

Mayor
James Kacsh
Council Members
Kristin Carpenter
Tim Joyce
David Allison
Bret Bradford
EJ Cheshier
David Reggiani
James Burton

City Manager
Randy Robertson

City Clerk
Susan Bourgeois

Deputy Clerk
Tina Hammer

Student Council

**REGULAR COUNCIL MEETING
OCTOBER 02, 2013 @ 7:30 PM
LIBRARY MEETING ROOM
AGENDA**

A. CALL TO ORDER

B. INVOCATION AND PLEDGE OF ALLEGIANCE

I pledge allegiance to the Flag of the United States of America, and to the republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

C. ROLL CALL

Mayor James Kacsh, Council members Kristin Carpenter, Tim Joyce, David Allison, Bret Bradford, EJ Cheshier, David Reggiani and James Burton

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

E. DISCLOSURES OF CONFLICTS OF INTEREST

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker - none
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. Resolution 10-13-55..... **(page 1)**
A resolution of the City Council of the city of Cordova Alaska declaring that the City of Cordova is officially a purple heart city
5. Cordova Volunteer Fire Department confirmation of election of an officer..... **(page 3)**
6. Record unexcused absence of Council member **Bradford** from the Sept 18, 2013 regular mtg.

H. APPROVAL OF MINUTES

7. Regular Meeting Minutes 09-18-13..... **(page 4)**

I. CONSIDERATION OF BIDS

J. REPORTS OF OFFICERS

8. Mayor's Report
9. Manager's Report
 - a. Buck Adams, UBS Financial, City Investments..... **(page 11)**
10. City Clerk's Report..... **(page 34)**

K. CORRESPONDENCE

11. NVE request for Sobriety Celebration donation 09-08-13..... **(page 35)**
12. Toni Godes letter resigning from Parks & Rec xx-xx-13..... **(page 37)**
13. Dan Reum letter to Mayor resigning from Parks & Rec 09-23-13..... **(page 38)**

L. ORDINANCES AND RESOLUTIONS

M. UNFINISHED BUSINESS

N. NEW & MISCELLANEOUS BUSINESS

14. Finance department revenue projections report for 2014 budget
15. Pending Agenda and Calendar..... **(page 39)**

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

16. Council Comments

Q. EXECUTIVE SESSION

17. Cordova Center finances – attorney update
18. CCMC Finances

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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Full City Council agendas and packets available online at www.cityofcordova.net



Military Order of the Purple Heart

Matanuska-Susitna Chapter 663
PO Box 877844
Wasilla, AK 99687

April 29, 2013

Dear Mayor Kacsh,

The journey continues. Chapter 663 is actively working toward passage of our Purple Heart Resolution in Alaska's cities, boroughs, outlying communities and Tribal Councils.

Chartered by Congress in 1958, The Military Order of the Purple Heart is composed of military men and women who received the Purple Heart Medal for wounds suffered in combat. Although our membership is restricted to the combat wounded, we support all veterans and their families with a myriad of nation-wide programs by Chapters and National Service Officers.

Chapter 663's focus is to honor those men and women who have lived, or continue to live in the Alaska Greatland.

Passage of this resolution has been completed so far in the following Alaska communities:

- City of Wasilla, AK
- City of Palmer, AK
- City of Houston, AK
- City of Soldotna, AK
- City of Kenai, AK
- Matanuska-Susitna Borough

The State of Alaska is now recognized as the 5th 'Purple Heart State' behind:

- California
- Ohio
- Kentucky
- South Carolina
- (Alabama - pending)

Enclosed are copies of the city resolutions, including the one for Wasilla, the first Alaskan city to be recognized in Alaska. Wasilla's Honorable Mayor Verne Rupright, in concert with the Wasilla City Council unanimously approved this distinction while the Viet Nam Memorial Traveling Wall was on display in Wasilla.

If your community approves this resolution, we would greatly appreciate copy of the signed resolution for Chapter 663 records.

