared toward the fishing industry and the estimated cost of building is \$275K. The building has already been purchased and is ready to construct – it is in town.

c) **Chapek** – intends to build a building with three retail spaces to house a laundromat, a DEC approved kitchen for a food service business, and a rental shop for marine related merchants to see wares. Second story would have six seasonal rooms for rent – 2800 square feet per floor. \$350K estimated cost – first story done in first year – second story completed in year two.

d) **Native Village of Eyak** – Ilanka cultural Center and museum – expansion of gift shop and museum – approximately 4000 square feet on each floor – estimated \$1.5Million – construction to start as soon as they can hire an architect to draw the plans

Allison said he needs more information from the proposers. After some discussion Council asked each of the proposers to be in attendance at the next Council Meeting – July 6 – to give 10 minute presentations and be available to answer questions from Council about their proposals.

34. Request for purchase of City property – Shoreside Petroleum

M/Kacsh S/Bradford that the City Council approve the disposal of Parcel A of ATS 220 and a section of tidelands of ATS 1589 to be determined by a survey defining the tidelands needed for existing daily operations of the finger pier for not less than fair market value by method one (direct negotiation as defined in CMC 5.22.060A.1.)

Reggiani said he would support this. Shoreside is unique to that spot and they are the best ones to own it.

Bradford said he agreed – they are established and they aren't going anywhere.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

35. Finance Director Memos in re: Sales Tax delinquencies

Finance Director **Ashley Royal** spoke concerning two business owners who continue to be delinquent in sales tax payment to the City. He believed that both would eventually come into compliance. Council took no action.

36. Discussion of Police Department policy in re: local citizens' imprisonment

Mayor Kallander said he just wanted to bring this up for Council to discuss and think about. He would like Council to consider a policy which would ensure police department staff would keep local resident prisoners in Cordova for their sentences whenever possible. Presently, we are shipping people off to Anchorage if their term is longer than a few days.

37. Council and City Manger travel budgets – **Mayor Kallander** said that this Council spends more travelling than other Councils, he just wants Council to consider whether this should be unrestricted, unlimited, or should there be limits or any policy etc. **Allison** said that in the budget he is looking at, our budget looks fine. There was a consensus of Council that the Council overall budget looked fine and they didn't want to do anything about this.

38. Pending Agenda and Calendar

July 6, 2011 – 2 work session – 1 joint with HSB, 1 – City audit; and also a public hearing as well as the regular meeting.

I. AUDIENCE PARTICIPATION

Becky Chapek said she felt that as far as the criteria they were given, each of them met the criteria – it said nothing about having to be fishing related. She asked if the proposals change from the initial representation. **Mayor Kallander** said it was fine to sell as you choose, but whatever you present should be what you fully intend to do.

Barbara Beedle of 910 Ingress mentioned the US Flag problem again. She asked that when it gets announced by the Governor to fly it at half-staff, we don't seem to lower it. The flag also still needs a light and should be the responsibility of an employee not a volunteer. She commented on the nice statue in the

back – she wondered if it was part of the Fish Follies show or not. **Cathy Sherman** responded that it was for the Cordova Center and funded through the Historical Society.

David Roemhildt mentioned that he had been in a village recently where he wanted to buy land and the village administrator said you had to live in the village 10 years to have access to buy tribal land. He said that was such a disincentive to do anything toward helping the economy in that village. He is glad that Cordova has the “problem” of running out of land. He said we should sell the land and make more.

Tom Bailer 304 Orca Inlet Drive said he wished the Planning Commission had made a recommendation to Council like they used to. He commented that the City Shop on Whitshed is full of moss and rot and needs to be fixed before the rot spreads.

Robert Baty of 4.5 mile CRH commented about the statue that Mrs. Beedle had mentioned and he said he wondered how it was funded and why there had been no public process concerning the purchase. He remembered the school project and how a certain portion of grant funding goes toward art and a committee should be formed for that. He also commented that as far as the community jail and arrest policies goes, he thinks Council should heed the opinion of Billy Houser with Department of Corrections who said we should continue with current practices.

Cathy Sherman said that the statue was purchased by a member of the Historical Society who wishes to remain anonymous and that the 1% for art committee for the Cordova Center will be formed soon (all federal and state grant-funded projects are required to have 1% for art).

Jason Borer 325 First Street said he hopes the AIGCO contract can get cleaned up (i.e. have the acreage correct). He praised all who helped with the Pioneer Cemetery cleanup and especially commended **Lynch** and **Moe** for giving the services of **Bill Bernard** who spearheaded it and did a great job. He was upset that in the discussion of the requests for South Fill lots Council singled out NVE because someone believed that they “should” be on Main Street. He thought that was unfair and wrong of Council to do.

J. COUNCIL COMMENTS

Allison said in response to **Tom Bailer’s** comments, he wanted to ensure that it be known that during the discussion of the land proposals, he did state that he would have liked a recommendation from the Planning Commission. In response to **Mr. Borer**, he said that Council does have to weigh the proposals for adherence to the uses in that area and one of those is water dependency and he believes that a museum is not water dependent. He will openly listen to the proposals on July 6. Lastly, as far as those who spoke against Ordinance 1081, he said that what Council has heard every time is that the process hasn’t been long enough. He would encourage reasons why they shouldn’t proceed, not that the process hasn’t been long enough.

Reggiani said he shares the frustration of P&Z Chair Bailer because there is conflict in Code regarding powers and duties of the commission and 5.22 the disposal ordinance – hopefully we can straighten out the inconsistencies.

van den Broek said he thinks it would be very advantageous for Council to hear the recommendation of the Planning Commission on the land sale proposals.

Kacsh said he would also like to hear from Planning and Zoning. He really wants us to look in to extending the South Fill.

Mayor Kallander called for a 5 minute recess at 10:05 pm.

K. EXECUTIVE SESSION

39. City Manager – goals and expectations

M/Bradford S/van den Broek to enter into an executive session to discuss City Manager goals and expectations; subjects which may be discussed are (2) subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

At 11:05 pm the regular meeting was reconvened.

Mayor Kallander stated that the executive session with the City Manager was very productive – there was good dialogue between Council and the Manager about goals and objectives for the community.

L. ADJOURNMENT

M/Bradford S/Allison to adjourn.

Vote on motion: 6 yeas, 0 nays, 1 absent. (Beedle).

The meeting was adjourned at 11:05 pm.

Approved: July 20, 2011

Attest: _____
Susan Bourgeois, City Clerk

**CITY COUNCIL REGULAR MEETING
JULY 06, 2011 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Vice-Mayor David Reggiani called the Council Regular Meeting to order at 7:41 PM on July 06, 2011, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

David Reggiani led the audience in the Pledge of Allegiance.

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

M/Bradford S/Kacsh to approve the Regular Agenda.

#14 was stricken from the agenda.

Vote on motion: 6 yeas, 0 nays, 1 absent (Cheshier).

E. DISCLOSURES OF CONFLICTS OF INTEREST

Allison stated he has a conflict with item #13 as he is employed by Trident Seafoods Inc.

van den Broek stated he has a conflict with #17 as he is employed by a proposer.

Both were deemed as conflicts so the Council members will recuse themselves from those discussions and votes.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers – four proposers on South Fill Lot 5 Block 2

a. David & Bootslyn Roemhildt

David Roemhildt, mile 6 CRH, explained their wish is to expand Redden Marine and Plumblin. They purchased property in the South Fill and moved their businesses into that building but have found that it is not large enough to support the functions of the two businesses. They need more retail show room space in order to provide Cordova with more products their vendors want to have available in Cordova. He explained how this proposed idea would greatly increase the sales tax, property tax and create construction jobs for the initial construction. He added that he thinks it's great that Cordova has so many proposers interested in opening or expanding businesses in town. *Bradford* asked why he wasn't doing a two-story building. *Roemhildt* answered that he felt the two-story wasn't as efficient for a retail building. *Kacsh* pointed out that if he is planning to build or utilize the two properties in conjunction then he may need to have a re-plat of the properties done. *Roemhildt* agreed that it will need to be looked into. *Bradford* asked when they anticipate completing the new building. *Roemhildt* responded that they expect to do that within two-years starting next summer.

b. Vicki & Jerry Blackler

Jerry Blackler, 921 Center Dr., explained that they want to move Shipyard Rentals and the hydraulic division of Alpine Diesel onto that lot because it's a prime location for them. *Beedle* asked what kind of structure he'd be looking at building. *Blackler* responded that it would be a 45x70 single story with lofts for storage. *Kacsh* asked about time frame. *Blackler* replied that they would like to have it completed this year. *Bradford* asked if there was something on the North Fill that would be more desirable for him. *Blackler* responded that he actually would prefer the North Fill but it's not available currently.

c. Becky Chapek

Becky Chapek explained that she had presented two proposals. The first is that she would like to move the Depot Diner to town. She stated that the City needs more restaurants to be open year round. She would like to add an event room onto the back of it. The second proposal was for a multi-use kitchen with a laundry facility. She currently has a multi-use kitchen that she rents out. She would like to eventually sell the businesses out to other parties. The diner is 22x56 with decks on both sides. **Bradford** inquired about a manager she is looking to employ to run the diner. **Chapek** replied that it is a family and she would hold the papers for a year until they had things established and then sell it. **Beedle** inquired on the time frame. She responded that the Diner could be moved within the year and the event room could be added on shortly after that.

d. Native Village of Eyak

Angela Arnold, 406 Council Ave, NVE would like to move their museum and gift shop to the new lot. She stated that there are four good reasons for the Council to choose them as the winning proposer. 1) They offered the highest price. 2) Their structure has the highest value. 3) They are one of the largest year round employers in Cordova. 4) It was argued at a previous meeting that the proposal doesn't qualify for a waterfront commercial park district. But it does, the creators of the Waterfront Commercial Park District Ordinance specifically identified this type of proposal as desired use under Ordinance 18.39.020G as a gift shop and visitor/information center. **Bradford** asked what the building value was. **Arnold** responded that it was \$1.5 million. **Kacsh** asked if NVE pays property tax. **Arnold** responded that they do. They are not required to but choose to pay as good citizens pay property tax and sales tax. She added that they will be employing an architect within 6 months. They expect it to be built within two years. **Beedle** raised a concern with snow removal. **Arnold** responded that they always take care of snow removal and have parking spaces mapped out in the proposal. She wondered if the current City Library/Museum location may be a better location for such a structure – and if the City was willing to turn it over to NVE.

2. Audience comments regarding agenda items

Jason Borer, 325 First St., stated that it's a good position the Council is in with all the businesses being interested in the new lots. He hopes the Council is able to find land for all these great ideas to take off from. He spoke in favor of NVE's proposal.

3. Chairpersons and Representatives of Boards and Commissions

Harbor Commission, **Beedle** reported that the breakwater and the ramp have been included in the Governor's budget and they are excited about getting started on those.

Health Services Board, **Allison** reported that their next Regular meeting is next week.

G. APPROVAL OF CONSENT CALENDAR

Vice-Mayor Reggiani informed Council that the Consent Calendar was before them.

4. Record excused absence of Council member van den Broek from the 06-01-11 Regular Meeting.

5. Proclamation of Appreciation to Irene Webber

Vice-Mayor Reggiani read the Proclamation of Appreciation for Irene Webber to the audience.

Vote on Consent Calendar: 6 yeas, 0 nays, 1 absent (Cheshier). van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes; Reggiani – yes and Beedle – yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES – none

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

6. Mayor's Report – not present

7. Manager's Report – not present

8. City Clerk's Report – Written report is in the packet

9. Staff Reports

a. **Josh Hallquist**, COR, Cordova Center Project

He informed the Council that the most recent schedule submitted pushed the completion date to the end of March. The 8th application for payment has been submitted and approved. The color selection for the roof has been made and the color decisions on the siding and trim will be made shortly. The architect has discontinued his weekly visits as he doesn't see that they are necessary. **Beedle** inquired if **Hallquist** felt the architect should still be coming weekly. **Hallquist** stated he felt the architect visits should continue and has sent a letter to that effect. **Bradford** clarified with **Hallquist** that as the City of Cordova's representative he would like MRV to continue to show up weekly and they are refusing. He asked if **Lynch** had done anything. **Hallquist** responded in the affirmative and that **Lynch** has had other things more pressing to deal with but is aware of the situation and he is sure he will do something. There is a concern with the concrete contractors that is being worked out. **Bradford** asked **Hallquist** to inform the Council if things don't change with MRV and if action needs to be taken. **Reggiani** added that he is sure Council would even be willing to do a special meeting if it is needed.

b. **Cathy Sherman**, Cordova Center Phase II

Sherman reported that **Lynch** is recovering and will be back in the office soon. She said in response to the auditor's recommendations in the work session that she has learned a lot and they are now reconciling every two weeks in order to keep on track. She updated the Council on a few funding sources she is working with and that the last changes are being made on the floor plans for Phase II. They are looking into the option of a ground source heat pump since acquiring the Redden property that decision will be made in the next day or so. P&Z did a parking review and will review the sidewalks at their next meeting. She is meeting with the Chamber of Commerce tomorrow to design roles and map out the business plan for marketing. She stated that the contractors are obligated to the October deadline even if they are saying March. The RFP for art will be sent out shortly.

K. CORRESPONDENCE

- 10. Postcard from Kim Menster in re Prince William Sound Science Center
- 11. Letter from Mayor to Governor in re Capital Projects in budget
- 12. Letter from Clay Koplin in re Ordinance 1082.

Bradford inquired if anything is being done in regards to **Koplin's** letter. **van den Broek** stated that the letter was probably submitted with Ordinance 1082 as it was on the agenda and as it is not any longer he requested the letter be included in the future when Ordinance 1082 is brought back before them.

L. ORDINANCES AND RESOLUTIONS

13. Ordinance 1081

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Trident Seafood's Corporation of Tract 2, Alaska Tidelands Survey No. 220, Cordova Recording District – 2nd reading

M/Bradford S/Kacsh to adopt Ordinance 1081, an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Trident Seafood's Corporation of Tract 2, Alaska Tidelands Survey No. 220, Cordova Recording District.

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

~~14. Ordinance 1082 (back at the attorney's office for revisions)~~ stricken from the agenda during approval of regular agenda

15. Ordinance 1083

An ordinance of the City of Cordova, Alaska, amending Cordova Municipal Code section 14.16.260 to increase the monthly flat rate for sewer service – 1st reading

M/Kacsh S/Bradford to approve Ordinance 1083, an ordinance of the City of Cordova, Alaska, amending Cordova Municipal Code section 14.16.260 to increase the monthly flat rate for sewer service.

Moe Zamarron informed Council that according to a previous Ordinance 988 they are supposed to be putting back \$50K a year for improvement costs that is aimed at depreciation of our fixed assets (equipment, facilities etc.) Typically they secure 70/30 grants for work done in the water and sewer department; which means the City has to come up with 30%. He explained how the numbers for the depreciation, grant split, and money collected don't match. He stated that this is a nine year plan, retro to 2006 when the original Ordinance was passed, so that they should not have to raise sewer rates for another 5 years. **Reggiani** stated that he appreciates where **Zamarron** is going and thinks Council agrees with his intent but disagrees with an increase now because we have done a budget already that balanced. He does not want to increase the budget and added that they set the rates in January which would have been a more appropriate time. They had just met with the auditor today who said the water/sewer department is actually coming out ahead. **Ashley Royal** responded that he does not think the numbers presented in the audit took into consideration the full depreciation replacement numbers. He added that the set fee schedule done in January was for rates reviewed annually and the water/sewer rate is an Ordinance change. **Zamarron** responded that this rate increase was included in the budget process it just hasn't been instituted yet. **Allison** said he thought the budget was set based on the current rates and that the appropriate time to look at increases is budget time. He added that Council has discussed several budget increase requests over the last few months and the response has been that it should be dealt with during the budget cycle and he thinks that would be a better time to discuss this increase as well.

M/Allison S/Bradford to refer back to staff until the revenue is discussed in the budgeting cycle.

Kacsh stated he is not in favor of putting the discussion off just to shoot it down. If we want to shoot it down we should do that now or it will just keep coming back. **Beedle** inquired if the increased amount would change if the time frame is changed. **Zamarron** responded that the dates and amounts can be adjusted. **Bradford** stated he would like to see the rate increase to be included in the budget and as a discussion item at the next Council meeting. **van den Broek** asked if referring back to staff requires a separate Ordinance. **Allison** replied that if it is a change it will have to be an ordinance but it could also just be a discussion item.

Vote on motion: 4 yeas, 2 nays, 1 absent (Cheshier). Allison – yes; Bradford – yes; Reggiani – yes; Beedle – yes; van den Broek – no and Kacsh – no. Motion was approved.

16. Resolution 06-11-34

A resolution of the City Council of the City of Cordova, Alaska, authorizing the City to issue general obligation bonds in the principal amount of not to exceed \$500,000 to provide funds for the planning, design and construction of school and related capital improvements, fixing certain details of such bonds and authorizing their sale.

M/Kacsh S/Allison to approve Resolution 06-11-34, a resolution of the City Council of the City of Cordova, Alaska, authorizing the City to issue general obligation bonds in the principal amount of not to exceed \$500,000 to provide funds for the planning, design and construction of school and related capital improvements, fixing certain details of such bonds and authorizing their sale.

Bourgeois clarified for Council that this resolution is for the sale of the bonds for the school.

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

M. UNFINISHED BUSINESS

17. Land sale proposals – South Fill Lot 5, Block 2

M/Allison S/Bradford to approve the proposal from Roemhildt.

Allison stated he would like to see the Council do what they can to support all of the businesses and commended all of the proposers. He added that he thinks there are enough properties around town that they can accommodate the businesses in appropriate locations. **Allison** stated that he feels that Roemhildt's need for the property, considering that it will cost more in the long run if they have to build their expanding business elsewhere, is the best option. To be able to have the adjoining property will allow two successful businesses to expand and benefit the fleet. All the proposers had great proposals and he hopes they will continue with their plans but as for the lot in question this is the better choice.

Council took a 5 minute recess at 9:00 PM

Meeting reconvened at 9:05 PM

Restated motion: **M/Allison S/Bradford** to award the land sale proposal of the South Fill Lot 5, Block 2 to the Roemhildt's.

Beedle stated that he sees holes in the Roemhildt's proposal. NVE has lots of employees so he questions whether Roemhildt's are the best choice. He doesn't want to designate land by these discussions for other businesses before they can be reviewed specifically for those properties. **Bradford** agreed with **Allison** that all the proposals were really good. He is in favor of the Roemhildt's proposal because it fits the purpose of the South Fill and its helping to expand existing businesses. He added that he would like to keep focused on getting the permitting to make more land available to these other proposers. **Kacsh** also agreed with **Allison**, although the decision was tough, having all of their resources in one location just makes sense. The other proposals have other options but the Roemhildt's use for the property can't be filled as well by another piece of property.

Vote on motion: 5 yeas, 0 nays, 1 conflict of interest (van den Broek), 1 absent (Cheshier). Motion was approved.

N. NEW & MISCELLANEOUS BUSINESS

18. Pending Agenda and Calendar

- Second Regular meeting on July 20th is a go but at 7:00 pm
- Joint work session with the HSB immediately following the Regular meeting on July 20th

O. AUDIENCE PARTICIPATION

David Roemhildt thanked the Council for their consideration of their proposal. He stated that the in 2003 when North Pacific closed down things didn't look good which will always happen in a resource based community. He requested that the City be really serious about striking while the iron is hot with land infrastructure to make Cordova a better place to live. He would like to see the City go outside the normal channels of business in order to improve things quickly and not get bogged down by the normal business time-frames.

Jennifer Gibbons, Browning St, thanked the City for their support for the 4th of July Main St. picnic. She will be writing something in respect to that many communities are not doing much because their economies aren't doing well but we still were able to do a great event.

P. COUNCIL COMMENTS

19. Council Comments

Beedle stated that tonight there was a tough decision and hopes the other proposers find a place.

Allison stated that the other proposers left the meeting already but he will be contacting each of them individually in hopes that the City can work with them too and to encourage them to keep looking.

Bradford stated that he is seeing new faces in town and heard from some of them that they enjoyed the 4th of July festivities and will be back next year. He added that the proposals were great and is looking forward to finding new homes for each of them.

Van den Broek stated he felt like the discussion for the proposals looked like a popularity contest. It would have been nice to hear some in-depth discussions on the financial benefit more than just the best sounding proposal.

Kacsh stated that we need to make more land and would like to see the South Fill expansion go rapidly.

Reggiani stated that he looked in-depth at the proposals before coming to the meeting tonight considering how it will impact the City and was please with the presentations today. He thinks the Council made a good decision on the proposals. He added that behind a good audit is a good staff.

Q. ADJOURNMENT

M/Allison S/Kacsh to adjourn the regular meeting at 9:33 pm

Hearing no objection, the meeting was adjourned.

Approved:

Attest: _____
Robyn Kincaid, Deputy City Clerk

**CITY COUNCIL JOINT WORK SESSION WITH THE
COMMUNITY HEALTH SERVICES BOARD**

**JULY 06, 2011 @ 6:15 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Vice Mayor Dave Reggiani called the Council Work Session to order at 6:15 pm on July 06, 2011 in the Library Meeting Room.

B. ROLL CALL

Present for roll call were Council members *James Kacsh*, *David Allison*, *Bret Bradford* and *Dave Reggiani*. Absent were *Mayor James Kallander* and Council members *Keith van den Broek*, *EJ Cheshier* and *Robert Beedle*. Health Services Board members present for roll call were President *David Allison*, *Kristin Carpenter*, *Sandra Aspen*, *Tim Joyce* and *Kerin Kramer*. Absent was Health Services Board member *EJ Cheshier*. Also present was City Clerk *Susan Bourgeois*. Quorums of City Council and Health Services Board were established.

Vice Mayor Reggiani asked if there were any conflicts of interest to declare. *Kerin Kramer* is employed by NVE and they have put in a proposal so she declared that as a conflict. *Reggiani* said he agreed and asked her to refrain from discussion at this work session.

C. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience Comments regarding agenda items

Angela Arnold of 406 Council thanked everyone for reviewing all of the proposals. She wanted everyone to know that the Native Village of Eyak was sincere with its proposal to help with the administration of CCMC and that the offer is still on the table – she didn't see their proposal in the packet and questioned why *Kerin Kramer* had to declare a conflict if NVE isn't being discussed this time.

D. WORK SESSION TOPIC

2. Discussion of proposals and identification of follow-up questions to ask proposers for further clarification

Tim Joyce said as a comment to the public comment, that all four proposals are still being discussed, the two in the packet had been asked follow up questions which is why the answers to those questions were in the packet tonight for review. Native Village of Eyak's proposal was more straightforward and did not require further questions. *Allison* followed up by saying that the HSB did not want to preempt Council and therefore, hadn't eliminated any of the proposals.

Council member *Keith van den Broek* arrived at 6:20 pm. Council member *Robert Beedle* arrived at 6:25 pm.

Allison gave an overview of where they are to date. The HSB has met twice on the topic; they have looked at all the proposals and looked at compliance to the RFP. Wrangell for example had no costs in it – they simply said negotiated. NVE's proposal was not comprehensive for all health services; it did not include long term care and sound alternatives for example. Their price was nothing except for ownership and maintenance of the building itself. They didn't spend too much time on this because of all the costs that they would still have to incur. They decided that an in-depth financial analysis would be necessary to really determine the feasibility of that proposal. They, therefore, spent a lot of time on Providence and QHR. *Allison* said it came down to one important fundamental question; did we want to maintain an active role or did we want to hand it over. He said the proposals varied in what role a City board would have (i.e. advisory or governing). He said the board thought Providence and NVE were two that we would really hand over control – there would be advisory boards in either of those scenarios. If we went with QHR we would maintain an active role with a decision making board. *Carpenter* mentioned that the

Providence scenario might mean we could become more of a feeder station to the services they offer in Anchorage whereas QHR wouldn't have a home base to direct our patients to but would instead be more willing to develop our services right here. Similarly, *Allison* mentioned that with Wrangell running our hospital there could be grant competition between Wrangell's hospital and ours. *Allison* said that initially the HSB seemed to lean toward QHR but then they felt there were a lot of questions they still needed answered. *Aspen* said that with QHR there would be a pool of CEO's to choose from and our CFO would remain whereas Providence would bring in their own CEO and CFO. *Reggiani* asked about the word "control" and handing over power etc. however, ultimately, any of these entities would still be under **contract** with the City. There was agreement to that statement. There would be City contracts involved. Yes, *Allison* said, ultimately there would be a City contract and we could say, "we don't want you managing our health services anymore" and they could be gone. *Joyce* mentioned the "type of board" dilemma as well – advisory or policy making – which do we (i.e. the community) want? Then, he continued, do we have charter, code changes to make? Do we want an appointed board? an elected board? He went on to wonder if we have enough people in the community interested to take on this role? The alternative is going with a company with a proven track record that says we will "take this off your hands".

Carpenter mentioned that the cost of professionals running the hospital seems high but the benefits are access to resources as well as proven abilities as far as recruitment of quality providers. The goal is to get to financial stability. *Beedle* said when you look at an advisory board vs. a board in control, we have been using the control board model and we haven't been doing so well.

E. AUDIENCE PARTICIPATION – none

F. COUNCIL AND BOARD MEMBER COMMENTS

Aspen likes the idea of opening us up to more services; more pools of employees – broadening our horizons – bringing in new resources.

Carpenter leans toward maintaining control as a governing board. She said the community has so much vested in the hospital she wants to maintain the ability to contribute local knowledge.

Allison has yet to really make up his mind – he agrees that if we do stick with a governing board, some changes within that system still need to be made. He does question whether the expertise exists in the community to run that board well. He would like direction on what Council wants HSB to do next in this process. He also said that *Nichole Hunt* from Coding Concepts will be in and he hopes she can give her input.

Joyce agrees with *Allison* and would also like direction from Council.

Bradford said he likes QHR as well as NVE. He would like to meet with the HSB again.

van den Broek leans toward a local advisory board over a governing board. He believes the community's quirks etc. can be conveyed in that way.

Kacsh thinks that we don't need a governing board either – he like an advisory situation. He would like the HSB to make a recommendation to Council.

Reggiani thinks this meeting was not long enough. There will be another Joint Work Session on at a time to be determined. *Nichole Hunt* should be present at such a meeting.

G. ADJOURNMENT

M/Bradford S/Kacsh to adjourn the work session at 6:55 pm.

Hearing no objection, the work session was adjourned.

Approved: July 20, 2011

Attest: _____

Susan Bourgeois, City Clerk

CITY CLERK'S REPORT TO COUNCIL

July 20, 2011 Regular Council Meeting

Date of Report: July 13, 2011

Council/Mayor Matters: completed post-7/6/11 work sessions, public hearing and regular meeting clean-up, printing, signing, scanning, advertising, distributing and posting on City website, minutes, ordinances, resolutions etc.; completed pre-07/20/11 work session and regular meeting prep, compiling, writing, editing, minutes, resolutions, ordinances, other agenda items from different departments, attorney, manager, Mayor or Vice-Mayor and Council; post agendas and packets to City website; gave Mayor recap of meetings and discussed with him briefly; sent recap email to KCHU of meeting votes/issues

Property Tax Matters/Deputy Clerk: we handled everyday responses to property tax requests from banks, mortgage companies, citizens, other departments

Elections: sent an occasional voter registration form to Division of Elections

Records Requests: daily phone calls and/or drop-ins with Clerk's department questions, property tax questions and procedural matters; answered records question concerning number of times AIGCO appeared on and agenda (16 Council agendas since 10/2/2007)

Invoices: coded, approved & submitted regular department bills for payment to accounts payable; signed City payroll and accounts payable checks

City Vehicles and Equipment: renewed registrations for City vehicles through online DMV service

Cemetery: contacted magistrate and hospital to revamp cemetery burial request process - ongoing

Cordova Center: attended Cordova Center Task Force (owner's) meeting on July 6, 2011; worked with Cathy and architect on Clerk's department floor plan concerns

Attorney Contact: worked with Holly on resolution in re Acting City Manager

General Office: compiled quarterly reports from all departments; notarized City and purchaser signatures for City land sale

Other: assisted a health care RFP proposer in Mark's absence; assisted Western Financial Group in completing the bond bank application for the school ILP building project; assisted planning department in working up multiple agenda items for regular meeting packet; worked with CCMC staff to HSB in order to prepare for joint work session of 07-20-11; helped plan and cook for and set-up and clean-up City pig-nic on Friday July 8 - a huge success!!

MEMORANDUM

TO: City Manager Lynch
FROM: Harbormaster Muma
DATE: 7/1/2011
RE: Quarterly Activity Report/Apr.-June 2011

Exclusive Slips Assigned	616 out of 715 Total Slips			86% Occupancy (as of 6/30/11)
	April	May	June	Total
Vessels Charged Daily Rate	20	120	134	274
Vessels Charged Monthly Rate	1	10	4	15
Vessels In Impound Status	0	0	0	2
Vessel Lifts	11	14	26	51
Port Arrivals:				
Shoreside	2	3	1	6
Samson	2	1	1	4
Used Oil Collected(gallons)	8,630			
Used Oil Collected(Jan.-June)	12,480			
Vessels Towed	1			
Vessels Pumped	0			
Vessel Bilges Pumped	6			
Vessel Sewage Tanks Pumped	0			

GENERAL ACTIVITIES

- * Bilge pump maintenance
- * Electrical repairs
- * Emergency phone inspections
- * Fire extinguisher inspections
- * Fire extinguisher maintenance
- * Incinerate sorbents
- * Maintenance to all hoists for annual certification
- * Painting harbor office entry
- * Painting harbor restrooms
- * Pump maintenance
- * Pump used oil
- * Install hoist at Loading Dock
- * Water on to all facilities
- * Repair G Float waterline
- * Place Porta Potti at boat haulout
- * Clean exterior of harbor office
- * Snow removal
- * Skiff maintenance/clean bottom

Memorandum

To: City Council, Mark Lynch, City Manager
From: Samantha Greenwood, City Planner Faith Wheeler-Jeppson, Assistant Planner
Date: 7/11/2011
RE: Quarterly Report, 2nd Quarter 2011

The following is a summary of the activities the Planning Department has been involved in during the 2nd quarter period.

Current Planning Activities

Staff has worked on multiple property disposals. Two lots on the South Fill have been awarded and are in the purchase agreement write up process. Lots 1-4 in the Original Townsite have been advertised and the proposal is being reviewed. The sale of Lot 13, Block 13 is complete. The sales agreement and performance deed of trust for Harborside Pizza will be signed this week.

The 2006 land disposal maps have been edited and updated and will undergo the final review at the July 12th P&Z meeting.

Code revision update

The paralegal is working on definitions for all sections

Chapter 16 is currently the focus with staff and the lawyer. The state amendments to the International Building Code have been compiled and we are currently looking at local amendments.

Chapter 17 Research is being done on adding sections to address utility easement vacations, site plan reviews being done by staff, streamlined process for plat lot line adjustments and merging of lot lines, and an overall review of the platting process

Chapter 18 Collecting, compiling and noting suggestions for this chapter as we work through 16 & 17, and deal with everyday code questions.

Chapter 5.22 is getting close to a point draft point for review by the City Manager and P&Z the land disposal maps were a crucial part of this section. The code will be discussed at the July 12th meeting and these discussions will be incorporated into the chapter.

Progress is being made with Samson on the land swap at the Shipyard, a draft agreement has been written and is being reviewed by the lawyers. We are discussing the logistics and details involved with the actual move.

Chugach Alaska Corporation has agreed to consider the idea of a land swap and we have begun the process of looking at options.

Staff has received numerous calls and office visits during this period mostly related to ongoing projects, Building Permits and Zoning related matters.

Building Permits issued in the 2nd Quarter.

Staff issued a Building Permit to Trident Seafoods for the renovations to the Whitney Building on April 13, 2011.
Staff issued a Building Permit to Native Village of Eyak for an accessory training building on April 13, 2011
Staff issued a Building Permit to Trident North for an accessory building on April 13, 2011.
Staff issued a Building Permit to Camtu for a Waterfront Commercial Building on April 19, 2011.
Staff issued a Building Permit to Chris Bourgeois for the construction of a warehouse on April 20, 2011.
Staff issued a Building Permit to the Reluctant Fisherman Inn for repairs on April 25, 2011.
Staff issued a Building Permit to Joe Jensen for the construction of a carport on May 4, 2011.
Staff issued a Building Permit to Jason Perkins for the construction of a shop/warehouse on May 4, 2011.

Staff issued a Building Permit to Wilson Enterprises for exterior upgrades on May 4, 2011.
Staff issued a Building Permit to Brian Rutzer for an enclosed porch on May 12, 2011.
Staff issued a Building Permit to Trident North to construct the Screen House Building on May 12, 2011.
Staff issued a Building Permit to Linden O'Toole for the conversion of office space on May 12, 2011.
Staff issued a Building Permit to Alpine Diesel to construct a shop on May 16, 2011.
Staff issued a Building Permit to Tom Prijatel for exterior upgrades on May 23, 2011.
Staff issued a Building Permit to Darla Church for exterior upgrades on May 31, 2011.
Staff issued a Building Permit to the CVFD for the installation of a fence on June 7, 2011.
Staff issued a Building Permit to George Covell for the construction of a shop on June 8, 2011.
Staff issued a Building Permit to Lyle Kritchen for the construction of 2 shops on June 9, 2011.
Staff issued a Building Permit to Moe Zamarron for complete renovations on June 17th, 2011.
Staff issued a Building Permit to James Webber to construct a single family home on June 17, 2011.
Staff issued a Building Permit to Becky Chapek for placement of a modular unit on June 27, 2011.

Long Range Planning Activities

Continue to work on electronic file structure and organization moving towards paperless as much as possible.

Continue to update parcel layer with spatial and tabular data

Work with Clerks Office to get a map and tax table on the web page.

Have all forms and pertinent information on web page for public access.

In conclusion, this constitutes part of the activities that have occurred during the 2nd quarter of 2011. Feel free to contact me if you have any questions.

CORDOVA VOLUNTEER FIRE DEPARTMENT

2nd Quarter Report 2011

During the 2nd quarter the members of the Cordova Volunteer Fire Department worked on several projects in addition to Thursday night trainings.

- 504 man hours for Thursday night meetings
- 56 man hours of Public Education Taught
- 267 man hours on other Fire Department Related activities
- 11 Fire runs for a total of 123 man hours
- 26 EMS runs for a total of 137 man hours

Attached you will find the Fire department monthly activities for this quarter.

Monthly Activity 4-11

			Attendance	Hours	Total Man Hours
Date	Thursday Meetings				
4/7	No Meeting due to weather		0	0	0
4/14	Business meeting		14	2	28
4/21	Radios training		14	3	42
4/28	Seatbelt training		16	2.5	40
	Total		44	7.5	110
Date	Public Education Taught				
	Total		0	0	0
Date	Other Activities				
4/7	Emergency management conference		2	3	6
4/8	Emergency management conference		2	40	80
4/9	Introduction to NFIRS 5.0		2	16	32
4/16	CPR instructor class		3	3.5	10.5
4/17	CPR instructor class		4	9	36
4/21	Public safety building committee		2	4	8
4/28	Jr. Firefighters		2	1	2
4/29	Health fair setup		9	1	9
4/30	Health fair		12	5	60
4/30	Head Shaving fund raiser		14	1.5	21
	Total		52	84	264.5
Date		Fire Runs			
4/5	11-14	Oil sheen reported by North Star Lumber	3	0.5	1.5
		Total	3	0.5	1.5
Date		Amb. Runs			
4/13	11-35	Man unconscious but breathing	4	0.5	2
4/15	11-36	Man drinking - possible seizure	3	1	3
4/18	11-37	Medical transport	3	1.5	4.5
4/22	11-38	Medical transport	4	1	4
4/23	11-39	Freon inhalation	4	0.5	2
4/27	11-40	Medical transport	5	1.5	7.5
		Total	23	6	23
		Total hours for the month of April			399

Monthly Activity 5-11

Monthly Activity 5-11			Attendance	Hours	Total Man Hours
Thursday Meetings					
5/5	Run reviews		5	1	5
5/5	Splinting training		4	2	8
5/5	Harbor 10 and floato-pump training		14	2.5	35
5/12	Business meeting		16	2	32
5/19	Communication video		22	2	44
5/26	DOT trailer familiarization		24	2	48
Total			85	11.5	172
Public Education Taught					
5/7	CPR/First aid		2	8	16
5/14	CPR/First aid		2	8	16
5/15	CPR/First aid		2	8	16
5/27	CPR/First aid		1	8	8
Total			7	32	56
Other Activities					
5/26	Inputting runs into Aurora		1	2	2
Total			1	2	2
Date		Fire Runs			
5/6	11-15	Chemical leak	1	0.5	0.5
5/17	11-16	BBQ grill fire	16	0.5	8
5/27	11-17	House fire	19	2.5	47.5
5/27	11-18	Smoking insulation	10	1	10
Total			46	4.5	66
Date		Amb. Runs			
5/2	11-041	Teenage male fell	4	1	4
5/2	11-042	Medical transport	2	2	4
5/12	11-043	Woman with dizziness	4	1	4
5/17	11-044	Man with weakness	4	0.5	2
5/19	11-045	Medical transport	4	1.5	6
5/19	11-046	3 people with hypothermia	4	1.5	6
5/22	11-047	Medical transport	3	1.5	4.5
5/23	11-048	MVC	4	1	4
5/23	11-049	Man who fell and hurt his back	5	1	5
5/24	11-050	Fallen woman	3	0.5	1.5
5/27	11-051	MVA involving 3 people	7	1.5	10.5
5/27	11-052	Officer needing assistance	8	1	8
5/28	11-053	Medical transport	3	2	6
Total			55	16	65.5
Total hours for the month of May					361.5

Monthly Activity 6-11

			Attendance	Hours	Total Man Hours
Date	Thursday Meetings				
6/2	Pediatric training and Ambulance switchover		5	2	10
6/2	Vehicle accident critique and Maintenance		20	3	60
6/9	Business meeting		13	3	39
6/16	K12 Spice presentation/class		12	3	36
6/16	Big pump drafting training		4	2	8
6/23	Extrication training and Ambulance inventory		11	3	33
6/30	Responder ready class		12	3	36
	Total		77	19	222
Date	Public Education Taught				
	Total		0	0	0
Date	Other Activities				
			0	0	0
	Total				0
Date	Fire Runs				
6/2	11-19	False alarm	17	0.5	8.5
6/6	11-20	Trailer on fire/False alarm	13	1	13
6/11	11-21	Motor vehicle accident	13	1.5	19.5
6/12	11-22	Hazmat clean-up from motor vehicle accident	1	1	1
6/12	11-23	Hazmat clean-up from motor vehicle accident	1	0.5	0.5
6/18	11-24	Structure fire/smoke in building	12	1	12
	Total		57	5.5	54.5
Date	Amb. Runs				
6/11	11-54	Motor vehicle accident	13	2	26
6/11	11-55	Man hit by a car	3	1	3
6/11	11-56	Medical transport to mile 13	2	1.5	3
6/12	11-57	Female with heart pain	3	2	6
6/13	11-58	Medical transport to mile 13	3	1.5	4.5
6/15	11-59	Medical transport to mile 13	2	2	4
6/16	11-60	Woman with back pain	3	0.5	1.5
	Total		29	10.5	48
	Total hours for the month of June				324.5



UBS Financial Services Inc.
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Anchorage, Alaska 99503

Anchorage Office

Fax. 907-261-5990

www.ubs.com

July 13, 2011

City Council Members and Staff
City of Cordova, Alaska
602 Railroad Avenue
Cordova, Alaska 99574

Dear Council Members and Staff,

As of July 11, 2011 the City of Cordova has a total of \$13,952,777 on deposit with UBS, distributed among six funded accounts. Four of these accounts are under active investment management, three of which are fixed income accounts managed by Sage Advisors and one Permanent Fund account invested in the Pace balanced mutual fund program. The assets under active management totaled \$11,167,743 between these four referenced accounts as of July 11, 2011. The remaining two accounts, one for the Permanent Fund and one for the Central Treasury, are being utilized as cash management accounts with the assets deposited in money market funds.

Cordova's portfolios have produced positive returns year to date, well ahead of money market rates. The composite performance of all of Cordova's accounts, including cash held in money markets, from December 31, 2010 through July 11, 2011 has been 2.28%.

Attached is a Consolidated Portfolio Performance report, which reflects all assets, held at UBS. In addition, there are separate composite performance reports for the Central Treasury and Permanent Fund accounts. I have also attached an individual performance report, which separates out the performance of the Pace balanced mutual fund account. As the Pace account contains equity, fixed income and alternative funds, I thought you might like to see some additional detail on performance and the asset allocation of this account. The reports in order are:

1. "Consolidated Portfolio Performance" of all six active accounts
2. "Central Treasury" composite report consisting of a cash account, a Sage Short-Term fixed income account and a Sage Intermediate-Term fixed income account.
3. "Permanent Fund" composite of three accounts, which includes the cash account, Sage Intermediate-Term fixed income account and Pace mutual fund portfolio
4. "Permanent Fund" Pace program mutual fund portfolio separated from above report for added information

During the first quarter of 2011 the world's attention was focused on the crisis in Japan and the turmoil in the Middle East. Today attention is directed towards the sovereign debt situation in Europe, as well as US domestic unemployment, the rapid growth in the US national debt and the debt limit ceiling stalemate. We are closely monitoring developments and will immediately bring forth any recommendations in changes to investment strategy. I have attached a research report for your review which addresses some of the current issues referenced above. I look forward to being with you in person during one of the upcoming council meetings in the near future. As always, thank you for the opportunity to assist Cordova.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®
Senior Vice President – Investments
Senior Managed Accounts Consultant.

Attached: July 11, 2011 performance reports,
Research report "Global risk watch", July 13, 2011



UBS Client Review

As of July 11, 2011

Prepared for

City of Cordova

Consolidated Portfolio

Performance

Accounts included in this review

[^] performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03543	• CORDOVA	• BSA
UC 03544	• CORDOVA	• BSA
UC 03545	• CORDOVA	• Basic Retail
UC 03546	• CORDOVA	• MAC Wrap
UC 03547 [^]	• CORDOVA	• Basic Retail
UC 03603	• CORDOVA	• Basic Retail
UC 04046	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

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What's inside

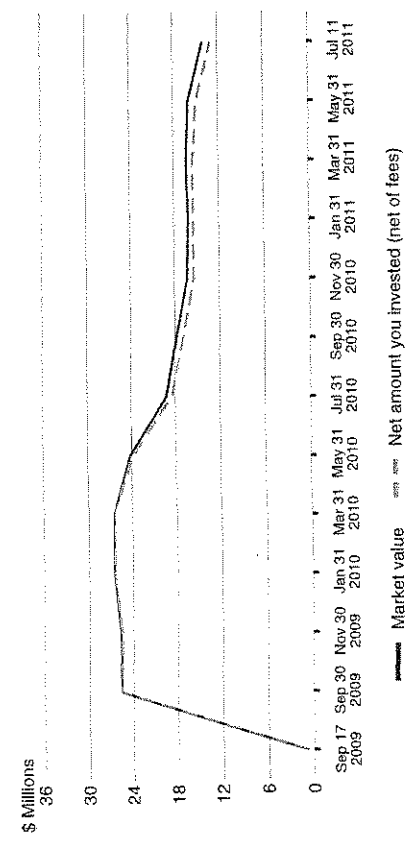
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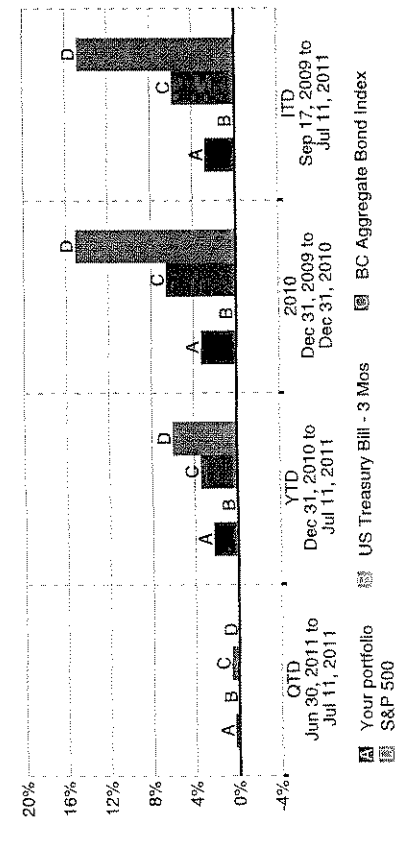
Performance review

as of July 11, 2011

Sources of portfolio value



Portfolio and selected benchmark returns



past performance does not guarantee future results and current performance may be lower or higher than past performance data presented.