Warmest regards to you and our fellow Alaskans in Cordova,

Ken Ross
Chapter Commander
MOPH Mat-Su Chapter 663

**CITY OF CORDOVA, ALASKA
RESOLUTION 10-13-55**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA ALASKA
DECLARING THAT THE CITY OF CORDOVA IS OFFICIALLY A PURPLE HEART
CITY**

WHEREAS, the people of Cordova, Alaska have a great admiration and the utmost gratitude for all the men and women who have selflessly served their country, state and the City of Cordova in the Armed Forces; and

WHEREAS, Veterans have paid the high price of freedom by leaving their families and communities and placing themselves in harm's way for the good of all; and

WHEREAS, the contributions and sacrifices of the men and women from the State of Alaska, and the City of Cordova, who served in the Armed Forces have been vital in maintaining the freedoms and the way of life enjoyed by our citizens; and

WHEREAS, many men and women in uniform have given their lives, have been physically wounded, or mentally changed while serving in the Armed Forces; and

WHEREAS, citizens of our City have earned the Purple Heart Medal as a result of being wounded while engaged in combat with an enemy force, recognized as a singularly meritorious act of essential service; and

WHEREAS, the City recognizes and honors the service and sacrifices of our Nation's men and women in uniform who have been changed, wounded or killed by the enemy while serving to protect the freedoms enjoyed by all Americans.

NOW, THEREFORE, BE IT RESOLVED, that the Cordova City Council and Mayor declares that the City of Cordova is officially a Purple Heart City.

PASSED AND APPROVED THIS 4th DAY OF OCTOBER, 2013

James Kacsh, Mayor

Attest:

Susan Bourgeois, City Clerk



Cordova Volunteer Fire Department

FIRE CHIEF MICHAEL HICKS

P.O. Box 304
Cordova, Alaska 99574
(907) 424-6117 or (907) 424-6100
Fax (907) 424-3473
email: fire@cityofcordova.net

September 27, 2013

Randy Robertson
City Manager

In accordance with article III, section I of our department constitution ("The Chief shall not take office until confirmed by authorities set up by the city ordinance") 3.20.020 – Fire Department Appointment of Officers and Members, we are requesting confirmation for the following newly elected officer:

Replacing Retired Deputy Chief Dan, Robert Mattson has been elected by this Dept on Sept 12th 2013 as the new Deputy Fire Chief.

Would you please include this as an action item for the October 2nd 2013 meeting.

Sincerely

Paul Trumblee
City Fire Marshal

**CITY COUNCIL REGULAR MEETING
SEPTEMBER 18, 2013 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Regular Meeting to order at 7:30 pm on September 18, 2013, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

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

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

M/Reggiani S/Joyce to approve the Regular Agenda.

Vote on motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST - none

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker – *Joanie Behrends* gave a short power point presentation about the CERT (community emergency response team) program and she and *Dick Groff* awarded certificates to those who recently completed the program: **Robert Behrends, Natasha Casciano, Jeremy Donohue, Jason Fischer, Catherine Reed, Richard McCalvy, Sharon McCalvy, Emily Stolarcyk, James Thorne, Todd Mair and Alexandra Russo.**

2. Audience comments regarding agenda items

Mark Palmer President of Ocean Beauty Seafoods spoke in favor of Council approving agenda item 23 to sell Lot 1 Block 1 CIP to Ocean Beauty for expansion of their facility.

3. Chairpersons and Representatives of Boards and Commissions

Harbor Commission – Burton mentioned their last meeting where they discussed the fee schedule and land use maps. *Schinella* also told *Burton* today that the Travel Lift was out of service and it could be down 120 days.

HSB – Allison said next meeting October 2 and there are 2 hospital items on tonight's agenda.

Parks and Rec – Carpenter said P&R will meet on September 25.

Planning and Zoning – Reggiani said there was an agenda item from P&Z and they also discussed capital improvement project recommendations which will come to Council at budget.

School Board – Bradford was absent.

G. APPROVAL OF CONSENT CALENDAR

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

4. Record excused absence of Council member *Reggiani* from the September 4, 2013 regular meeting.

5. Record excused absence of Council member *Burton* from the September 4, 2013 regular meeting.

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

H. APPROVAL OF MINUTES

M/Cheshier S/Reggiani to approve the Minutes.