Report created on: July 12, 2011

Portfolio value and investment returns

Performance returns (annualized > 1 year)					
	QTD	YTD	2010	2010	ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Jul 11, 2010 to Jul 11, 2011	Jul 11, 2009 to Jul 11, 2011
Opening value	13,902,851.18	16,101,459.59	27,552,002.80	800,000.00	800,000.00
Net deposits/withdrawals	0.00	-2,537,671.73	-12,363,132.60	11,949,069.12	
Div./interest income	1,050.88	102,008.08	499,476.55	555,028.24	
Change in acct. interest	3,793.50	-4,658.36	-78,140.00	31,272.40	
Change in market value	45,081.59	291,639.56	491,252.84	617,407.38	
Closing value	13,952,777.15	13,952,777.15	16,101,459.59	13,952,777.15	
Net Time-weighted ROR	0.36	2.28	3.29		2.79

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)					
	QTD	YTD	2010	2010	ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Jul 11, 2010 to Jul 11, 2011	Jul 11, 2009 to Jul 11, 2011
Your portfolio	0.36%	2.28%	3.29%	2.79%	
Cash and Cash Alt					
US Treasury Bill - 3 Mos	0.00	0.06	0.13	0.12	
Fixed Income					
BC Aggregate Bond Index	0.67	3.41	6.54	5.83	
Equities					
S&P 500	-0.03	6.00	15.06	14.76	



UBS Client Review

As of July 11, 2011

Prepared for

City of Cordova Central
Treasury

Accounts included in this review

Account	Name	Type
UC 03542	• CORDOVA	• MAC Wrap
UC 03543	• CORDOVA	• BSA
UC 04046	• CORDOVA	• MAC Wrap

Branch office:
3000 "a" Street
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Financial Advisor:
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What's inside

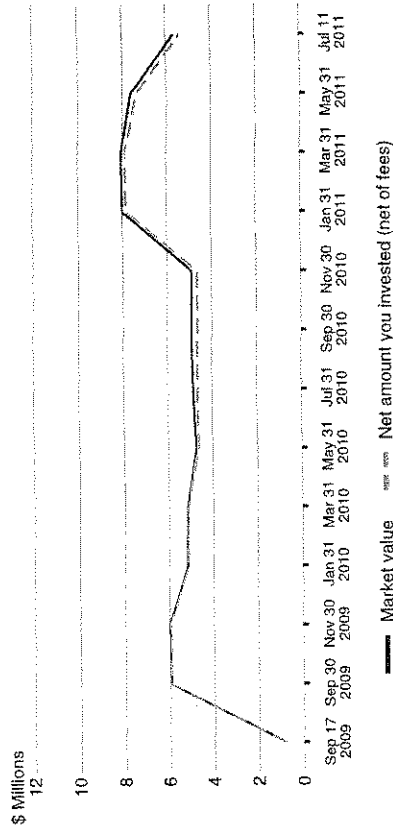
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Performance review

as of July 11, 2011

Sources of portfolio value

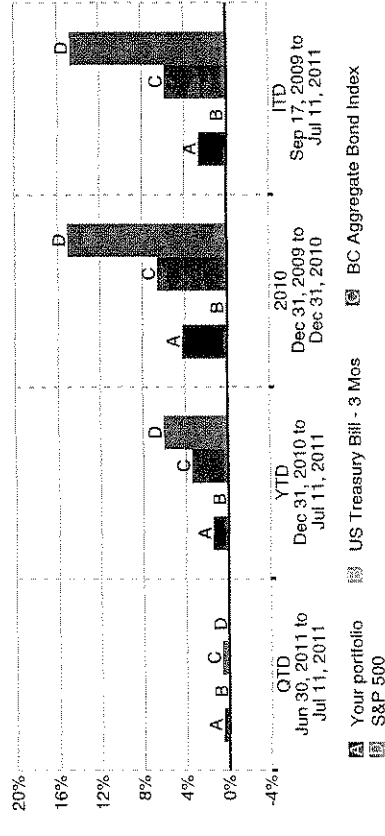


Portfolio value and investment returns

Performance returns (annualized > 1 year)					
	QTD	YTD	2010	2010	IID
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Dec 31, 2009 to Jul 11, 2011	Jun 30, 2009 to Jul 11, 2011
Opening value	5,629,417.65	7,612,402.78	5,794,545.62	800,000.00	
Net deposits/withdrawals	0.00	-2,064,309.68	1,581,181.55	4,555,046.11	
Div./interest income	-9.61	43,747.60	117,937.55	152,641.13	
Change in accr. interest	1,912.48	-9,238.11	-10,103.17	9,227.19	
Change in market value	29,731.50	78,449.44	128,841.23	144,137.59	
Closing value	5,661,052.03	5,661,052.03	7,612,402.78	5,661,052.03	
Net Time-weighted ROR	0.56	1.45	4.24	2.63	

Net deposits and withdrawals include program and account fees.

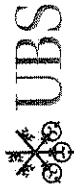
Portfolio and selected benchmark returns



Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)					
	QTD	YTD	2010	2010	IID
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Dec 31, 2009 to Jul 11, 2011	Jun 30, 2009 to Jul 11, 2011
Your portfolio	0.56%	1.45%	4.24%	2.63%	
Cash and Cash Alt					
US Treasury Bill - 3 Mos	0.00	0.06	0.13	0.12	
Fixed Income					
BC Aggregate Bond Index	0.67	3.41	6.54	5.83	
Equities					
S&P 500	-0.03	6.00	15.06	14.76	

† Past performance does not guarantee future results and current performance may be lower or higher than past performance data presented.



UBS Client Review

As of July 11, 2011

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Prepared for
City of Cordova Permanent Fund

Accounts included in this review

Account	Name	Type
UC 03544	• CORDOVA	• BSA
UC 03546	• CORDOVA	• MAC Wrap
UC 04047	• CORDOVA	• Pace Multi Advisor

What's inside

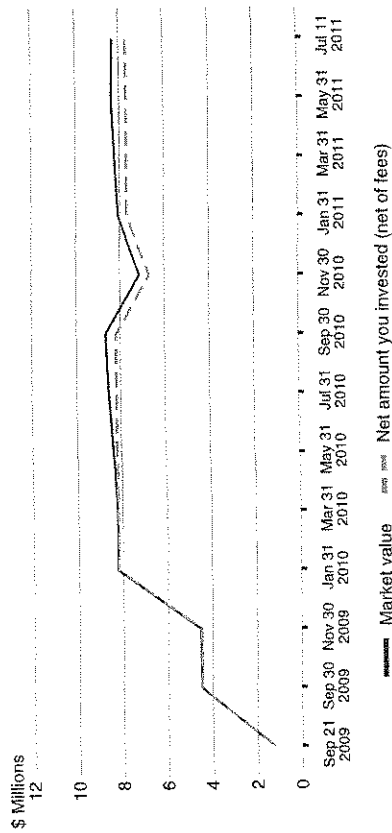
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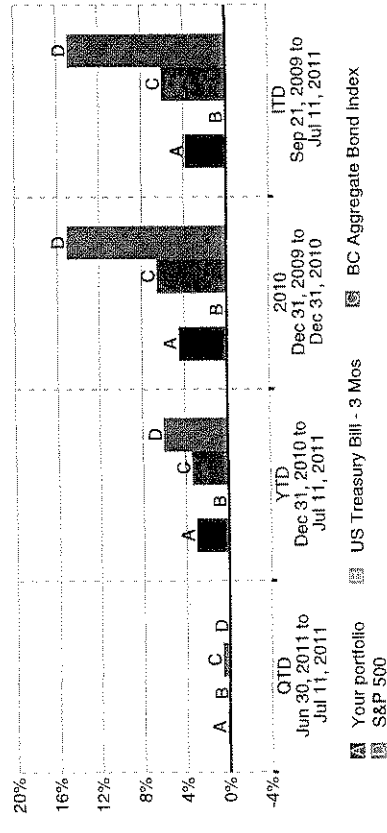
Performance review

as of July 11, 2011

Sources of portfolio value



Portfolio and selected benchmark returns



past performance does not guarantee future results and current performance may be lower or higher than past performance data presented.

Report created on: July 12, 2011

Portfolio value and investment returns

	Performance returns (annualized > 1 year)			
	QTD	YTD	2010	ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Sep 21, 2009 to Jul 11, 2011
Opening value	8,273,433.53	8,044,831.22	8,159,173.13	1,250,948.90
Net deposits/withdrawals	0.00	-29,237.55	-537,528.66	6,369,433.33
Div./interest income	1,060.49	56,435.93	184,238.80	229,145.24
Change in acct. interest	1,881.02	4,579.75	-5,699.59	22,045.21
Change in market value	15,350.08	215,115.76	244,647.54	420,152.44
Closing value	8,291,725.12	8,291,725.12	8,044,831.22	8,291,725.12
Net Time-weighted ROR	0.22	3.07	4.51	3.79

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

	Performance returns (annualized > 1 year)			
	QTD	YTD	2010	ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2009 to Dec 31, 2010	Sep 21, 2009 to Jul 11, 2011
Your portfolio	0.22%	3.07%	4.51%	3.79%
Cash and Cash Alt				
US Treasury Bill - 3 Mos	0.00	0.06	0.13	0.11
Fixed Income				
BC Aggregate Bond Index	0.67	3.41	6.54	6.02
Equities				
S&P 500	-0.03	6.00	15.06	14.91



UBS Client Review

As of July 11, 2011

Prepared for
City of Cordova

Accounts included in this review

Account	Name	Type
UC 04047	• City of Cordova Permanent Fund	• Pace Multi Advisor
Risk profile:	Aggressive/Speculative	
Return objective:	Capital Appreciation	

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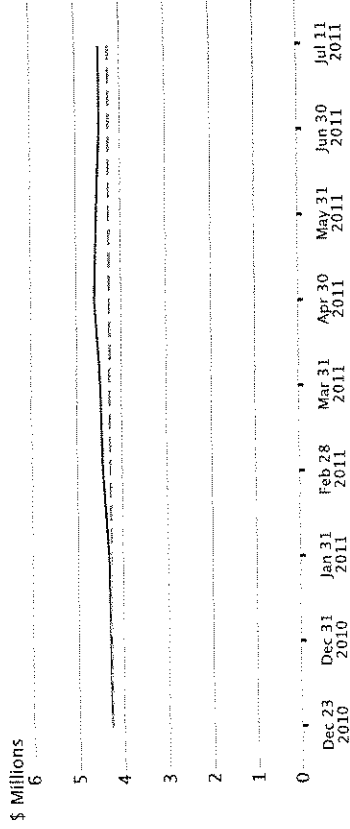
Financial Advisor:
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Performance review

as of July 11, 2011

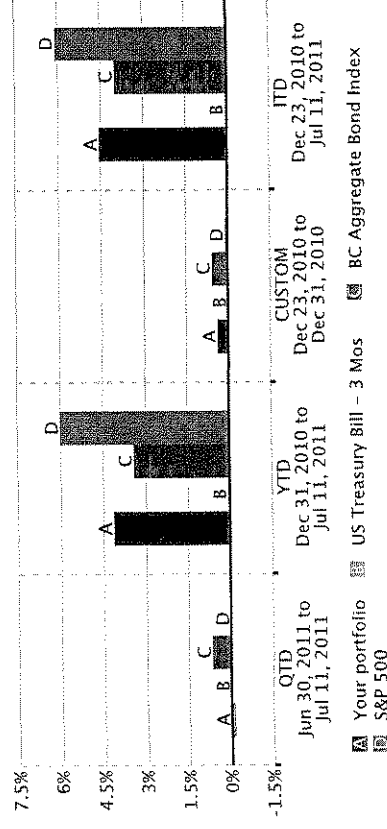
Sources of portfolio value



Net amount you invested (net of fees)

Market value

Portfolio and selected benchmark returns



past performance does not guarantee future results and current performance may be lower or higher than past performance data presented.

Report created on: July 12, 2011

Prepared for City of Cordova
UC 04047 • City of Cordova Permanent Fund • Pace Multi Advisor
Risk profile: Aggressive/Speculative
Return objective: Capital Appreciation

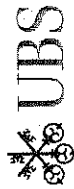
Portfolio value and investment returns

Performance returns (annualized > 1 year)					
	QTD		YTD		ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 23, 2010 to Jul 11, 2011
Opening value	4,469,714.63	4,286,480.47	4,286,480.47	4,269,999.99	4,269,999.99
Net deposits/withdrawals	0.00	-17,338.36	-17,338.36	-842.30	-18,180.66
Div./interest income	1,047.72	24,242.24	24,242.24	10,103.06	34,345.30
Change in accr. interest	0.00	0.00	0.00	0.00	0.00
Change in market value	-6,704.18	170,673.81	170,673.81	7,219.72	177,893.53
Closing value	4,464,058.16	4,464,058.16	4,464,058.16	4,286,480.47	4,464,058.16
Net Time-weighted ROR	-0.13	4.14	4.14	0.39	4.54

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)					
	QTD		YTD		ITD
	Jun 30, 2011 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 31, 2010 to Jul 11, 2011	Dec 23, 2010 to Jul 11, 2011
Your portfolio	-0.13%	4.14%	4.14%	0.39%	4.54%
Cash and Cash Alt					
US Treasury Bill - 3 Mos	0.00	0.06	0.06	0.00	0.06
Fixed Income					
BC Aggregate Bond Index	0.67	3.41	3.41	0.58	4.00
Equities					
S&P 500	-0.03	6.00	6.00	0.09	6.09

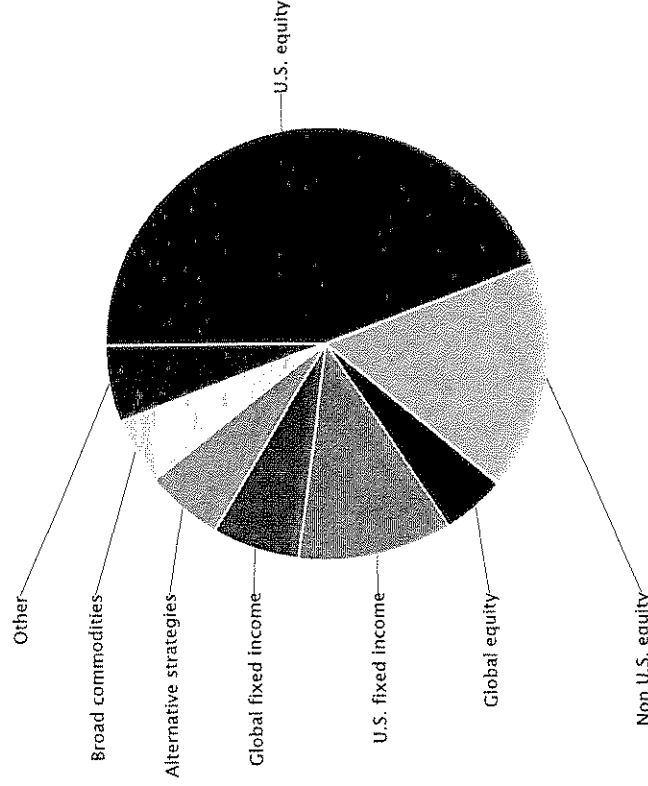


Asset allocation summary

as of July 11, 2011

Prepared for City of Cordova
UC 04047 • City of Cordova Permanent Fund • Pace Multi Advisor
Risk profile: Aggressive/Speculative
Return objective: Capital Appreciation

	Market value (\$)	% of portfolio
Cash and cash alternatives	0.00	0.00
Equities	2,942,854.25	65.92
U.S. equity	1,964,631.46	44.01
Large Cap	1,357,883.20	30.42
Growth	686,288.42	15.37
Value	671,594.77	15.04
Mid Cap	606,748.26	13.59
Growth	311,832.93	6.99
Value	294,915.33	6.61
Non U.S. equity	767,667.46	17.20
Developed markets	572,100.23	12.82
Emerging markets	195,567.23	4.38
Global equity	210,555.33	4.72
REITs	210,555.33	4.72
Fixed income	787,254.07	17.64
U.S. fixed income	497,809.73	11.15
Intermediate - investment grade	236,495.79	5.30
Core	236,495.79	5.30
Long term - investment grade	261,313.94	5.85
Core	261,313.94	5.85
Global fixed income	289,444.35	6.48
Global fixed income - unclassified	289,444.35	6.48
Alternative strategies	256,694.78	5.75
Long/Short equity	256,694.78	5.75
Equity diversifier	256,694.78	5.75
NA	256,694.78	5.75
Broad commodities	219,924.00	4.93
Broad commodities	219,924.00	4.93
Commodities	219,924.00	4.93
Real estate	0.00	0.00





Asset allocation summary - as of July 11, 2011 (continued)

	Market value (\$)	% of portfolio
Other	257,331.06	5.76
Balanced	257,331.06	5.76
Global balanced - unclassified	257,331.06	5.76
Total Portfolio	\$4,464,058.16	100%

Balanced mutual funds are allocated in the 'Other' category



Important information about this report

This section contains important disclosures regarding the information and valuations presented here. This report presents information since December 31, 2002. This report does not include complete account activity or performance of your accounts before this date. All information presented is subject to change at any time and is provided only as of the date indicated. The information in this report is for informational purposes only and should not be relied upon as the basis of an investment or liquidation decision. UBS Financial Services Inc. accounts statements and official tax documents are the only official record of your accounts and are not replaced, amended or superseded by any of the information presented in these reports.

UBS Financial Services Inc. offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including comprehensive financial planning, discretionary account management, non-discretionary investment advisory programs, and advice on the selection of investment managers and mutual funds offered through our investment advisory programs. When we act as your investment adviser, we will have a written agreement with you expressly acknowledging our investment advisory relationship with you and describing our obligations to you. At the beginning of our advisory relationship, we will give you our Form ADV brochure(s) for the program(s) you selected that provide detailed information about, among other things, the advisory services we provide, our fees, our personnel, our other business activities and financial industry affiliations and conflicts between our interests and your interests.

Please review the report content carefully and contact your Financial Advisor with any questions.

The account listing may or may not include all of your accounts with UBS Financial Services Inc. The accounts included in this report are listed under the "Accounts included in this review" shown on the cover page.

Mutual Fund Asset Allocation: If the option to unbundle balanced mutual funds is selected and if a fund's holdings data is available, mutual funds will be classified by the asset class, subclass, and style breakdown of their underlying holdings. Where a mutual fund or ETF contains equity holdings from multiple equity sectors, this report will proportionately allocate the underlying holdings of the fund to those sectors measured as a percentage of the total fund's asset value as of the date shown.

This information is supplied by Morningstar, Inc. on a monthly basis to UBS Financial Services, Inc. based on data supplied by the fund which may not be current.

Mutual funds change their portfolio holdings on a regular (often daily) basis. Accordingly, any analysis that includes mutual funds may not accurately reflect the current composition of these funds. If a fund's underlying holding data is not available, it will be classified based on its corresponding overall Morningstar classification. All data is as of the date indicated in the report.

Accrued Interest: Interest that has accumulated between the most recent payment and the report date may be reflected in market values for interest bearing securities.

Margin: The quantity value may indicate that all or part of this position is held on margin or held in the short account. When an account holds a debit balance, this debit balance is incorporated into the account's total market value and deducted from the total value. When calculating the percent of portfolio on each security, the percentage will be impacted by the total market value of the account. Therefore, if the account's market value is reduced by a debit value of a holding the percent of portfolio will be greater and if the account's market value is increased by a holding then the percent of portfolio will be less.

Cash: Cash on deposit at UBS Bank USA is protected by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in principal and accrued interest per depositor for each ownership type. Deposits made in an individual's own name, joint name, or individual retirement account are each held in a separate type of ownership. Such deposits are not guaranteed by UBS Financial Services Inc. More information is available upon request.

Percentage: Portfolio (in the "% Portfolio" column) includes all holdings held in the account(s) selected when this report was generated.

Broad asset class (in the "% broad asset class" column) includes all holdings held in that broad asset class in the account(s) selected when this report was generated.

Portfolio: Portfolio for purposes of this report is defined as all the accounts presented on the cover page or the header of this report and does not necessarily include all of the client's accounts held at UBS Financial Services Inc.

Gain/Loss: The gain/loss information may include calculations based upon non-UBS Financial Services Inc. cost basis information. The firm does not independently verify or guarantee the accuracy or validity of any information provided by sources other than UBS.

Financial Services Inc. In addition, if this report contains positions with unavailable cost basis, the gain/loss for these positions are excluded in the calculation for the Gain/Loss. As a result these figures may not be accurate and are provided for informational purposes only. Clients should not rely on this information in making purchase or sell decisions, for tax purposes or otherwise. Rely only on year-end and tax forms when preparing your tax return. See your monthly statement for additional information.

Fixed Income: Fixed income instruments are classified as short term if they have a maturity date less than or equal to 3 years and intermediate term if they have a maturity date between 3 to 10 years. Instruments with maturity dates longer than 10 years are classified as long-term instruments. Unclassified instruments are those for which no maturity date is available or applicable.

Equity: The Growth, Value and Core labels are determined by Standard and Poor's using a price-to-book ratio methodology. The Growth, Value and Core labels are based on how a company's price-to-book ratio compares to the median price-to-book ratio for its industry based on the company's assigned Industry Sector. If the company's ratio is greater than or equal to the industry median, it is classified as a growth stock. If the company's ratio is less than the industry median, it is classified as a value stock. If a security includes both growth and value attributes, it is classified as a core stock. If price-to-book is not available or the industry's median is not available, this item will be Unclassified.

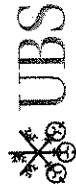
Capitalization: Market Capitalization is defined as the number of shares outstanding times the market value. Equity securities are classified as Large Cap if they have a capitalization of 8 billion or above. Securities with capitalization between 1.8 and 7.9 billion are classified as Mid Cap. Securities with capitalization below 1.79 billion are classified as Small Cap. Unclassified securities are those for which no capitalization is available or applicable.

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Indexing: For comparison purposes we have used up to five general broad market indices. These indices were selected to demonstrate the performance of broad market indicators that are readily recognized rather than for direct performance comparisons against the accounts listed. Depending on the composition of your portfolio and your investment objectives, these indices may not be an appropriate measure for comparison purposes and as such, are presented for illustration only. Generally, these indices, such as the S&P 500 Index, assume no management, custody, transaction or other expenses, and assume reinvestment of dividends and capital gains. As a consequence, performance of selected indices may be more or less volatile than any accounts used in this report. The past performance of the indices is not a guarantee of future results. Represented in this report are: U.S. Treasury Bill (USTB) - which represents the 3 month return for Treasury Bills issued by the United States Government; the Barclays Capital Aggregate Bond Index (BAG) - which is composed of securities from Barclays Capital



Important information about this report (continued)

government/corporate bond index, mortgage-backed securities index, and the asset-backed securities index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. This index is rebalanced monthly by market capitalization; the S&P 500 (SP500) index - which covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issues). The index represents about 75% of NYSE issues. It is a capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis without dividends reinvested. If benchmark information is not available at the time this report was run, NA will be displayed. We reserve the right to substitute indices or display only those indices for which current updated information is available in order to ensure the accuracy and completeness of these reports.

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Annualized Performance: All performance periods greater than one year are calculated (unless otherwise stated) on an annualized basis, which represents the return on an investment multiplied or divided to give a comparable one year return.

Fees: Fees represented in this report include program and wrap fees. Program and wrap fees prior to October 1, 2010 for accounts that are billed separately via invoice through a separate account billing arrangement are not included in this report. Commissions are not included in the fees calculation.

Performance: This report presents accounts activity and performance starting December 31, 2002. For accounts opened prior to 12/31/02, this report does not include the complete accounts activity or performance for your accounts prior to that date. Information for accounts opened after 12/31/02 is reported as of the month end

date of the first month of activity in the accounts. For consolidated reports the Performance Start Date will be the earliest performance start date of any of the individual accounts selected for the consolidation time period. If an individual account's performance information is not available for a full reporting time period (month to date, quarter to date, year to date or weighted to date), the individual's net of fee time performance return will not be displayed. For consolidated accounts that include different account Performance Start Dates, the consolidated Additions/Withdrawals, Income Earned and Investment Appreciation/Depreciation will include all activity that occurred during the consolidated reporting time period. Accounts that hold or held insurance products will be reported on from the month end date of when insurance and annuity activity could be obtained from the carrier.

Client Accounts: This report includes all assets in the accounts listed and may include eligible and ineligible assets in a fee-based program. Since ineligible assets are not considered fee-based program assets, the inclusion of such securities will distort the actual performance of your accounts and does not reflect the performance of your accounts in the fee-based program. As a result, the performance reflected in this report can vary substantially from the individual account performance reflected in the performance reports provided to you as part of those programs. For fee-based programs, fees are charged on the market value of eligible assets in the accounts and assessed quarterly in advance, prorated according to the number of calendar days in the billing period. When shown on a report, the risk profile and return objectives describe your overall goals for these accounts. For each account you maintain, you choose one return objective and a primary risk profile. If you have questions regarding these objectives or wish to change them, please contact your Financial Advisor to update your accounts records.

Net Deposits/Withdrawals: When shown on a report, this information represents the net value of all cash and securities contributions and withdrawals, program fees (including wrap fees) and other fees added to or subtracted from your accounts from the first day to the last day of the period. When fees are shown separately, net deposits / withdrawals does not include program fees (including wrap fees). When investment return is displayed net deposits / withdrawals does not include program fees (including wrap fees). For security contributions and withdrawals, securities are calculated using the end of day UBS Financial Services Inc. price on the day securities are delivered in or out of the accounts. Wrap fees will be included in this calculation except when paid via an invoice or through a separate accounts billing arrangement.

Dividends/Interest: Dividend and interest earned, when shown on a report, this information does not reflect your account's tax status or reporting requirements. Use only official tax reporting documents (i.e. 1099) for tax reporting purposes. The classification of private investment distributions can only be determined by referring to the official year-end tax-reporting document provided by the issuer.

Accruals: When shown on a report, this information represents the difference between the accrued interest at the beginning of the period from the accrued interest at the end of the period.

Change in market value (Investment appreciation/depreciation): Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

Market Value: When shown on a report, represents the total value at the end of the performance period minus total security value at the beginning of the performance period.

Time-weighted Returns: This report displays a time weighted rate of return, a methodology that calculates a portfolio's return by linking equal-weighted monthly returns together. The monthly return is calculated using the Modified Dietz formula. This calculation uses the beginning and ending portfolio values for the month and weights each contribution/withdrawal by the amount of time invested.

Money-weighted Returns: Money-weighted return is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the rate of return that will set the present values of all cash flows and terminal values equal to the value of the initial investment. Money-weighted rate of return incorporates the size and timing of cash flows, so it is an effective measure for returns on a portfolio.

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Performance Start Date Changes: The Performance Start Date for accounts marked with a "X" have changed. Performance figures of an account with a changed Performance Start Date may not include the entire history of the account. The new Performance Start Date will generate performance returns and activity information for a shorter period than is available at UBS Financial Services Inc. As a result, the overall performance of these accounts may generate better performance than the period of time that would be included if the report used the inception date of the account. UBS Financial Services Inc. recommends reviewing performance reports that use the inception date of the account because reports with longer time frames are usually more helpful when evaluating investment programs and strategies. Performance reports may include accounts with inception dates that precede the new Performance Start Date and will show performance and activity information from the earliest available inception date.

The change in Performance Start Date may be the result of a performance gap due to a zero-balance that prevents the calculation of continuous returns from the inception of the account. The Performance Start Date may also change if an account has failed one of our performance data integrity tests. In such instances, the account will be labeled as "Review Required" and performance prior to that failure will be restricted. Finally, the Performance Start Date will change if you have explicitly requested a performance restart. Please contact your Financial Advisor for additional details regarding your new Performance Start Date.

Closed Accounts: Accounts that have been closed may be included in the consolidated performance report. When closed accounts are included in the consolidated report, the performance report will only include information for the time period the account was active during the consolidated performance reporting time period.

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Important information about this report (continued)

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Global risk watch

Crisis du jour - US debt ceiling end game

- The debt ceiling debate is likely to continue up until, if not past the current deadline of 2 August.
- We expect a package of approximately USD 2.5 trillion in deficit reduction over the next ten years, primarily comprised of spending cuts.
- While our base case is that a deal is reached with an increase in the borrowing limit to avoid another vote until after the 2012 elections, there is a small but real possibility of a default. A default would have widespread implications, so far-reaching that they are impossible to predict or quantify with any precision. However, many would be mitigated once the default was cured.

Debt ceiling has been reached

On 16 May, the Treasury Department declared that federal debt had reached the statutory limit, leading to a debt suspension period. This declaration allows Treasury to rearrange certain accounts and obligations in order to extend its functional borrowing capacity.

The debt ceiling debate is nothing new

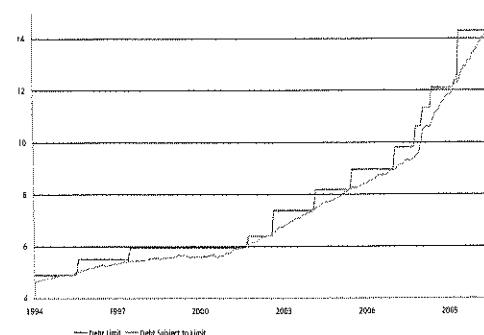
The statutory debt limit has been in place since 1917, and has been increased numerous times since its inception (see Figure 1). Historically, the debt ceiling has been a point of leverage when control of Congress and the White House is split between the parties. Although the debt ceiling debate is nothing new, the stakes today seem higher and the politics more contentious than in the past. See our 6 January 2011 publication 'Playing Chicken with the Debt Ceiling' for more explanation.

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Fig 1: Debt limit and debt outstanding
In USD trillion



Source: Bloomberg, UBS WMR, as of 12 July 2011

Republicans seek a substantial reduction in deficit spending—derived entirely from spending cuts to discretionary spending and entitlements—as a precondition to approve an increase in the debt ceiling. Congressional Democrats are currently proposing USD 1 of revenue increases for every USD 3 of spending cuts. The White House seeks a ‘big’ deal that includes short-term stimulus, and discretionary and entitlement cuts, as well as revenue increases. An agreement will require support from both parties as Republicans do not appear to have sufficient votes to pass debt ceiling legislation without Democrats. In the end, we think the most likely outcome is a package of approximately USD 2.5 trillion in deficit reduction over the next ten years, primarily comprised of spending cuts.

Aug 2: Moment of truth?

Currently, the deadline for passage of a debt ceiling deal is 2 August, when Treasury expects to be out of options for freeing up additional funds. However, this date is not written in stone, and we believe Treasury has the wiggle room to operate until the second week of August. Given the opposing views of the two parties, we expect that the most likely outcome will involve an increase in the ceiling, but potentially only after a ‘crisis’ moment. Such a crisis is likely to be a meaningful selloff in the Treasury or equity market or a much stronger warning from the credit rating agencies than has been seen thus far.

Our base case is that a bipartisan agreement is reached and that a default is avoided. We expect that the deal will reduce the deficit and raise the debt ceiling sufficiently to push the issue past the 2012 elections, which would require an increase of about USD 2.5 trillion. We expect the same amount of increase to the debt ceiling as promised reductions to the deficit over the next ten years, likely taking the ceiling to just shy of USD 17 trillion. However, even though nobody wants to prolong the pain, there is a chance that Congress will take limited action in August, forcing multiple short-term measures, and a small but material possibility an actual default occurs.

Base case: Debt ceiling lifted—90% probability

Under our base case scenario, a deal is struck to raise the debt ceiling and a default is avoided. A budget package under this scenario would likely include:

- A debt ceiling increase sufficient to get past the 2012 elections (approximately USD 2.5 trillion); near-term discretionary spending cuts;
- Limited entitlements savings (possibly by adopting a chain-weighted CPI calculation);
- Some commitment to further deficit reduction in the future;
- A small revenue component potentially involving near-term payroll tax cuts and closing loopholes such as those for corporate jets, integrated oil companies and ethanol.

In our view, there are three alternative routes by which Congress can resolve the debt ceiling/budget debate. First, an agreement

Fig 2: The deficit ceiling/budget debate may impact the credit profile of the US government

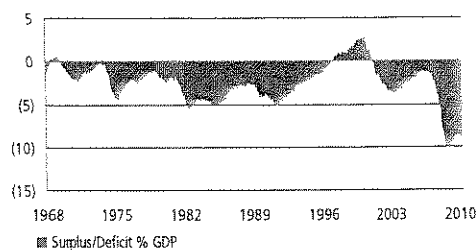
US sovereign credit rating profile

	Fitch Ratings	Moody's Investors Service	Standard & Poor's
Senior unsecured rating	AAA	Aaa	AAA
Short-term rating	F1+	P-1	A-1+
Outlook	Stable	Stable	Negative

Source: Fitch Ratings, Moody's Investors Service, Standard & Poor's, as of 12 July 2011

Fig 3: The US government has grown more reliant on deficit spending

Federal government surplus/deficit, % of GDP



Source: Bloomberg, as of 12 July 2011

Fig. 4: Key dates

Date	
mid-July	Moody's rating action on credit rating Outlook
2 August	Treasury's debt ceiling deadline
3 August	Refunding announcement
4 August	Maturity of August 4, 2011 Treasury bills
11 August	Maturity of August 11, 2011 Treasury bills
15 August	Note and bond interest and principal payments due
18 August	Maturity of August 18, 2011 Treasury bills
25 August	Maturity of August 25, Treasury bills
31 August	Note and bond interest and principal payments due

Source: UBS WMR, as of 12 July 2011

can be reached and a bill passed before the 2 August deadline, although we envision this solution materializing late in the game. Budget negotiators are apt to get a nudge from Moody's, which indicated in a 2 June press release that it intends to place its Aaa credit rating on US sovereign debt on review for a possible downgrade if Congress has not made substantial progress on increasing the debt limit by mid-July.

Second, some commentators have suggested that an agreement must be reached by 22 July to give Congress enough time to draft and pass legislation by 2 August. Under this path, once an agreement is reached Congress could approve a modest increase in the debt ceiling, or agree to issue Treasury securities that are exempt from the debt ceiling limit, to give Treasury the flexibility to cover liabilities after the 2 August deadline.

Finally, but less likely, Congress could find itself voting repeatedly for small increases. If the GOP cannot reach internal agreement and Speaker of the House Boehner cannot gather enough votes from House Democrats to forge a compromise, Congress could pass a modest increase in the debt ceiling, essentially a contingent increase, allowing the government to operate for a short time. President Obama has promised to veto such small bills, but when faced with no other alternative, he may accept. In this case, we believe the increase in the debt ceiling would be insufficient to push the debt ceiling/budget debate past the 2012 election cycle. While it is hard to predict how this would play out, neither Republicans nor Democrats want to vote repeatedly on this issue, making this an unappealing option.

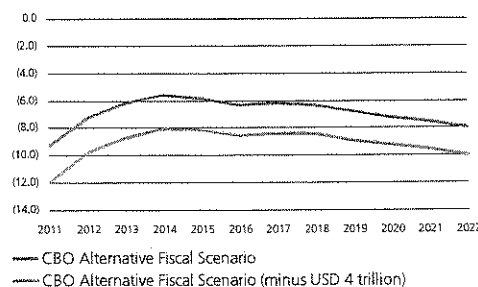
With default avoided, market attention would turn to the size and composition of the deficit reduction package. Given the long-term fiscal challenges facing the US, we believe the rating agencies are looking for a budget deal that stabilizes and then lowers the debt trajectory over the next several years. Using the Congressional Budget Office's (CBO) analysis, we expect that even with a USD 4 trillion reductions in spending spread across the next ten years, the deficit would likely stay quite high. Figure 5 shows the expected deficit-to-GDP ratio under the CBO's "Alternative" scenario, which uses what we believe are more realistic interest rate assumptions than in its current base case. While an increase in the debt ceiling and passage of a budget agreement suggest the three rating agencies would retain their AAA/Aaa/AAA credit rating, a package of USD 2.5 trillion, our base case, would probably not be sufficiently large for Fitch and Moody's to retain a Stable rating outlook. (S&P revised the Outlook on US sovereign debt to Negative from Stable on 18 April 2011, noting that the US has very large budget deficits and rising indebtedness relative to its AAA-rated peers). On the other hand, if the White House prevails with a larger package, in the range of USD 3 to USD 4 trillion over the next 10 years, we believe it would placate the rating agencies and could lead to a stable rating outlook from all three rating services.

Market impact

In our base case, the market impact of the budget standoff will depend on how long the negotiations drag on and the size and

Fig 5: Even with USD 4 trillion in cuts, deficit remains high

Fiscal budget in % of GDP



Source: Congressional Budget Office, UBS WMR, as of 12 July 2011

composition of the projected savings. Although market participants have been sanguine thus far, there has been a 10 bps increase in CDS spreads on Treasury debt over the past two months (see Figure 6). We anticipate that financial markets will become increasingly jittery as the August deadline approaches, with bond yields rising modestly to reflect the growing uncertainty. However, once a final agreement is reached and a default avoided, we suspect that memories will prove short and investor concerns will turn to other matters, including the economic fundamentals, the evolving sovereign debt crisis in Europe and the outlook for fiscal consolidation.

We expect that equity market volatility will remain high until it becomes clearer that a Treasury default will be avoided. We could easily envision a relief rally similar to the sharp 5 to 7% equity market surge following the passage by the Greek parliament of its austerity plan.

We do not think the foreign exchange markets have yet become alarmed by the debt ceiling debate. Under this scenario, we expect only volatility and headline risk as the issue comes down to the wire, but no substantial moves. Other risks in foreign exchange markets, namely Europe's own sovereign debt crisis, may still predominate and alleviate pressure on the dollar.

Risk scenario: The road to default—10% probability

In our view, there is a small but nevertheless real possibility that Congress fails to reach an agreement to lift the debt ceiling—a situation that would be unprecedented. Under this scenario, we envision either a very close brush with default, with the White House invoking emergency measures to avoid missing a payment on Treasuries or an actual default. A default may not occur immediately if Treasury is able to prioritize payments to bondholders. Because prioritizing payments or using emergency measures to circumvent the debt ceiling are untested, this period would be associated with disorderly and chaotic financial markets.

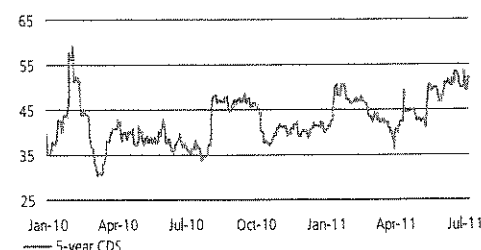
Even if it manages to overcome the technical hurdles under a prioritization scheme, Treasury will eventually be unable to pay coupon interest and redeem maturing Treasury securities on time—and failure to do so would constitute a default. Such a scenario could arise either because the House leadership is simply unable to find sufficient votes, or that a compromised is reached, but Congressional leaders miscalculate the support of the rank and file. With polls showing the majority of Americans opposed to an increase in the debt ceiling and with over 100 House Republicans pledging to vote against it without a balanced budget amendment and very aggressive additional spending cuts, it is impossible to rule out the small, but real, risk of debt default.

Market impact

We believe the market has not truly considered the possibility of a default. A default would produce a "butterfly effect" where, however small, virtually every market and by extension every person would be affected; given the magnitude of the potential

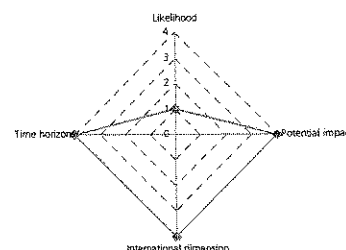
Fig 6: Credit default spreads on US Treasuries have drifted wider

5-year credit default swap (CDS), in basis points



Source: Bloomberg, UBS WMR, as of 12 July 2011

Risk scenario: The road to default



Source: UBS WMR, as of 12 July 2011

Risk assessment score definitions

	1	2	3	4
Likelihood	<10%	10 to 20%	20 to 30%	>30%
Potential impact	Low	Medium	High	Catastrophic
International dimension	Sub-regional	Regional	Trans-regional	Global
Time horizon	<24 months	<18 months	<12 months	<6 months

Source: UBS WMR, as of 12 July 2011

impact, it is difficult to precisely predict or quantify the whole range of implications.

Under a default scenario, we expect a sharp sell-off in equities and Treasury securities, as well as downward pressure on the dollar. Under this scenario, the rating agencies would lower their credit ratings. S&P would downgrade the sovereign credit rating to D (Default), while Moody's has said it would likely lower its rating to Aa. Fitch has indicated it will follow a selective approach and downgrade the Treasury bills with a missed payment to B+ from AAA. Its rating actions from here would depend on whether the missed payment is made up before a significant portion of the Treasury market is non-performing. Fitch has said this will occur if the 15 August coupon and maturity payments are not made. In this case, Fitch would likely downgrade its rating to RD (Restricted Default) from AAA.

Once a default is cured, we believe it is unlikely that the rating agencies would increase their credit rating back to the triple-A level. In a report dated 29 June 2011, Moody's said that "if a debt-ceiling-related default were to occur, Moody's would likely downgrade the rating shortly thereafter to reflect not only the default itself...but also its implications for the US government long-term creditworthiness." In this report, Moody's stated that it believed a default would be quickly cured, and the rating would likely settle in the double A range. Fitch has said that it is unlikely the rating would return to AAA in the near term.

We expect the broader market implications would be widespread and immediate. Our guess is that investors would no longer consider Treasury securities as "risk free" assets and would demand a credit risk premium of perhaps 25 to 50 bps, although the premium could initially be even greater—perhaps as much as 75 to 100 bps on shorter-dated maturities. However, we don't expect a free-fall in Treasury prices because we feel there would be buyers willing to step in to "buy on the dip", thereby limiting the sell-off. The eventual size of a credit risk premium will also be affected by the size and composition of the budget deal. A large and credible fiscal consolidation plan could temper the effects of the default, resulting in a credit risk premium at the lower end of the 25 to 50 bps range of our estimate.

As equity markets have shown only limited signs of contemplating this outcome, there is significant downside should a default unfold. While impossible to quantify with any precision, risk premiums—both for supposed "risk-free" securities and for equities—would surely surge. Using a simple single-stage dividend discount model, we calculate that a 25 to 50 bps increase in the perceived "risk-free" rate would reduce the intrinsic value of the S&P 500 by 9 to 16% (and that assumes *only* an increase to the risk-free rate and no impact on the equity risk premium).

While the effect on the US dollar is likely to be sharply negative, there is also some chance that default causes a sharp flight-to-safety, which typically boosts the dollar. The dollar has historically acted as a risk haven, and while a Treasury default most certainly

Fig 7: US Treasury bills maturing in August
In millions USD

CUSIP	Maturity	Outstanding
9127953B5	8/4/2011	90,785
9127953D1	8/11/2011	93,287
9127953E9	8/18/2011	57,002
9127952A8	8/25/2011	82,001

Source: US Treasury, as of 12 July 2011


would undermine that, most US investors would be unlikely to buy foreign assets, and international investors may be faced with an ugly set of options. In the event of a default, we expect the dollar could once again weaken in the range we have seen over the past year, with EURUSD approaching 1.50. As Europe and Japan have in many ways even more complex or extreme sovereign debt challenges, their assets and currencies could also come under pressure. However, the Swiss franc, the yen, and gold would all likely rally in this situation.





Widespread ripple effects for directly linked credits

Although we expect a default to be short lived and for holders of Treasury securities to be repaid in full, some damage to US government and related entities would likely be permanent, in our opinion. Directly linked credits would move directionally with Treasuries from a credit perspective. These securities include the debentures of the government sponsored enterprises (GSEs), debt insured by the FDIC, pre-refunded municipal bond defeased by Treasuries and GSE debt, municipal bonds secured by escrows funded with Treasury or GSE debt, and the mortgage backed securities of Fannie Mae, Freddie Mac, and Ginnie Mae. In the event of a default, the credit ratings of these issuers would be placed on review for a downgrade for the duration of the default period. After a default is cured, we believe they would be assigned a rating similar to that of the US sovereign credit rating. As a result, borrowing costs for these issuers would rise, while secondary market spreads would widen.

Conclusion

We expect that Congress will reach an agreement on increasing the debt ceiling and reducing the deficit. While the size and form of this agreement is difficult to predict, we expect that it will likely involve lifting the debt ceiling by enough to avoid another vote before the 2012 elections. However, while we are optimistic that markets are correct and the risk of a near or actual default is slim, we think there is a material possibility that we get very close to the brink, and even a small possibility we fall in. While we do not advise investors to position for this scenario, we do think that the results of the world's premier risk free asset defaulting would be widespread and difficult to fully correct.

Risk Factor Description	Update Latest developments and outlook	Likelihood		Impact Asset class impact if risk scenario materializes					
		Current	Previous	Equities		Fixed Income		FX	Commodities
Risk Scenario	No deal reached, debt ceiling not increased, technical default		N.a.	US	non-US	US	non-US	USD	Gold
				-	-	-	neutral	-	+

Probabilities:  0 - 10%  10 - 20%  20 - 30%  30 - 40%

Impact direction: - expected drawdown (EDD); + expected "draw-up" (EDU) n neutral; n.a. not available

Impact scale: '-' represents EDD < -10% for Equities, FX and commodities and ED < -5% for bonds - any additional '-' works as a multiplier. For '+' we use the same scale to

US Treasury Notes and Bonds with coupons payable in August							
Cusip	Coupon	Maturity	Outstanding	Cusip	Coupon	Maturity	Outstanding
912810DP0	11.250	2/15/2001	10,520	912828NW6	1.875	8/31/2017	29,710
9128277B2	5.000	8/15/2011	26,635	912828HR4	3.500	2/15/2018	39,205
912828FS4	4.625	8/31/2011	17,501	912828PY0	2.750	2/28/2018	30,593
912828LV0	1.000	8/31/2011	43,262	912828JH4	4.000	8/15/2018	36,803
9128277L0	4.875	2/15/2012	24,780	912828KD1	2.750	2/15/2019	58,677
912828KC3	1.375	2/15/2012	33,630	912810EC8	8.875	2/15/2019	13,090
912828GK0	4.625	2/29/2012	16,637	912810ED6	8.125	8/15/2019	18,941
912828MQ0	0.875	2/29/2012	45,082	912828LJ7	3.625	8/15/2019	66,753
912828AJ9	4.375	8/15/2012	19,648	912828MP2	3.625	2/15/2020	71,595
912828LH1	1.750	8/15/2012	42,715	912810EE4	8.500	2/15/2020	9,476
912828HC7	4.125	8/31/2012	16,091	912828NT3	2.625	8/15/2020	67,850
912828PH7	0.375	8/31/2012	37,906	912810EG9	8.750	8/15/2020	17,059
912828AU4	3.875	2/15/2013	19,498	912828PX2	3.625	2/15/2021	67,585
912828MN7	1.375	2/15/2013	44,497	912810EH7	7.875	2/15/2021	10,076
912828HT0	2.750	2/28/2013	17,784	912810EK0	8.125	8/15/2021	9,506
912828QK9	0.625	2/28/2013	36,923	912810EM6	7.250	8/15/2022	10,128
912828BH2	4.250	8/15/2013	33,521	912810EP9	7.125	2/15/2023	15,782
912828NU0	0.750	8/15/2013	36,036	912810EQ7	6.250	8/15/2023	22,659
912828K7	3.125	8/31/2013	23,837	912810ET1	7.625	2/15/2025	9,509
912828CA6	4.000	2/15/2014	28,081	912810EV6	6.875	8/15/2025	11,187
912828QH6	1.250	2/15/2014	32,735	912810EW4	6.000	2/15/2026	12,838
912828KF6	1.875	2/28/2014	33,714	912810EX2	6.750	8/15/2026	8,810
912828CT5	4.250	8/15/2014	24,722	912810FA1	6.375	8/15/2027	9,197
912828LK4	2.375	8/31/2014	40,175	912810FE3	5.500	8/15/2028	11,776
912828DM9	4.000	2/15/2015	34,215	912810FG8	5.250	2/15/2029	11,350
912828MR8	2.375	2/28/2015	43,033	912810FJ2	6.125	8/15/2029	11,179
912828EE6	4.250	8/15/2015	32,470	912810FP8	5.375	2/15/2031	16,428
912810DS4	10.625	8/15/2015	4,024	912810FT0	4.500	2/15/2036	26,397
912828NV8	1.250	8/31/2015	36,881	912810PT9	4.750	2/15/2037	16,589
912828EW6	4.500	2/15/2016	21,842	912810PW2	4.375	2/15/2038	22,525
912810DV7	9.250	2/15/2016	5,432	912810QA9	3.500	2/15/2039	25,909
912828KS8	2.625	2/29/2016	23,179	912810QC5	4.500	8/15/2039	41,431
912828QJ2	2.125	2/29/2016	36,923	912810QE1	4.625	2/15/2040	44,902
912828FQ8	4.875	8/15/2016	22,557	912810QF8	2.125	2/15/2040	15,529
912828LL2	3.000	8/31/2016	28,843	912810QK7	3.875	8/15/2040	43,213
912828MS6	3.000	2/28/2017	32,786	912810QN1	4.750	2/15/2041	43,005
912828HA1	4.750	8/15/2017	28,000	912810QP6	2.125	2/15/2041	15,529
912810DZ8	8.875	8/15/2017	10,968	Total			2,059,874

Source: Fitch Ratings, as of 8 June 2011

Appendix

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Version as per June 2011.

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PUBLIC WORKS DEPARTMENT

2nd Quarter Report

April – May - June
2011

The Public Works Department is comprised of 4 Divisions. Major activities for each Division include the following:

ADMINISTRATION DIVISION

A wide variety of issues came up requiring my attention including, but not limited to, the following:

- Observation Way road bed rehabilitation
- Utilities Coordination Council has been reactivated to focus attention of all utility providers to upcoming projects; the Public Works Department is supervising this activity
- Began process of placing into effect the sewer rate hike previously approved by City Council
- Completing loan application for permit compliance work for the waste water treatment plant discharge limits
- Organizing a comparison of studies and proposals to address WWTP discharge limits
- Assisted Planning Dept in instituting a grading permit
- Provided evaluation of grading work that has commenced around the city without permitting
- Work on the street-to-dock transition at the Coast Guard t-dock has been estimated and is ready for completion by a private contractor
- Proposed a plan to AK Dept of Transportation for replacing the culvert at Eccles Estates
- Sat with representatives from the Alaska Dept of Natural Resources to prepare paperwork to obtain our Dam Certificate of Approval for the Meals Reservoir
- Began work to finalize the study for locating a new water source
- Walked the pipeline to Haney Creek for an assessment of the source reliability
- Worked with Parks and Rec to assess work at the Children's Memorial Park

Sincerely,

Moe Zamarron
Director of Public Works

FACILITIES MAINTENANCE DIVISION

This includes one ½ time position to conduct building repairs and service mechanical components and one full-time custodial position. The following buildings are repaired and maintained in whole or in part by this Division.

- City Hall / Police Station
- Library
- Chamber of Commerce
- Bidarki
- Pool
- City Shop
- Harbor Restrooms (Custodial only)

Daily rounds are conducted of each building to ensure systems are functioning properly. Often small repairs are required such as repairing or replacing hinges, stuck windows, squeaky doors, weather-stripping, switches, light bulbs, installing signs, painting, etc.

POOL

Repaired the boiler flue pipe attachment

LIBRARY / MUSEUM

Miscellaneous minor repairs.

Traced electrical problems

CHAMBER OF COMMERCE

Nothing to report.

EYAK WATER TREATMENT PLANT

Miscellaneous minor repairs.

Assisted with machinery replacement

BIDARKI

Miscellaneous minor repairs.

Air handler filter replacement

WASTEWATER TREATMENT PLANT

Miscellaneous minor repairs.

CITY SHOP

Miscellaneous minor repairs.

CUSTODIAL

Daily cleaning / trash pickup rounds are conducted at the following buildings:

- Bidarki
- Harbormaster's Office
- Harbor North Restroom
- City Hall / Police Station
- Library / Council Chambers

Sincerely, _____

Rick Johnson, Maintenance I

Chris Fariss, Custodian

2011 2nd QUARTER REPORT

STREET / SNOW / EQUIPMENT MAINTENANCE

STREETS

- Implemented 2011 Harbor Parking Plan.
- Installed fish pens at Fleming Spit.
- Painted X-walks, repaired signs.
- Swept and washed streets.
- Repaired potholes
- Removed failed section of asphalt on Seafood Lane repaired with base layer of crushed rock and paved with chip seal.
- Removed failed section of asphalt on Center Drive repaired with base layer of crushed rock and paved with chip seal.
- Resurfaced erosion damaged section of upper Saddle Point Drive, Crest Circle, Ingress St., Ronegurts St., Olsen Drive, and 4.5 mile Rd.
- Prep roads for chip sealing.
- Took delivery of 174 tons of CRS2P chip sealing oil.
- Chip sealed 13,700 linear feet of 2 lane roadways with 17,300 linear feet to complete the 2011 Denali Commission grant award.
- Hauled approximately 300 cubic yards of non combustible debris from burn pile to 17mi. landfill.

SNOW

- Snow Removal
- Unchained equipment and geared up for construction season

EQUIPMENT MAINTENANCE

- Completed overhaul of 1993 Caterpillar Motor Grader hydrostatic drive system and hydraulic implement pump and gear box.
- Repaired and maintained city equipment
- Instated new safety policies and procedures to prepare for upcoming OSHA visit. Including PPE dispensers and updating MSDS list.

Sincerely,
Robert Brown
City of Cordova – Public Works Superintendent

City of Cordova
PUBLIC WORKS DEPARTMENT
2nd Quarter Report

April – May - June
2011

WATER & WASTEWATER DIVISION

DAILY WORK DUTIES

Water Sources are checked daily/seven days a week for chlorine residual, turbidity, pH, UVT and general operations (Orca, Murcheson, & Meals). Three locations within the system are checked daily/ five days a week for chlorine residual, turbidity, and general operations (Harbor, Bidarki, & Hospital). Morning sewer lifts station checks (Whiskey Ridge, Murcheson, Eyak, Ferry Dock, Morpac, & Main lift station (South Second ST.)). Operate sludge dewatering system. Make polymer. Deliver sludge to 17 mile. Routine lab work & plant maintenance.

WEEKLY WORK DUTIES

Collect bi-weekly coliform samples. Clean the Wastewater Treatment Plant and Lift Stations. Calibrate meters/monitoring equipment. Download/transfer all data from all three sources. Test/ check back-up generators. Exercise Micro Screen Drums.

MONTHLY WORK DUTIES

Quality control / Quality assurance for Lab. EPA/DEC wastewater reports, DEC water reports, DEC DBP (Disinfection Byproducts Rule) Reports. Read water meters. Deliver shut-off notices, disconnect for nonpayment. Collect monthly samples. Backwash filters at Eyak WTP. Check catchments. Drain, Cleaned/Wash Micro Screen Room & chlorine contact chamber.

MISCELLANEOUS

- Worked on Ski Hill's frozen sewer main line, from Cabin Ridge Subdivision to AT&T building.
- Throttle on Vactor Truck broke, sent to shop for repairs.
- Worked on blower maintenance.
- Hauled four load of chlorine to Meals from Murcheson/Eyak WTP, due mother board on chlorine generator faulty. Waiting for replacement.
- Hauled chlorine to Meals, Orca WTPs and STP when needed.
- Contacted Mark Frohnaphle on Woodland Drive in regards to frozen water main. Jim Kasch providing water to Frohnaphle & Tony Rodriguez with garden hose. Thawed out fire hydrant, found water main froze near culvert.
- Responded to Heney trailer court D-9, for frozen water service. Located service valve to thaw out water service line.
- Performed 65 locate, through out the City limits where water/sewer mains are available.
- Performed 31 water shut-off/turn on, due to nonpayment or requested by the customers.
- Changed oil filters on waste oil boiler 15 times.
- Performed 18 water sample test for customers.

- Replaced sump pump from Odiak's lift station wet well.
- Received several frozen water service line questions.
- Relocate water / sewer service for library, per Tom Cohenour.
- Met Tom Cohenour at library parking lot, to take sewer service pictures & measurements to bill out damages to City Electric.
- Ran camera & pressure washer on Ski Hill frozen sewer main. Sewer is solid ice.
- Responded to water leak at Joe Jensen's on 711 Chase Ave.
- Set up total coliform tests for PWSAC & Ocean Beauty.
- Plowed snow around water/sewer facilities.
- Replaced chlorine injector motor at Eyak/Murcheson WTP.
- Responded to power outage at 2330 hrs, found back power generator out of service due to low temp alarm. Reset and started. Checked rest of lift stations & water treatment plants, all OK.
- Plowed snow around water/sewer facilities.
- Met Don Sjostedt in regards to Native Village of Eyak's lot on Harbor Loop.
- Contacted Scott Forgue with ADEC in regards to sampling Eyak WTP & monitoring summary.
- Met with Tom Cohenour & CH2MHill to assess Eyak filter plant.
- Responded to water shut off, for repair at Powder House.
- Worked on Moyno pump.
- Checked on 711 Chase Avenue's water leak.
- 2000 Ford F-250 got a flat with sharp rock on Copper River Highway. Shop worked replacing tire with new one. Other tire cannot be repaired.
- Met with Moe Zamarron @ Wastewater Treatment Plant to engineer closure for fine screen unit.
- Had teleconference with Paul Muller & Floyd Damron w/CH2MHill, Scott Forgue & Susan Bulkow w/ ADEC, Tom Cohenour, & Moe Zamarron in regards to getting Eyak Lake stand by water source, rather than being an emergency water source.
- Moe Zamarron & Paul Muller to Eyak/Murcheson WTP to assess building.
- Worked on water/sewer connection permits with Samantha Greenwood & Faith Wheeler-Jeppson w/Planning Dept.
- Worked on frozen sewer main line Ski Hill Road between Cabin Ridge & AT&T building.
- Responded to water complaint. Missing valve box cover, replaced.
- Added enzymes to STP 1, 2, and the digester tanks.
- Started disassembling Powder Activated Carbon unit at Eyak/Murcheson WTP.
- Cleaned sewer manholes at Cabin Ridge Subdivision.
- Received materials for 601 Spruce water main repair.
- Performed locates at NAPA & behind PWSAC.
- Shut water off for repairs at 711 Chase Avenue.
- Worked on disassembling PAC & Alum units at Eyak/Murcheson WTP.
- Worked on CHS water/sewer service line for construction.
- Fixed broken water pipes on STP shop.
- Met James Kallander at Alpine Subdivision to check on frozen water main, still Frozen.
- Met with Tom Cohenour & Moe Zamarron in regards to projects & Alpine Subdivision.
- Met with Tom Cohenour, Samantha Greenwood, & Faith Wheeler-Jeppson in regards to water/sewer connection & building permit.
- Fixed water line on fine screen.

- Worked on frozen line on Alpine Subdivision (frozen water main), unable to thaw out.
- Replaced brine pump at Meals.
- Worked on getting water/sewer buildings OSHA compliance.
- Checked on Meals reservoir (full).
- Checked on Chase Ave (Joe Jensen) & Railroad Ave (Trident South) digs.
- Notified Eagle Contracting in regards to water shut-off notices, for Trident South water installation. Notified City Manager, Public Works Director, City Hall, and Police Dispatch of water shut-off on Railroad Avenue.
- Checked on Murcheson catchment.
- Abandoned hydrant valve across Laura's Liquor Store, was damaged by dump truck working on the Cordova Center (leaking). It was originally damaged hit by State DOT snow plow crew.
- Responded to water leak at Baja Taco. City Electric hit water service. Repaired and put back in service.
- Replaced check valve on blower.
- Made repairs on water line for STP shop.
- Responded to sewer complaint at Harbor Hydraulic (backed up).
- Responded to Trident's fish oil plant for water leak. Water service line hit, water shut off from service valve box.
- Performed a 1 1/2" water tap for Orca Power Plant.
- Used vactor truck to clean sewer main on Railroad Avenue, from City Hall to Post Office parking lot. Sewer main full of rocks & dirt, from damaged sewer service.
- Called out to Alpine Subdivision, water main thawed out.
- Responded to Odiak lift station, power generator would shut off.
- Responded to Orca WTP to confirm power, while CEC performing repairs on power line.
- Worked on Meals brine pump.
- Called around for shop siding price quotes.
- Checked Trident South's remodeled bunk house.
- Worked on Orca catchment (cleaned and made repairs to catchment).
- While performing a locate for Trident North's bunkhouse/cafeteria, we discovered that they were trying to tie in a 4" water service on a 8" fire line. Told Trident contractor to stop and that it is not allowed according to City of Cordova Ordinance.
- Responded to all water & sewer plants, due to power outage.
- Rebuilt 2 brine pumps, 1 chlorine pump, and fixed leaks on chlorine generator cells at Murcheson/Eyak WTP.
- Cleaned/vacuumed/camera sewer service for Harbor Hydraulics/Trident South. Found sewer service damaged by City Electric's Boring machine.
- Setup DMR-QA/QC testing for lab certification.
- Worked on balancing clarifier weir at STP.
- Contacted Boreal Controls in regards to SCADA trends data not being archived.
- Worked on purchasing materials, equipments, and getting services with DEC grant.
- Helped Eagle Contracting with Harbor Hydraulics/Trident South sewer service repair on Railroad Avenue.
- Responded to Adams for sewer service damaged on CTC dig. CTC crew repaired sewer service.
- Took DNR personnel to inspect water catchments and dams.
- Inspected Heney trail & catchment and Meals reservoir.

- Assisted Pacific Power technician, to perform service & preventive maintenance on all water/sewer back up power generators.
- Made repairs to chlorine injector pump at Meals.
- Started trail & catchment repair & maintenance on Heney catchment.
- Received Itron Zcorr leak detectors.
- Cleaned/vacuumed all lift station wet well with vactor truck.
- Inspected water/sewer connection for Camtu's lot on Harbor Loop.
- Eyak lift station pump fail, pump clogged with carpet. Cleared and pump put back in service.
- Replaced water line for brine tank on Meals WTP.
- Replaced Somat screw press.
- Cleared brush off fire hydrants around town.
- Responded to possible water leak at 607 Spruce Rd. Water service is leaking owner is aware working on fixing leak.
- Worked on 2010 Consumer Confidential Report.
- Cleaned sewer main on Breakwater Street and inspected manholes at North fill area.
- Plumbed alum & carbon line at Eyak/Murcheson WTP.
- Repaired water leak on Heney trail.
- Teleconference with ADEC in regards to Compliance Order by Consent (COBC) of wastewater into open waters.
- Met with Moe Zamarron & John Baenen with Wilson Construction in regards to Oil Separator project on Lake Ave by Nirvana Park for Watershed Project. It involves redirecting the water main.
- Upgrade & repairs started on Murcheson/Eyak WTP.
- Replaced two 12" & four 4" valves for the Murcheson/Eyak WTP.
- Worked on composite sampler pick up line for effluent sample on STP.

Sincerely,
 Malvin Fajardo
 Water / Wastewater Superintendent

Quarterly Report, July 2011

Solid Waste Division

This year there is a major increase in the amount of Construction and Demolition waste and appliances being disposed of in the harbor dumpsters. These types of waste, most of which are not at all related to harbor use, are creating a significant and increasingly difficult problem for the Solid Waste Div. Solutions to this problem are under consideration.

HHW event on 6/11/11 consolidated and shipped.

3-1.5 YD Boxes	Oil Base
1-1.5 YD box	Latex
2-55 Gal. Drum	Oil Base
1-55 Gal. Drum	Latex
3-55 Gal. Drum	Explosive Fuels
1-30 Gal. Drum	Acids
1 Lab Pack Drum	Alkaline
1 Drum	Corrosive

S + R Salvage is done with the towing or accepting of vehicles. The C+D cell excavation is approximately 80% completed. Other operational plans of S+R salvage are unknown.

Solid waste Div. Supervisor

Greg Rankin.



City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574
Phone: (907) 424-6100
Fax: (907) 424-6000
Email: policechief@cityofcordova.net
Web: www.cityofcordova.net

CITY OF CORDOVA

Office of Chief of Police

Memo

To: City Manager Mark Lynch

From: Chief Robert Baty

Subject: 2nd Quarter 2011 Report

Date:

PATROL

The Cordova Police Department received a total of 504 Calls for Service. From these Calls for Service, a total of 84 investigative cases were generated.

There were 166 citations written with a monetary amount of \$ 19,770.00.

PERSONNEL

The Police Department is fully staffed. Adam Farnes was for Communications Clerk and is currently undergoing a field training program. Eric Tracy was hired as the Code Enforcement Officer. Communications Clerk Derrickk Torgerson finished his field training for the clerk position and has been released to work on his own.

JAIL

Received a new contract and negotiated a \$50,000 increase in payable services from the State.

DMV

We have had continued operations with zero days closed for service. The Clerks continue to get praise for a job well done.

AIRPORT CONTRACT:

The following is a breakdown of money we are reimbursed for fulfilling the airport contract. All time is charged at time and a half and reimbursed at time and a half.

1st quarter

January: \$5696.62,

February: \$4494.89

March: \$6105.08

2nd quarter

April: \$6388.71

May: \$6624.53

June: pending

TRAINING

Zack Johns attended 40 hours of Sexual Assault Response Team training in Kodiak. Officers Musgrave and Kasch attended 40 hours of 2011 Crime Conference in Anchorage. Adam Farnes attended 40 hours of training at Anchorage DMV.

PROJECTS

PUBLIC RELATIONS

Cordova Police Department walked in the 2X 2 Cancer walk. Police personnel also conducted a bake sale and raised \$438.55 for the 2X2 cancer walk. Shannon Joekay attended the Change of Command Ceremony for the USCG Sycamore on 6/3/11 on behalf of the Police Department.

To: City Council; City Manager; City Clerk
CC: Historical Society, Library Board
From: Cathy Sherman, Information Services Director
Date: June 30, 2011
RE: 2nd Quarter Report -- Information Services Department



CORDOVA HISTORICAL MUSEUM:

- Exhibits: "Alaska Positive" "2011 Fish Follies"
- **Visitation: 2275 (Compared to 1866 last year)**
- April: 500 May: 680 June: 1095
- **Programs:** 'All Aboard to Kennecott – Riding the CRNWR;" Lt. Henry Allen's Expedition;" "McKinley Mine – Hoax or Real Deal"
- **School Class Visits:** Presented programs to Mt. Eccles Elementary and Homeschool students on the history of the commercial razor clam harvest in Cordova and Cordova through the years – a 'find the difference' activity.
- Assisted with **research** on the veterans of Cordova for Mayor Kallander; coal party for Lt. Governor's office; Odiak pond history with 7th/8th grade science class; Cordova Little League – baseball research; Kenny Lake School District; McCarthy Museum
- Updated **Visitor Information** Book for summer visitors and completed printing of brochures and maps
- **Fish Follies Art Workshop** with Annette Bellamy attended by ten students
- Curator **Aurora Lang** provided service time with ASSAG students; Museum staff assisted Kelsey Hawley with Museum Class research for college course; History of Fisheries to Mrs. Roemhildt's 5th grade
- Worked with curator Aurora Lang on CHS outstanding **loans** and annual review
- Received notification of Alaska State Museum **Grant-in-Aid** award for Collections Management improvements for fire-safe photograph storage.
- Contributed **articles** to Cordova Times on local history;
- Hired **Marina (Mimi) Briggs** as Permanent Part-time Museum Assistant
- Completed 2nd quarter **newsletter** for museum;
- Continued work and review of Museum Policies and Procedures Manual;
- Historical Society current **membership** as of June 30, 2011 is **220** with a breakdown as follows: 34 Family/128 Individual/2 Honorary/49 Lifetime/7 Supporting.



CORDOVA PUBLIC LIBRARY:

- **Visitation: 7588 Circulation: 3535 Internet Use (PAC): 1417 WiFi: 1051**
- **Programs** –Began Summer Reading/Art Program; Sponsored information table at Health Fair
- In conjunction with **Friends of the Library** sponsored First Saturday Book Sales
- Coordinated **Library Board** quarterly meeting – reviewing Policy and Procedures Manuals, Library Technology Plan, Mission Statement and other operating documents in preparation for new facility operations
- Completed Public Library Assistance **Grant Application**
- Hired Holly Glasen as Temporary Part-time Library Aide for summer season

- Held monthly library **staff meetings** and continued **training** on collection assessment and ListenAlaska; Staff also worked on Cordova Center move preparations
- Installed Cassie timed **management software** for Library
- **Research** on library salary comparisons for Naknek Library
- Began **Assessment** of Videos/DVDS and continued assessment of Adult Fiction and Adult Non-Fiction Collections;
- Continued review of Library Policies and Procedures with Library Board and Staff
- Program Leader Paula Payne organized and held a **Shorebird Art Workshop** for kids
- The Library served as the **Geo-Caching Hub** for the first event sponsored by the PWSSC.

INFORMATION SERVICES:

- Completed employee evaluations as scheduled;
- Completed 2nd quarter schedules;
- Recycled electronics with N.V.E. recycling program.
- Provided web training to staff; Updated City website;
- Met with Arctic IT regarding Cordova Center planning for technology; worked with Arctic IT on technology requests for city staff; Completed maintenance on all library/museum work stations; Assisted Parks and Rec/Bidarki with computer failure and replacement laptop
- Assisted City Manager with ILP Building Construction Coordination and Financing; Completed ILP Fire, Life and Safety application; Coordinated survey of property for ILP building; Attended Bid Opening;
- Researched and provided information on Historic Preservation Commission
- Assisted City Manager with research on Ambulance Billing; organizational chart; electronic time sheets and the employee pig-nic
- Reviewed Parking Plan with City Planner prior to public release
- Assisted with Eyak Language Workshop arrangements; Staff completed annual planting of Centennial Building Gardens.





CORDOVA CENTER: Second Quarter Report 2011

Phase I construction is well underway with an anticipated completion date for this phase of late 2011. The majority of civil work has been completed, with structural well underway and steel erection now beginning. The majority of submittals are in place. Phase II document reviews are complete and Phase II plans are back in the hands of the design team for final completion.

FUNDING:

- Completed Cordova Center funding reports (to date) for City Manager, Finance Director, City Council and Owners Group
- Conducted Foundation Search, Review and Created Timeline for Requests
- Completed coding of all CC Phase I billings.
- Participated in teleconference with Alaska State Department of Law and Department of Justice regarding EVOS Cordova Center funding.

CAPITAL CAMPAIGN/PUBLICITY

- Updated webpage; blogs and provided community email updates.
- Providing regular updates to local news media and Phase I funders.
- Providing regular updates to City Council; Cordova Chamber of Commerce
- Provided information packet and updates as requested by City lobbyist

CORDOVA CENTER TASK FORCE

- Coordinated shuffling of positions with loss of Tom Cohenour to Palmer and moving Moe Zamarron to Public Works Director.
- Advertised, interviewed and hired Josh Hallquist as Cordova Center Project Manager; reviewed and enacted contract with Josh.
- Coordinated with Dan Chandler of OAC Services to provide consultation regarding completion schedule and resolution of cases and credits for Phase I.

CONSTRUCTION DOCUMENTS AND PLANNING

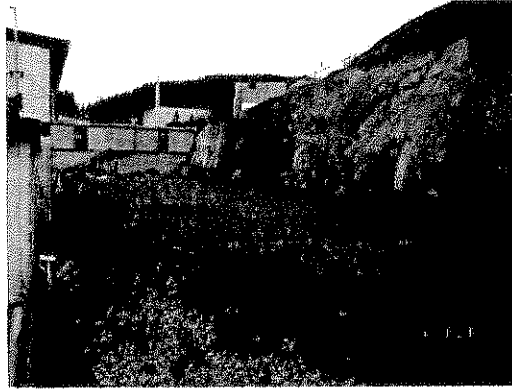
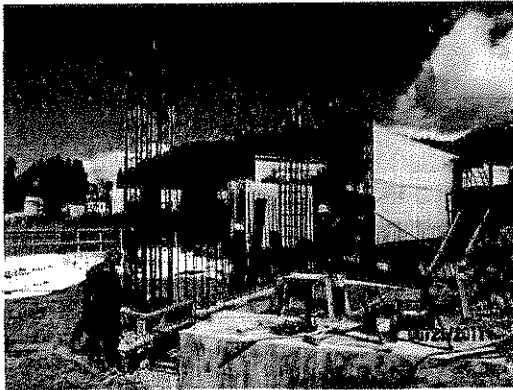
- Continue to meet with CC Project 'neighbors' Pioneers of Alaska – Igloo #19 and provide regular updates and information.
- Completed all Cordova Center filing. Established record keeping system for project;
- Continue to provide information regarding site plan and parking to Planning and Zoning Commission
- Worked with Dokoozian Construction to clear ballfield prior to Little League season.

CONSTRUCTION

- Attended all Owner's Meetings and Construction meetings.
- Southwest Wall Design issues are now complete and construction is underway on south west wall.
- Review of all submittals is complete except for final approval on windows; All exterior color selection complete.
- Site visits continue with MRV Design Team Members.

PHASE II

- Met twice with Cordova Chamber of Commerce to coordinate and develop short term and long term marketing for Cordova Center; as well as develop infrastructure plan for community; and complete business plan.
- Met and reviewed Phase II documents with Prince William Sound Science Center staff; Stage of the Tides Theatre Group; Cordova Arts and Pageants; City Hall Staff and City Council
- Conducted Phase II meeting with Design Team and Owner's Representatives.
- Review and Analysis is now complete on radiant floor heating for Floor 4 and Partially Floor 3 and outer stairways;
- Review and Analysis is complete regarding the potential of utilizing ground source Heat Pumps to lower energy costs and did not prove to be a sufficient savings.
- Completed all documents, resolutions, etc. regarding purchase of Redden Marine.



MEMO, City of Cordova

FROM: Ashley Royal, Finance Director
TO: City Manager, Mayor and City Council
Date: July 15, 2011
RE: Quarterly Financial Report

This quarterly report for June 30, 2011 is a four part report:

- Cash and Investment s report
- Two –page Revenue and Exp compared to Budget report
- School Capital Project Budget report
- Cordova Center Project Budget report

The Cash and Investments report shows comparison of 12/31/10 to 6/30/11. The report is divided in two parts – the first part showing the balances by accounts, whether with UBS investments or with FNBA. The second part shows how the money is allocated between the various funds of the City. I have added a column showing the capital reserve for the enterprise funds. An item of special consideration is the splitting of the Sewer/Water Fund into two separate funds brought forth the discovery that we all suspected, which is the Sewer fund has a deficit cash balance.

The two-page financial statement is the same format as presented in the past, excluding the School and Cordova Center Capital Projects.

The reports for the School capital project and Cordova Center are in a newly designed format, which is intended to show the total budget for the projects from inception through end, and compared to the actual financial activity for the same periods. That way we can hopefully see the big picture better, all years, and not just a snapshot of one year

Respectfully submitted by:
Ashley Royal
Finance Director, City of Cordova

City of Cordova Cash & Investments	Balances at	
	12/31/2010	6/30/2011
FNB - Checking - Pooled Checking Account	(\$40,990.83)	(\$118,849.96)
FNB - Repurchase Agreement - Sweep Acct	\$2,715,894.15	\$2,069,029.58
FNB - Payroll Account - Checking	(\$39,267.14)	(\$48,922.25)
AMLIP	\$2,610.30	\$2,616.47
UBS - Central Treasury Investments	\$7,612,877.50	\$5,629,888.86
UBS - Reserve Fund Investment	\$8,033,064.58	\$8,273,433.53
UBS - School Capital Project Investment	\$445,474.16	\$0.00
FNB - Harbor Checking for credit card deposits	\$324,843.57	\$501,070.59
FNB - Certificates of Deposit	\$479,725.10	\$479,772.40
FNB - Savings Acct Ambulance Replacement Reserve	\$6,861.99	\$6,880.51
Total Cash & Investments	\$19,541,093.38	\$16,794,919.73

Funds:	All Funds 12/31/2010	All Funds 6/30/2011	All Funds 6/30/2011 Capital Reserve	All Funds 6/30/2011 Total
General Fund	\$4,433,851.07	\$2,706,557.42		\$2,706,557.42
Reserve Fund	\$8,534,668.01	\$9,665,795.65		\$9,665,795.65
Ambulance Replacement Fund	\$54,304.83	\$63,002.56		\$63,002.56
General Projects & Grant Admn Fund	(\$103,585.88)	(\$471,844.18)		(\$471,844.18)
Chip Seal CIP Fund	\$100,546.53	\$102,505.05		\$102,505.05
School Capital Project Fund	\$2,552,396.89	\$1,177,757.96		\$1,177,757.96
Cordova Center Fund	\$1,456,881.79	\$1,556,778.56		\$1,556,778.56
Harbor Enterprise Fund	\$703,404.87	\$268,018.97	\$300,532.98	\$568,551.95
Sewer/Water Enterprise Fund	\$543,643.91	N/A		\$0.00
Sewer Fund	N/A	(\$383,859.96)	\$256,943.65	(\$126,916.31)
Water Fund	N/A	\$243,788.94	\$250,443.66	\$494,232.60
Refuse Enterprise Fund	\$1,232,282.24	\$421,936.02	\$730,216.56	\$1,152,152.58
Odlak Camper Park Fund	\$32,699.12	\$3,095.89		\$3,095.89
Public Service Bldg Project	N/A	(\$75,000.00)		(\$75,000.00)
Hospital Repair Project	N/A	(\$6,750.00)		(\$6,750.00)
Shipyard Building Project	N/A	(\$5,000.00)		(\$5,000.00)
North Fill Dock Project	N/A	(\$5,000.00)		(\$5,000.00)
Sawmill Ave. Trail Project	N/A	(\$5,000.00)		(\$5,000.00)
	\$19,541,093.38	\$15,256,782.88	\$1,538,136.85	\$16,794,919.73

CITY OF CORDOVA
FUND SUMMARY
FOR THE 6 MONTHS ENDING JUNE 30, 2011

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
TAXES	503,551.34	1,540,002.90	4,967,538.51	3,427,535.61	31.0
LICENSES & PERMITS	300.00	505.00	15,900.00	15,395.00	3.2
OTHER GOVERNMENTAL	.00	1,207,858.78	2,986,914.49	1,779,055.71	40.4
LEASES & RENTS	21,814.26	99,514.21	205,400.00	105,885.79	48.5
LAW ENFORCEMENT	10,891.96	117,781.77	232,025.00	114,243.23	50.8
D. M. V.	5,468.62	41,166.90	74,500.00	33,313.10	55.3
PLANNING DEPARTMENT REVENUE	1,835.85	9,223.95	27,500.00	18,276.05	33.5
RECREATION DEPT REVENUE	9,070.00	27,302.50	61,900.00	34,597.50	44.1
POOL REVENUE	2,954.00	9,422.50	20,200.00	10,777.50	46.7
SALE OF PROPERTY	5.00	1,059.25	9,600.00	8,540.75	11.0
TRANSFERS FROM OTHER FUNDS	35,183.34	411,100.04	422,200.00	11,099.96	97.4
OTHER REVENUE	71,667.81	71,723.51	215,000.00	143,276.49	33.4
STATE DEBT SERVICE REIMBURSE	.00	630,162.00	934,423.98	304,261.98	67.4
	662,742.18	4,166,843.31	10,173,101.98	6,006,258.67	41.0
<u>EXPENDITURES</u>					
CITY COUNCIL	3,158.30	9,738.78	21,750.00	12,011.22	44.8
CITY CLERK	17,390.80	114,717.89	231,135.00	116,417.11	49.6
CITY MANAGER	18,979.71	118,398.99	369,878.00	251,479.01	32.0
FINANCE	26,506.50	176,419.43	349,593.00	173,173.57	50.5
PLANNING DEPARTMENT EXPENSE	16,348.63	106,938.56	189,591.00	82,652.44	56.4
DEPARTMENT OF MOTOR VEHICLE	4,534.38	25,187.05	81,799.50	56,612.45	30.8
LAW ENFORCEMENT	69,898.73	426,989.69	814,009.60	387,019.91	52.5
JAIL OPERATIONS	16,324.49	105,048.53	192,477.40	87,428.87	54.6
FIRE & EMS	18,981.31	127,126.55	297,966.00	170,839.45	42.7
DISASTER MANAGEMENT DEPT.	478.99	478.99	3,000.00	2,521.01	16.0
INFORMATION SERVICES	25,300.44	164,021.28	388,299.00	224,277.72	42.2
PW ADMINISTRATION	6,580.21	53,368.21	104,715.00	51,346.79	51.0
FACILITY MAINTENANCE	19,543.98	122,591.40	266,992.00	144,400.60	45.9
STREET MAINTENANCE	45,430.52	324,249.49	609,073.00	284,823.51	53.2
SNOW REMOVAL	.00	7,497.58	60,861.00	53,363.42	12.3
EQUIPMENT MAINTENANCE	26,152.08	112,088.88	188,474.00	76,385.12	59.5
PARKS MAINTENANCE	9,055.83	42,874.75	85,812.00	42,937.25	50.0
CEMETERY MAINTENANCE DEPT.	2,406.93	3,814.45	6,725.00	2,910.55	56.7
RECREATION - BIDARKI	30,207.80	183,155.42	322,273.00	139,117.58	56.8
POOL	18,963.12	130,301.83	227,967.00	97,665.17	57.2
SKI HILL	5,752.48	38,686.62	54,800.00	16,113.38	70.6
NON-DEPARTMENTAL	29,442.84	216,635.52	493,730.00	277,094.48	43.9
LONG TERM DEBT SERVICE	3,190.00	1,000,822.95	1,673,763.30	672,940.35	59.8
INTERFUND TRANSFERS	.00	865,248.18	865,248.18	.00	100.0
TRANSFERS TO OTHER ENTITIES	358,750.00	1,326,250.00	2,273,170.00	946,920.00	58.3
	773,378.07	5,802,651.02	10,173,101.98	4,370,450.96	57.0
	(110,635.89)	(1,635,807.71)	.00	1,635,807.71	.0

CITY OF CORDOVA
FUND SUMMARY
FOR THE 6 MONTHS ENDING JUNE 30, 2011

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
101 GENERAL FUND	662,742.18	4,166,843.31	10,173,101.98	6,006,258.67	41.0
104 CITY RESERVE FUND	240,368.95	1,155,765.13	1,520,396.18	364,631.05	76.0
203 AMBULANCE REPLACEMENT FUND	.00 (	100.00)	7,050.00	7,150.00 (	1.4)
205 EQUIPMENT REPLACEMENT FUND	18.52	18.52	.00 (	18.52)	.0
401 GENERAL PROJ & GRANT ADMN	.00	1,610.00	104,223.00	102,613.00	1.5
410 CHIP SEAL C.I.P.	.00	.00	137,400.00	137,400.00	.0
502 HARBOR ENTERPRISE FUND	181,747.10	298,623.46	946,315.00	647,691.54	31.6
503 SEWER ENTERPRISE FUND	46,475.59	268,485.05	588,000.00	319,514.95	45.7
504 WATER ENTERPRISE FUND	61,825.82	309,240.08	614,100.00	304,859.92	50.4
505 REFUSE ENTERPRISE FUND	82,338.15	390,514.09	804,900.00	414,385.91	48.5
506 ODIK CAMPER PARK	7,281.48	12,117.04	50,000.00	37,882.96	24.2
602 HARBOR & PORT PROJECTS	.00	60,000.00	60,000.00	.00	100.0
603 SEWER PROJECTS	.00	56,500.00	100,000.00	43,500.00	56.5
604 WATER PROJECTS	.00	100,000.00	237,680.00	137,680.00	42.1
605 SOLID WASTE PROJECTS	.00	100,000.00	622,000.00	522,000.00	16.1
911 E-911 SPECIAL REVENUE FUND	7,372.36	17,156.21	.00 (	17,156.21)	.0
	1,290,170.15	6,936,772.89	15,965,166.16	9,028,393.27	43.5
<u>EXPENDITURES</u>					
101 GENERAL FUND	773,378.07	5,802,651.02	10,173,101.98	4,370,450.96	57.0
401 GENERAL PROJ & GRANT ADMN	40,531.47	155,139.05	714,879.00	559,739.95	21.7
410 CHIP SEAL C.I.P.	.00	.00	182,400.00	182,400.00	.0
430 PUBLIC SERVICE BLDG CAP PROJ	.00	75,000.00	75,000.00	.00	100.0
435 HOSPITAL REPAIR PROJECT	.00	6,750.00	.00 (	6,750.00)	.0
442 SHIPYARD BUILDING PROJECT	.00	5,000.00	.00 (	5,000.00)	.0
444 SHIPYARD FILL PROJECT	.00	5,000.00	.00 (	5,000.00)	.0
446 NORTH FILL DOCK PROJECT	.00	5,000.00	.00 (	5,000.00)	.0
448 SAWMILL AVENUE TRAIL PROJECT	.00	5,000.00	.00 (	5,000.00)	.0
502 HARBOR ENTERPRISE FUND	87,165.29	547,056.02	946,315.00	399,258.98	57.8
503 SEWER ENTERPRISE FUND	48,160.04	367,260.79	588,000.00	220,739.21	62.5
504 WATER ENTERPRISE FUND	45,087.32	366,932.25	604,500.00	237,567.75	60.7
505 REFUSE ENTERPRISE FUND	58,793.84	492,875.42	804,900.00	312,024.58	61.2
506 ODIK CAMPER PARK	11,004.58	24,607.57	50,000.00	25,392.43	49.2
603 SEWER PROJECTS	18,973.83	18,973.83	122,000.00	103,026.17	15.6
604 WATER PROJECTS	13,613.87	76,205.74	251,550.00	175,344.26	30.3
605 SOLID WASTE PROJECTS	.00	.00	732,000.00	732,000.00	.0
	1,096,708.31	7,953,451.69	15,244,645.98	7,291,194.29	52.2
	193,461.84 (	1,016,678.80)	720,520.18	1,737,198.98 (	141.1)

2011 BUDGET - SCHOOL PROJECT
Period: 06/11

Account Number	Account Title	Total Budget	2008 Prior year 3 Actual	2009 Prior year 2 Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Budget Balance
School Capital Project								
Revenue								
420-300-40100	Bond Issue Proceeds	16,610,704.59	.00	16,610,704.59	.00	.00	.00	.00
420-300-40325	Investment Earnings	250,432.39	.00	12,827.06-	263,259.45	.00	.00	.00
420-300-43000	Deferred Revenue	.00	.00	.00	.00	.00	.00	.00
Transfers								
420-390-41005	Transfer to School Dist	200,000.00-	.00	.00	.00	200,000.00-	200,000.00-	.00
Total Revenue:		16,661,136.98	.00	16,597,877.53	263,259.45	200,000.00-	200,000.00-	.00
Mt Eccles Gym Addition								
420-403-50220	CM (by consultant)	91,982.00	.00	32,656.13	59,325.87	.00	.00	.00
420-403-52100	Land Purchase	205,759.91	.00	205,759.91	.00	.00	.00	.00
420-403-52110	Site Investigation	.00	.00	.00	.00	.00	.00	.00
420-403-52140	Design Services	413,919.00	.00	397,091.66	16,827.34	.00	.00	.00
420-403-52150	Construction	5,861,000.00	.00	1,416,759.00	4,339,388.53	231,449.20	104,852.47	126,596.73-
420-403-52160	Equipment	151,222.00	.00	.00	75,000.00	.00	76,222.00	76,222.00
420-403-52170	District Admn Overhead	229,995.00	.00	57,233.80	173,396.20	6,009.81	635.00-	6,644.81-
420-403-52180	Art	22,996.00	.00	.00	22,996.00	.00	.00	.00
420-403-52185	Professional Services	.00	.00	.00	.00	1,104.60	.00	1,104.60-
420-403-52190	Project Contingency	229,955.00	.00	.00	.00	.00	229,955.00	229,955.00
Total Mt Eccles Gym Addition:		7,206,828.91	.00	2,109,500.50	4,686,933.94	238,563.61	410,394.47	171,830.86
Mt Eccles Renovation								
420-405-50220	CM (by consultant)	166,730.00	.00	.00	166,730.00	.00	.00	.00
420-405-52140	Design Services	833,650.00	.00	747,596.51	82,802.38	.00	3,251.11	3,251.11
420-405-52150	Construction	7,104,600.00	.00	299,070.40	6,292,206.65	67,427.00	513,322.95	445,895.95
420-405-52160	Equipment	487,202.00	.00	.00	482,000.00	.00	5,202.00	5,202.00
420-405-52170	District Admn Overhead	416,825.00	82,058.10	13,112.36	328,750.79	439.98	7,096.25-	7,536.23-
420-405-52180	Art	41,683.00	.00	.00	41,683.00	.00	.00	.00
420-405-52185	Professional Services	.00	.00	.00	.00	5,491.00	.00	5,491.00-
420-405-52190	Project Contingency	386,825.00	.00	.00	.00	.00	386,825.00	386,825.00
Total Mt Eccles Renovation:		9,437,515.00	82,058.10	1,059,779.27	7,394,172.82	73,357.98	901,504.81	828,146.83
Total Expenditure:		16,644,343.91	82,058.10	3,169,279.77	12,081,166.76	311,921.59	1,311,899.28	999,977.69
Net Grand Totals:		16,793.07	82,058.10-	13,428,597.76	11,817,947.31-	511,921.59-	1,511,999.28-	999,977.69-

BUDGET FOR CORDOVA CENTER PROJECT
Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior Year Actual	2011 Current Year Actual	2011 Current Year Budget	2011 Current Year Remaining Budget
Cordova Center Fund							
Revenue							
426-300-40325	Investment Earnings	120,770.90	52,787.96	37,982.94	.00	30,000.00	30,000.00
426-300-42195	Cordova Center Design	23,109.00	23,109.00	.00	.00	.00	.00
426-300-42200	Not Yet Known	.00	.00	.00	.00	.00	.00
426-300-43000	Deferred Revenue	.00	636,058.36-	277,640.56	.00	358,417.80	358,417.80
Grant Revenue							
426-310-42410	DOI FY03 S.2708	994,000.00	994,000.00	.00	.00	.00	.00
426-310-42420	HUD EDI B-04-SP-AK-0040	994,100.00	.00	994,100.00	.00	.00	.00
426-310-42430	DCCED 05-DC-039	25,000.00	1,003.73	23,996.27	.00	.00	.00
426-310-42440	DCCED 06-DC-101	1,000,000.00	4,276.25	995,723.75	.00	.00	.00
426-310-42450	DCCED 10-DC-011	1,000,000.00	.00	104,453.82	895,546.18	895,546.18	.00
426-310-42460	DCCED 11-DC-197	2,500,000.00	.00	.00	.00	2,500,000.00	2,500,000.00
426-310-42470	DCCED 11-DC-626	2,000,000.00	.00	.00	1,576,359.10	2,000,000.00	423,640.90
426-310-45480	EVOSTC - Fed Grant	7,000,000.00	.00	.00	.00	7,000,000.00	7,000,000.00
Transfers In							
426-380-49998	Transfer from Permanent Fund	1,500,000.00	.00	1,500,000.00	.00	.00	.00
426-380-49999	Transfer from General Fund	.00	.00	.00	.00	.00	.00
Total Revenue:		17,156,979.90	439,118.58	3,933,897.34	2,471,905.28	12,783,963.98	10,312,058.70
Phase I - From City Money							
426-401-70110	Administration	78,946.99	.00	30,946.99	136.51	48,000.00	47,863.49
426-401-70120	Project Manager	63,000.00	.00	.00	44,295.31	63,000.00	18,704.69
426-401-70121	Project Manager Overhead	30,000.00	.00	.00	2,955.09	30,000.00	27,044.91
426-401-70130	Construction	526,152.94	.00	.00	.00	526,152.94	526,152.94
426-401-70140	Construction Management	150,000.00	.00	.00	.00	150,000.00	150,000.00
426-401-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-401-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - From City Money:		848,099.93	.00	30,946.99	47,386.91	817,152.94	769,766.03
Phase II - From City Money							
426-402-70110	Administration	50,000.00	.00	.00	2,438.29	50,000.00	47,561.71
426-402-70120	Project Manager	18,000.00	.00	.00	.00	18,000.00	18,000.00
426-402-70121	Project Manager Overhead	15,000.00	.00	.00	196.66	15,000.00	14,803.34
426-402-70130	Construction	584,498.43	.00	.00	3,462.50	584,498.43	581,035.93
426-402-70140	Construction Management	144,128.53	.00	.00	.00	144,128.53	144,128.53

BUDGET FOR CORDOVA CENTER PROJECT
Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Current year Remaining Budget
426-402-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-402-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - From City Money:		811,626.96	.00	.00	6,097.45	811,626.96	805,529.51

Phase I - DOI FY03 S.2708

426-411-52180	Professional Services	61,524.52	.00	18,524.52	26,350.12	43,000.00	16,649.88
426-411-59010	Design Engineering	243,330.81	17,502.75	138,810.98	.00	87,017.08	87,017.08
426-411-59050	Materials Purchased	680.54	680.54	.00	.00	.00	.00
426-411-59060	Services Purchased	19,460.74	19,460.74	.00	14,336.96	.00	14,336.96
426-411-70110	Administration	283,153.97	272,531.97	2,750.56	878.05	7,871.44	6,993.39
426-411-70120	Project Manager	21,355.03	.00	21,355.03	.00	.00	.00
426-411-70121	Project Manager Overhead	4,681.47	.00	4,681.47	.00	.00	.00
426-411-70130	Construction	.00	.00	.00	38,736.90	.00	38,736.90
426-411-70140	Construction Management	78,865.93	.00	78,865.93	20,311.18	.00	20,311.18
426-411-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-411-70160	Art	.00	.00	.00	.00	.00	.00
426-411-70200	Property Acquisition	250,000.00	.00	.00	229,420.28	250,000.00	20,579.72
Total Phase I - DOI FY03 S.2708:		963,053.01	310,176.00	264,988.49	330,033.49	387,888.52	57,855.03

Phase II - DOI FY03 S.2708

426-412-52180	Professional Services	.00	.00	.00	.00	.00	.00
426-412-59010	Design Engineering	.00	.00	.00	.00	.00	.00
426-412-70110	Administration	.00	.00	.00	.00	.00	.00
426-412-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-412-70130	Construction	.00	.00	.00	.00	.00	.00
426-412-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-412-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-412-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - DOI FY03 S.2708:		.00	.00	.00	.00	.00	.00

Phase I - HUDEDI B04SP-AK-0040

426-421-70110	Administration	.00	.00	.00	.00	.00	.00
426-421-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-421-70130	Construction	967,429.14	.00	957,429.14	.00	.00	.00
426-421-70140	Construction Management	36,670.86	.00	36,670.86	.00	.00	.00
426-421-70150	Construction Contingency	.00	.00	.00	.00	.00	.00

BUDGET FOR CORDOVA CENTER PROJECT

Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Current year Remaining Budget
426-421-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - HUDEDI B04SP-AK-0040:		994,100.00	.00	994,100.00	.00	.00	.00
Phase II - HUDEDI B04SP-AK-0040							
426-422-70110	Administration	.00	.00	.00	.00	.00	.00
426-422-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-422-70130	Construction	.00	.00	.00	.00	.00	.00
426-422-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-422-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-422-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - HUDEDI B04SP-AK-0040:		.00	.00	.00	.00	.00	.00
Phase I - DCCED 05-DC-039							
426-431-60010	Site Work	1,003.73	1,003.73	.00	.00	.00	.00
426-431-70110	Administration	.00	.00	.00	.00	.00	.00
426-431-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-431-70130	Construction	23,996.27	.00	23,996.27	.00	.00	.00
426-431-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-431-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-431-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - DCCED 05-DC-039:		25,000.00	1,003.73	23,996.27	.00	.00	.00
Phase II - DCCED 05-DC-039							
426-432-70110	Administration	.00	.00	.00	.00	.00	.00
426-432-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-432-70130	Construction	.00	.00	.00	.00	.00	.00
426-432-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-432-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-432-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - DCCED 05-DC-039:		.00	.00	.00	.00	.00	.00
Phase I - DCCED 06-DC-101							
426-441-60010	Site Work	4,276.25	4,276.25	.00	.00	.00	.00
426-441-70110	Administration	.00	.00	.00	.00	.00	.00
426-441-70120	Project Manager	.00	.00	.00	.00	.00	.00

BUDGET FOR CORDOVA CENTER PROJECT

Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Current year Remaining Budget
426-441-70130	Construction	995,723.75	.00	995,723.75	.00	.00	.00
426-441-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-441-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-441-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - DCCED 06-DC-101:		1,000,000.00	4,276.25	995,723.75	.00	.00	.00
Phase II DCCED 06-DC-101							
426-442-70110	Administration	.00	.00	.00	.00	.00	.00
426-442-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-442-70130	Construction	.00	.00	.00	.00	.00	.00
426-442-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-442-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-442-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II DCCED 06-DC-101:		.00	.00	.00	.00	.00	.00
Phase I - DCCED 10-DC-011							
426-451-70110	Administration	.00	.00	.00	.00	.00	.00
426-451-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-451-70130	Construction	1,000,000.00	.00	102,006.16	897,993.84	897,993.84	.00
426-451-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-451-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-451-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - DCCED 10-DC-011:		1,000,000.00	.00	102,006.16	897,993.84	897,993.84	.00
Phase II - DCCED 10-DC-011							
426-452-70110	Administration	.00	.00	.00	.00	.00	.00
426-452-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-452-70130	Construction	.00	.00	.00	.00	.00	.00
426-452-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-452-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-452-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - DCCED 10-DC-011:		.00	.00	.00	.00	.00	.00
Phase I - DCCED 11-DC-197							
426-461-70110	Administration	62,500.00	.00	.00	.00	62,500.00	62,500.00

BUDGET FOR CORDOVA CENTER PROJECT

Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Current year Remaining Budget
426-461-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-461-70130	Construction	1,940,000.00	.00	.00	141,765.11	1,940,000.00	1,798,234.89
426-461-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-461-70150	Construction Contingency	410,000.00	.00	.00	.00	410,000.00	410,000.00
426-461-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - DCCED 11-DC-197:		2,412,500.00	.00	.00	141,765.11	2,412,500.00	2,270,734.89
Phase II - DCCED 11-DC-197							
426-462-70110	Administration	62,500.00	.00	.00	.00	62,500.00	62,500.00
426-462-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-462-70130	Construction	.00	.00	.00	.00	.00	.00
426-462-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-462-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-462-70160	Art	25,000.00	.00	.00	.00	25,000.00	25,000.00
Total Phase II - DCCED 11-DC-197:		87,500.00	.00	.00	.00	87,500.00	87,500.00
Phase I - DCCED 11-DC-626							
426-471-70110	Administration	50,000.00	.00	.00	.00	50,000.00	50,000.00
426-471-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-471-70130	Construction	1,880,000.00	.00	.00	2,000,000.05	1,880,000.00	120,000.05
426-471-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-471-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-471-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - DCCED 11-DC-626:		1,930,000.00	.00	.00	2,000,000.05	1,930,000.00	70,000.05
Phase II - DCCED 11-DC-626							
426-472-70110	Administration	50,000.00	.00	.00	.00	50,000.00	50,000.00
426-472-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-472-70130	Construction	.00	.00	.00	.00	.00	.00
426-472-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-472-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-472-70160	Art	20,000.00	.00	.00	.00	20,000.00	20,000.00
Total Phase II - DCCED 11-DC-626:		70,000.00	.00	.00	.00	70,000.00	70,000.00

BUDGET FOR CORDOVA CENTER PROJECT

Period: 06/11

Account Number	Account Title	Total Project Budget	Prior Years Actual	2010 Prior year Actual	2011 Current year Actual	2011 Current year Budget	2011 Current year Remaining Budget
Phase I - EVOSTC							
426-481-70110	Administration	.00	.00	.00	.00	.00	.00
426-481-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-481-70130	Construction	.00	.00	.00	.00	.00	.00
426-481-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-481-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-481-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase I - EVOSTC:		.00	.00	.00	.00	.00	.00
Phase II - EVOSTC							
426-482-70110	Administration	.00	.00	.00	.00	.00	.00
426-482-70120	Project Manager	.00	.00	.00	.00	.00	.00
426-482-70130	Construction	7,000,000.00	.00	.00	.00	7,000,000.00	7,000,000.00
426-482-70140	Construction Management	.00	.00	.00	.00	.00	.00
426-482-70150	Construction Contingency	.00	.00	.00	.00	.00	.00
426-482-70160	Art	.00	.00	.00	.00	.00	.00
Total Phase II - EVOSTC:		7,000,000.00	.00	.00	.00	7,000,000.00	7,000,000.00
Interfund Transfers Out							
426-901-57411	Transfer to General Fund	.00	.00	.00	.00	.00	.00
Total Interfund Transfers Out:		.00	.00	.00	.00	.00	.00
Total Expenditure:							
		17,141,879.90	315,455.98	2,411,761.66	3,423,276.85	14,414,662.26	10,991,385.41
Net Grand Totals:							
		15,100.00	123,662.60	1,522,135.68	951,371.57-	1,630,698.28-	679,326.71-

FROM:



TO: Cordova Mayor and City Council

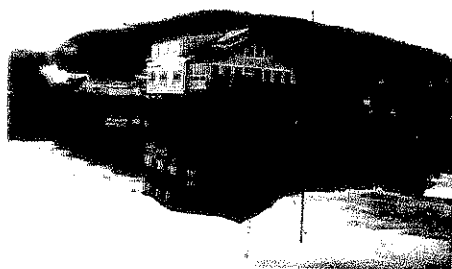
P.O. Box 1210

Cordova, AK 99574

RECEIVED
JUL 07 2011
City of Cordova



June 1989—What the PWS Science Center (PWSSC) moves into: the former “ice house” - empty, leaking, with holes in the floor where you could watch the tides. Jobs created: 2.



2011—22 years later, the city's \$100,000 in 1989 startup funding resulted in a \$1 million investment by PWSSC in the building, \$1.3 million spent on vessel charter contracts, over \$370,000 spent on city sales tax, & \$17 million in local wages. Year round jobs: 22.

Dear **Mayor Kallander and Cordova City Council members** (Dave Reggiani, E.J. Cheshier, Dave Allison, Brett Bradford, Jim Kasch, Keith Van den Broek, and Robert Beedle):

I support the PWS Science Center's efforts to purchase its building and the adjacent tidelands. The Science Center contributes to our community:

- ◆ 22+ jobs year-round and additional contract services;
- ◆ Excellent education programs at no cost to the Cordova School District and the community as a whole;
- ◆ Research focused on issues important to us, such as investigations of herring, oceanography, birds and other wildlife.

The Science Center has also established weather stations on the Copper River Delta and throughout Prince William Sound that provide real-time information for mariners, aviators and recreationalists.

Additional comments:

Signature: *Alvina Popell*

Memorandum

To: City Council
Thru: Samantha Greenwood, City Planner
Date: July 12, 2011
Re: Awarding disposal of property
Lots 1-4, Block 42, Cordova Original Townsite

PART I. GENERAL INFORMATION:

The timeline of the disposal of the Lots 1-4, Block 42, Cordova Original Townsite

1. March 8, 2011; Planning and Zoning Commission recommended disposing of the lot.
2. April 6, 2011; City Council elected to sell the lot by proposal.
3. June 21, 2011; 30 day period proposal period ended
4. July 12, 2011; Planning and Zoning Commission reviewed the proposals

PART II. PLANNING AND ZONING COMMISSION

Planning and Zoning reviewed the proposal submitted and found that the proposal for Lots 1-4, Block 42, Cordova Original Townsite was in compliance with current zoning regulations.

Motion, Reggiani; Second, Greenwood "I move to forward the proposal to purchase Lots 1-4, Block 42, Cordova Original Townsite to the Cordova City Council as it meets the zoning regulations for R Medium Density Residential District."

Motion passed: 5 yeas, 1 nay, 1 absent

Yea: Srb, Reggiani, Greenwood, McGann, LoForte,

Nay: Bailer

Absent: Padawer

If at this time City Council awards Lots 1-4, Block 42, Original Townsite to the proposer, staff asks that City Council also provide the criteria required in the performance deed of trust.

CITY OF CORDOVA



SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, June 21st 2011 @ 5p.m in a sealed envelope.

Property: Lot 1-4, Block 42, Original Townsite; 708 Eighth Street. See attached map.

Name of Proposer Lew Americas
Name of Business _____

Address Box 2112
Cordova, AK 99574

Phone Number (907) 253-3000

Note: All submitted proposals for this property will be reviewed by the Planning & Zoning Commission who will then recommend a proposal to City Council for final review and acceptance. The City Council reserves the right to reject any, part of any or all proposals, or to accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be required to address and provide a Drainage Plan for this property, which will be reviewed and approved by the Public Works and Planning Departments prior to a Building permit being issued.

The minimum price that will be accepted for Lot 1-4, Block 42, Original Townsite; 708 Eighth Street is \$45,000. This is the Fair Market Value determined by a qualified appraiser licensed by the State of Alaska. If the successful proposal amount is greater than the appraised value, then that shall be the amount paid for the property. In no event shall the winning bid amount be less than Fair Market Value.

Proposed Price \$ 65,000

The applicant shall be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

Please review the attached section of Code for the allowable uses within the Medium Density Residential Zone.

Additional Information required (Please attach separately)

1. Please describe the proposed use of this lot?
2. Please describe the type of building(s) you're proposing to develop.
3. What is the proposed square footage of the building(s)? Please provide a rough sketch of your building(s) layout on the attached drawing of this lot.
4. What is the benefit of the proposed development to the community?
5. What is the value of the proposed improvements (in dollars)?
6. What is your proposed timeline for development?
7. How will you resolve any drainage issues arising from the addition of fill material?

Please address to:

City of Cordova
Planning Department
C/O Sealed Proposals
Lots 1-4, Block 42; O.T.
P.O. Box 1210
Cordova, Alaska 99574

Chapter 18.24 - R MEDIUM DENSITY RESIDENCE DISTRICT

Sections:

18.24.010 - Permitted uses.

18.24.020 - Building height limit.

18.24.030 - Lot area.

18.24.040 - Front yard.

18.24.050 - Rear yard.

18.24.060 - Side yard.

18.24.010 - Permitted uses.

The following uses are permitted in the R medium density district:

- A. One-family, two-family and multiple-family dwellings;
- B. Boardinghouses;
- C. Accessory buildings and uses not used or operated for gain and not including guest houses or accessory living quarters;
- D. Require off-street parking.

(Prior code § 15.204.2(A)).

18.24.020 - Building height limit.

The maximum building height in the R medium density district shall be three and one-half stories but shall not exceed forty-five feet.

(Prior code § 15.204.2(B)).

18.24.030 - Lot area.

- A. The minimum lot area in the R medium density district shall be four thousand square feet and the minimum lot width shall be forty feet.
- B. The minimum lot area for dwellings in the R medium density district shall be:
 - 1. For a one-family dwelling, four thousand square feet per dwelling unit;
 - 2. For a two-family and three-family dwelling, two thousand square feet per dwelling unit;
 - 3. For a multiple-family dwelling unit with four to seven dwelling units, one thousand six hundred square feet per dwelling unit;
 - 4. For a multiple-family dwelling with eight or more dwelling units, one thousand square feet per dwelling unit.

(Prior code § 15.204.2(C)).

18.24.040 - Front yard.

There shall be a front yard in the R medium density district of not less than ten feet from curb line.

(Prior code § 15.204.2(D)).

18.24.050 - Rear yard.

There shall be a rear yard in the R medium density district of not less than twenty-five percent of the depth of the lot but such yard need not exceed fifteen feet.

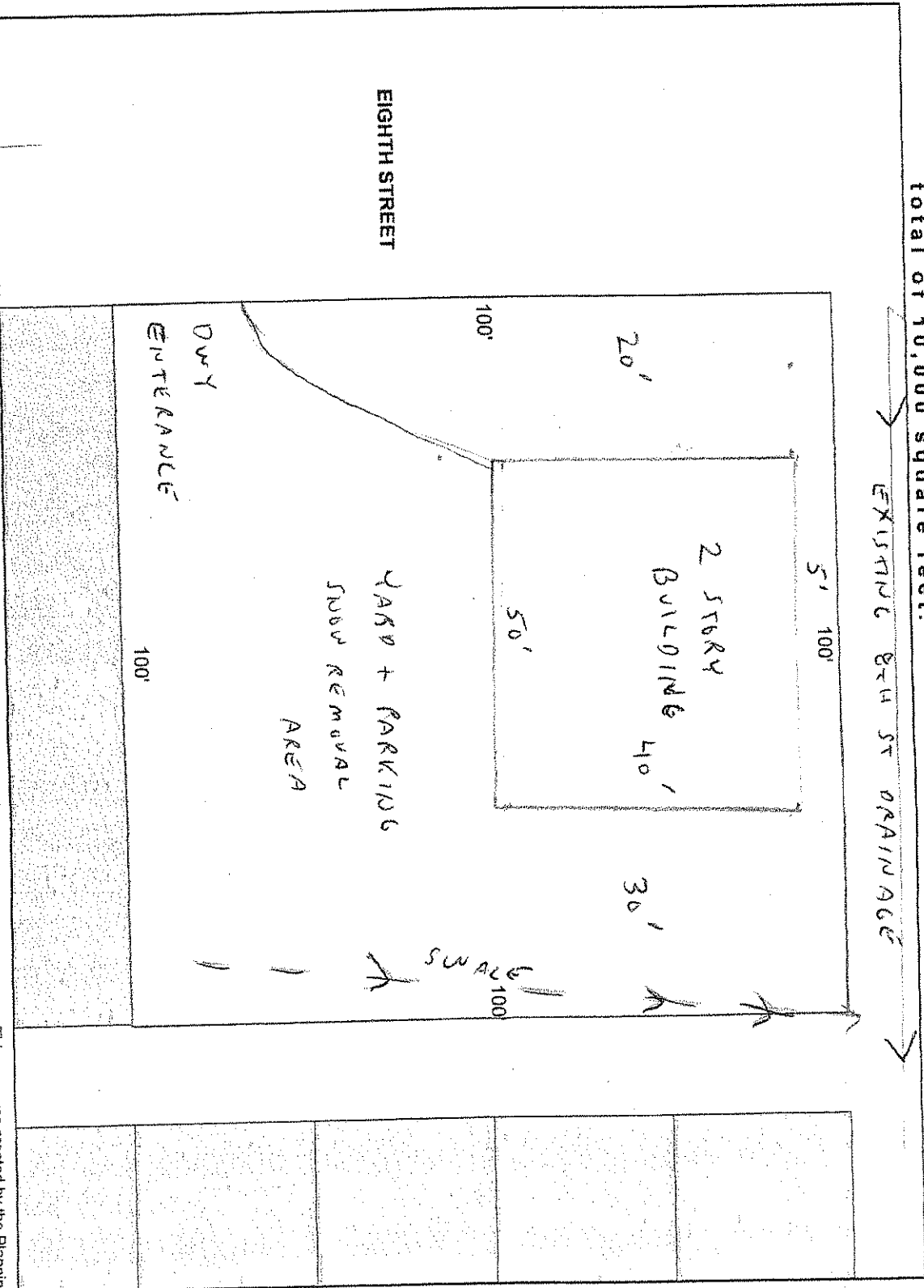
(Prior code § 15.204.2(F)).

18.24.060 - Side yard.

- A. There shall be a side yard in the R medium density district of not less than five feet. The minimum side yard on the street side of a corner shall be ten feet.
- B. The following additional requirements shall apply to two-family and multiple-family dwellings in the R medium density district:
 - 1. In case the building is so located on the lot that the rear thereof abuts one side yard and front abuts the other, the side yard along the rear of the building shall have a minimum width of twelve feet and the side yard along the front of the building shall have a minimum width of ten feet.
 - 2. For multiple-family dwellings the minimum side yards required shall be increased one foot for each dwelling unit over four.

(Prior code § 15.204.2(E)).

Lots 1-4, Block 42, Original Townsite
 ***This depiction is showing Lots 1-4 as one singular lot strictly for the purposes of drawing your intended plan. There are four 25' X 100' (2,500 square foot) lots for a total of 10,000 square feet.



This map was created for illustration purposes only, it was not intended to be used as a survey instrument.

This map was created by the Planning Department on May 17th 2011 for the property disposal packet.

May 28, 2011

I am attaching this letter to cover the additional information required to purchase Lots 1-4 Block 42, Original Townsite.

1. The lot will be used to construct a two story residential building. The building will be set up with primary residence on second floor. An efficiency style apartment on ground floor.

The site has several issues limiting it use. The existing 1 1/4 inch water service services all of Eighth Ave. A multi family unit could affect the water service for all the existing units. The lot is situated on the east side of Eighth Ave. This makes the lot significantly lower than the street. Access to the lot is limited to the south west corner. All vehicle traffic would be here. This would become an annoyance to the resident of Lot 5. Parking would also be limited as it could not be directly from the street.

2. I am proposing a two story residential building.
Primary residence on second floor, with a shop efficiency unit on ground floor.

3. The building will be around 4,000 sq. ft.

4. I will build a high quality building adding value to the tax rolls. The building will provide two additional residences. I will continue to reside in the community and try to provide timely and affordable survey services in Cordova. Local labor would be used in the construction.

5. The improvements when completed should be around \$400,000.

6. Due to changes in my personal life I am needing to sell my present home within the next two years. Should I acquire this lot I would begin immediately to sell my present home and move forward on construction of a new home.

7. I have visited the lot several times. After consulting with the city water and sewer department I believe alot of fill would not be needed for construction. I plan to place some fill to bring the driveway up and to match the existing grade of Lot 5. I propose to build a drainage swale along the east side of the lot. Any runoff could be diverted to the existing drainage running along the north side of Lot 1 and Lot 20 Block 42. This is the drainage that is already in place.

Thank you
Leo Americus

Memorandum

To: City Council

Thru: Planning Department Staff

Date: July 12, 2011

Re: Review of Performance Deed of Trust Criteria for Lot 3, Block 2, South Fill Development Park (02-074-134)

PART I. GENERAL INFORMATION:

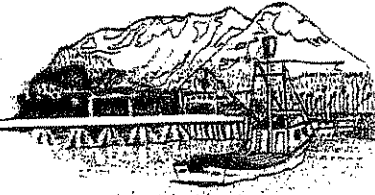
At the Council Special Meeting on June 28, 2011 the Council awarded the disposal to David and Bootslyn Roemhildt for their proposal on Lot 3, Block 2 SFDP. Before the final purchase contract and Performance Deed of Trust can be written, the **criteria** for the Performance Deed of Trust need to be approved by City Council. Below is what the Roemhildt's included in their proposal for time frame and building size. Council is charged with determining what will be included in the Performance Deed of Trust; the list below is provided as a starting point for City Council to edit as they see fit.

Performance Deed of Trust Criteria

1. A two-story 5200 square foot building with the top floor having 1800 square feet
2. Building completed within three years of signing the Performance Deed of Trust

At this time staff is asking council to provide the Performance Deed of Trust criteria so that the purchase documents can be forwarded to and reviewed by the City attorney.

CITY OF CORDOVA



SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, May 31st 2011 @ 5p.m in a sealed envelope.

Property: Lot 3, Block 2, located in South Fill Development Park. See attached map.

Name of Proposer DAVID AND BOOTSLYN ROEMHILDT

Name of Business - NEW BUSINESS -

Address PO Box 2294
CORDOVA, AK 99574

Phone Number 424 - 7765

Note: All submitted proposals for this property will be reviewed by the Planning & Zoning Commission who will then recommend a proposal to City Council for final review and acceptance. The City Council reserves the right to reject any, part of any or all proposals, or to accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be required to provide a Site Plan and Architectural review per City of Cordova Municipal Code section 18.39.130 - Site Plan and Architectural review. This process shall be completed prior to a Building Permit being issued.

The minimum price that will be accepted for Lot 3, Block 2 South Fill Development Park is \$62,000. This is the Fair Market Value determined by a qualified appraiser licensed by the State of Alaska. If the successful proposal amount is greater than the appraised value then that shall be the amount paid for the property. In no event shall the winning bid amount be less than Fair Market Value.

Proposed Price \$ 75,500

The applicant shall be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

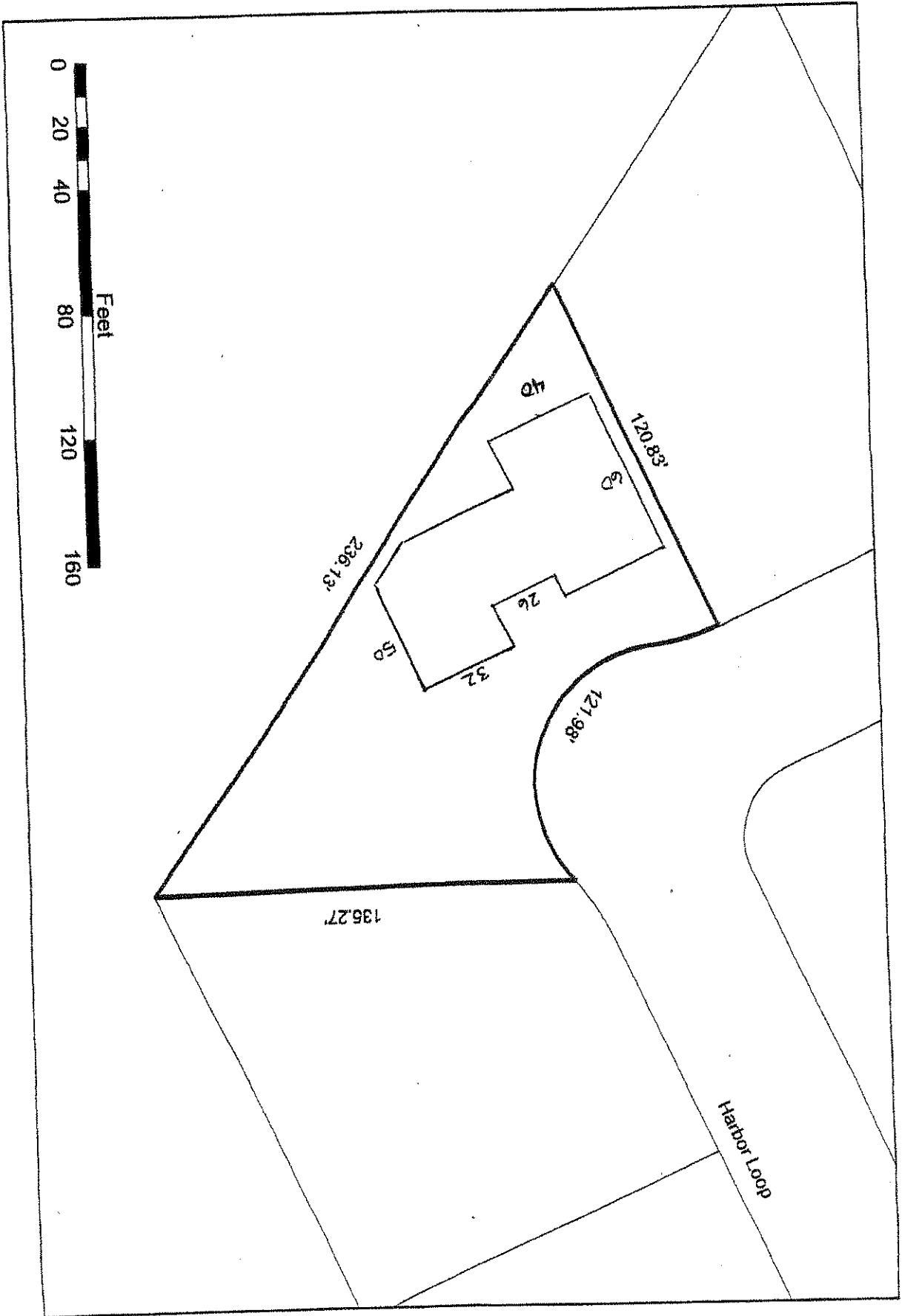
Please review the attached section of Code for the allowable uses within the Waterfront Commercial Zone District.

David and Bootslyn Roemhildt
PO Box 2294
Mile 6 Copper River Highway
Cordova, Alaska 99574

Proposal for Lot 3, Block 2 South Fill Development Park.

1. We are proposing to develop a business on Lot 3 that will provide year-round food, laundry, showers, work stations and business center, with a particular emphasis on providing these services in an economical way to support the fleet in the summer and the whole community in the winter by utilizing hi-efficiency building techniques and alternative energy sources.
2. The proposed development would be approximately 5200 square feet on the ground floor with an additional 1800 square feet on the second floor.
3. The proposed development will benefit the community by expanding the offering of services to the fishing fleet, seasonal visitors, harbor users and community by:
 - a. Providing a year-round café suited to both fishermen and families.
 - b. Providing a full-service and fast laundromat with extra large load machines and an extractor.
 - c. Providing small office and work station space for fishermen and other small businesses.
 - d. Providing a business center for fax, copy, scan, phone and electronic services.
 - e. Providing comfortable and clean showers and bathing that meet ADA handicap requirements.
 - f. Increasing sales tax dollars, especially those coming from seasonal visitors and non-resident fishermen.
 - g. Allowing the Harbor Department to get out of the shower business, and the costs and space associated with maintaining that service for the public.
 - h. Providing better services to visitors and non-resident fishermen which may make them more likely to bring or keep their families in Cordova during the summer while they fish, work or recreate.
 - i. Providing up to five new full time jobs and the economic activity that extra local payroll creates.
4. The value of the development is estimated at \$1,200,000.
5. We propose to have the building completed within three years.

Lot 3 Block 2



Memorandum

To: City Council

Thru: Planning Department Staff

Date: July 12, 2011

Re: Review of Performance Deed of Trust Criteria for Lot 5, Block 2, South Fill Development Park (02-074-138)

PART I. GENERAL INFORMATION:

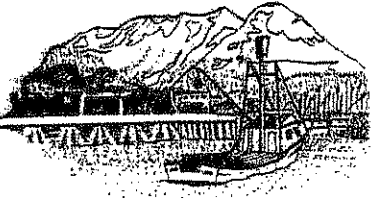
At the Regular City Council Meeting on July 6, 2011 Council awarded the disposal to David and Bootslyn Roemhildt for their proposal on Lot 5, Block 2 SFDP. Before the final purchase contract and Performance Deed of Trust can be written, the **criteria** for the Performance Deed of Trust need to be approved by City Council. Below is what the Roemhildt's included in their proposal for time frame and building size. Council is charged with determining what will be included in the Performance Deed of Trust; the list below is provided as a starting point for City Council to edit as they see fit.

Performance Deed of Trust Criteria

1. A one-story 70 X 100 foot building
2. Building completed within two years of signing the Performance Deed of Trust

At this time staff is asking council to provide the Performance Deed of Trust criteria so that the purchase documents can be forwarded to and reviewed by the City attorney.

CITY OF CORDOVA



SEALED PROPOSAL FORM

All proposals must be submitted by Tuesday, May 31st 2011 @ 5p.m in a sealed envelope.

Property: Lot 5, Block 2, located in South Fill Development Park. See attached map.

Name of Proposer DAVID AND BOOTSLYN ROEMHILOT
Name of Business PLUMBLINE SUPPLY - REDDEN NET

Address PO Box 2294
CORDOVA, AK 99574

Phone Number 424-7765

Note: All submitted proposals for this property will be reviewed by the Planning & Zoning Commission who will then recommend a proposal to City Council for final review and acceptance. The City Council reserves the right to reject any, part of any or all proposals, or to accept any proposal deemed most advantageous to the City of Cordova.

The chosen proposal will be required to provide a Site Plan and Architectural review per City of Cordova Municipal Code section 18.39.130 - Site Plan and Architectural review. This process shall be completed prior to a Building Permit being issued.

The minimum price that will be accepted for Lot 5, Block 2 South Fill Development Park is \$60,000. This is the Fair Market Value determined by a qualified appraiser licensed by the State of Alaska. If the successful proposal amount is greater than the appraised value then that shall be the amount paid for the property. In no event shall the winning bid amount be less than Fair Market Value.

Proposed Price \$73,500

The applicant shall be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section 5.22.100.

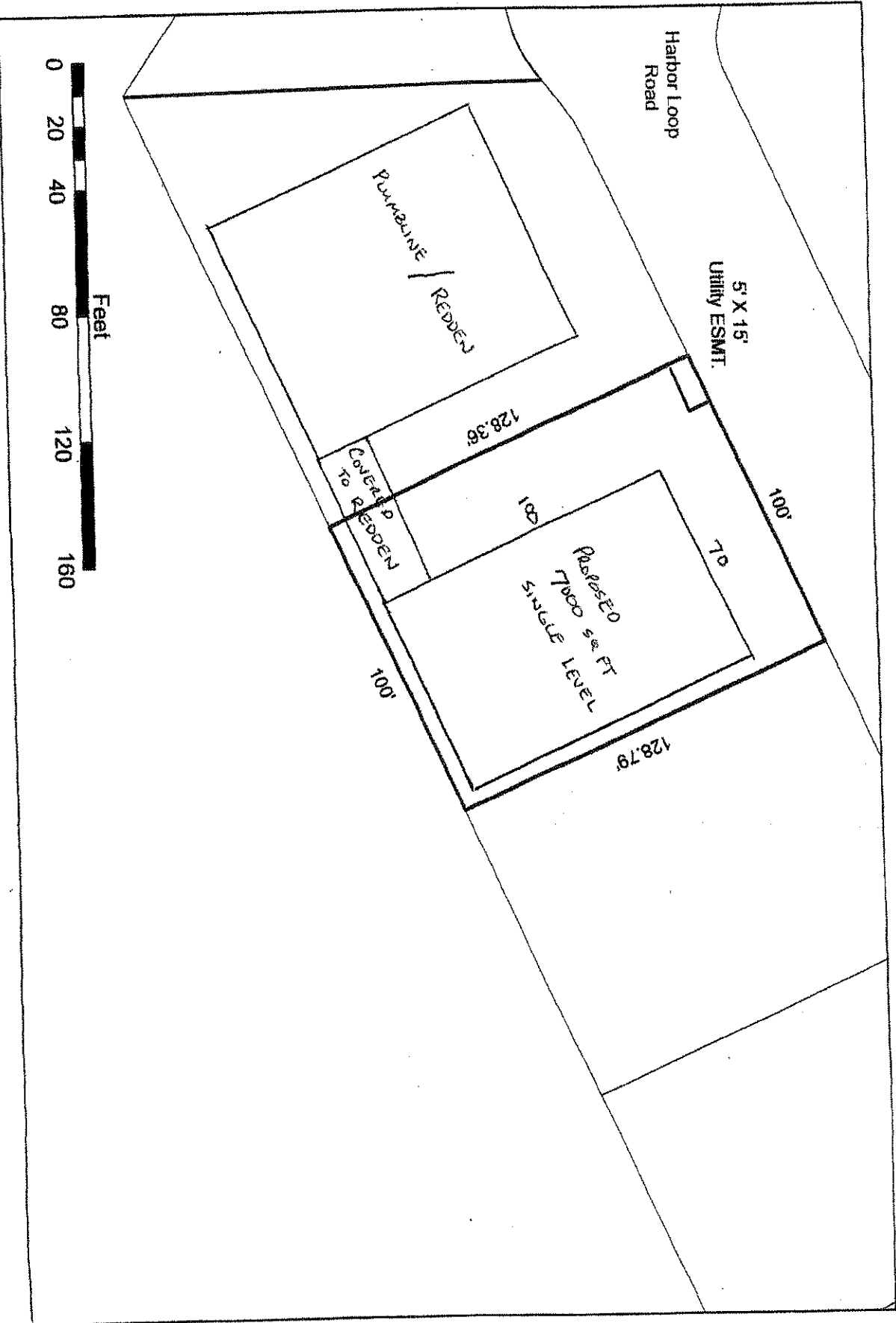
Please review the attached section of Code for the allowable uses within the Waterfront Commercial Zone District.

David and Bootslyn Roemhildt
PO Box 2294
Mile 6 Copper River Highway
Cordova, Alaska 99574

Proposal for Lot 5, Block 2 South Fill Development Park.

1. We are proposing an expansion of the two businesses located on the adjacent property, Redden Net and Plumblin Supply.
2. We propose to build a 70' x 100' single level structure to serve as an expanded retail storefront and seine building department for Redden Net. This amount of space, especially the 100' dimension, is necessary for the economical building of seines.
3. The proposed development will benefit the community by expanding the offering of products and services to the fishing fleet in near proximity to the harbor and increasing the City's tax revenue by:
 - a. The ability to build multiple seine nets at the same time during the winter months which will boost the winter economy with jobs, increase sales and the resulting sales tax.
 - b. Expanded area for hanging and mending gillnets indoors which will assist the fleet in keeping their best gear in the water.
 - c. Expanded line of products similar to other Redden outlets such as the Kachemack Gear Shed in Homer which the fleet currently has to order via mail or freight costing time and productivity and lost city sales tax.
 - d. Increased parking for customers of both Redden and Plumblin which is already congested though Plumblin has not yet opened its doors.
 - e. Increased area for Plumblin indoor pipe inventory, which requires more space than is currently available with two businesses crowded into one building. The processors often require large amounts of pipe available locally to keep production running and when they switch from one species to another during the season.
 - f. Space for indoor winter storage of nets and keep them out of the way of snow plows and damage.
 - g. The ability of both businesses located on Lot 5 to expand and hire more employees, creating greater local economic activity.
 - h. The development will mean a sizable increase in property taxes, sales taxes and lease taxes paid to the City coffers annually, as well as the economic activity generated from the construction of a building this size.
4. The value of the development is estimated at \$750,000.
5. We propose to have the building completed within two years.

Lot 5 Block 2



PENDING AGENDA

Capital Priorities List Meeting – September 2011, December 2011

Committees:

Cordova Center Committee: Tim Joyce, Sylvia Lange, VACANCY, Darrel Olsen, Larue Barnes, VACANCY, Valerie Covell, David Roemhildt, Dan Logan, Nancy Bird, and Cathy Sherman

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; VACANCY; and Brian Marston, ADF&G

Cordova Trails Committee: Elizabeth Senear, VACANCY, Jim Kallander, Toni Godes, and David Zastrow

E911 RFP Committee: Dick Groff – Chairman, Gary Graham, Chief Baty, Mike Hicks, Oscar Delpino, Dave Allison, Bret Bradford

Public Services Building Design Committee: David Reggiani - Chairman, Chief Baty, Martin Moe, Jim Kacsh, Dick Groff, Mike Hicks, Tom Bailer

July 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib					1 Property tax bills in mail	2
3	4 Independence Day City Hall offices closed	5	6 6:00 work ssn LMR 6:30 work ssn LMR 7:00 pub hrg LMR 7:30 reg mtg LMR	7	8	9
10	11	12 P&Z Commission Mtg 7pm CH	13 Hrbr Cms 7pm CH HSB 7pm LMR Sch Bd 7pm HSL	14	15	16
17	18	19	20 7:00 reg mtg LMR Jt Wksn w-HSB immed following	21	22	23
24	25 —Clerk vacation—	26 —Clerk vacation—	27	28	29	30
31					Location Legend CH—City Hall Conference Room LMR—Library Meeting Room HSL—High Sch Lib	

August 2011

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

September 2011

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