6. Regular Meeting Minutes 09-04-13

Vote on motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

7. Mayor's Report - **Mayor Kacsh** said he had a written report and in that report he had asked Council if they were interested in tackling the topic of trapping and then possibly pass something similar to avoid it having to be on the ballot. He said if Council concurred, he would hold a town meeting forum for both sides to talk – not a Council meeting, but a community meeting. Council was fine with a public meeting as described. **Mayor Kacsh** went on to say he met with CDFU and ADF&G today and hopes they can resolve things so what happened this year early season doesn't happen again. He has been in touch with the Governor's scheduler and is trying to get an in person meeting sometime in the next 30 – 45 days.

8. Manager's Report – **Robertson** said 1) newcomers briefing went very well, capacity crowd, etc. very pleased; 2) Cordova Center – he is extremely pleased with the amount of activity, 11 working on Saturday, have been averaging a dozen a day since; spoke with **George Haley** and we are still projecting an October date for them to be done and gone from the facility; **Attorney Wells** says no need for executive session tonight but she plans to speak to Council at the next meeting; 3) met with **Doug Brown** about the school playground which looks like it could be repaired and usable by January or February; 4) **Robertson** said he and **Zamarron** and **Greenwood** and **Howard** met with NVE – **Joel Azure** and **Jonah Dart-McLean** concerning a partnership which is in a resolution before council tonight; 5) met with **Theresa Carte** and **Mr. Lamoureux** and **Mr. McAlister** from Providence; 6) thanked **Ms. Sherman** for her art show – they raised over \$25K last week and more is coming in – Cordovans are generous and artistic

a. John Bitney, City Legislative Lobbyist

said he had a short report in the packet but he wanted to update everyone on these things as well: 1) later when Council approves their CIP list his opinion would be that Cordova Center should remain number one; 2) there has been some preliminary discussion that there may be a state bond package being in the mix next session and if that is the case it might be sort of a “ports & harbors” bond package considered for inclusion as part of that – essentially, Cordova has #s 2, 3, 4 as harbor related projects so that is a good idea to keep.

b. Jon Stavig, Finance Director – financials were in the packets and there were no Council questions.

9. City Clerk's Report - **Bourgeois** said she had provided a written report in the packet.

K. CORRESPONDENCE

10. PWSRCAC request for project ideas 08-29-13

11. Mayor letters of thanks to the City Manager Assessment Committee members 09-06-13

12. Mayor letter to Hastings and DeFazio in re SRS funding 09-06-13

13. Mayor & Council letter to DoT Commissioner in re AMHS 09-12-13

14. Harvill letter to Mayor & Council in re Robertson 09-07-13

15. Letter from Annette Janka to Council about trapping 09-12-13

Joyce said he could give a report on the status of the Whittier dock as an MTAB member. He said there is an issue with the dock and they are looking to complete a temporary fix by middle of October. Final fix might be later like November or December. He also reported that they are looking at other options as well such as a local barge company and the use of their dock.

L. ORDINANCES AND RESOLUTIONS

16. Resolution 09-13-50

A resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects

M/Reggiani S/Burton to approve Resolution 09-13-50 a resolution of the City Council of the City of Cordova, Alaska, designating capital improvement projects.

Council agreed that the Cordova Center should remain at the top, however, due to Bitney's report they agreed that Harbor projects should be loaded after that – like at 2, 3, 4, 5.

M/Cheshier S/Joyce to amend Resolution 09-13-50 by placing the priorities in this order:

1. Cordova Center; 2. G Float Replacement; 3. Municipal Dock (Ocean Dock) Renovation; 4. Shipyard Building; 5. Shipyard Fill; 6. South Fill Sidewalks; 7. South Fill Expansion & Sawmill Avenue Extension; 8. Public Safety Building; 9. Recreation Building; 10. Ferry Trail

Vote on motion to amend: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

Vote on main motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

17. Resolution 09-13-51

A resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to approve payment of \$400,000 to Cordova Community Medical Center

M/Joyce S/Allison to approve Resolution 09-13-51 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City Manager to approve payment of \$400,000 to Cordova Community Medical Center.

Allison said he has a few concerns such as: 1) this should be a loan; 2) we haven't seen the hospital's detailed financials in a while; 3) the "meaningful use" money was supposed to be used to pay us back but it has been used for operations instead; 4) repayment was supposed to be quick. He is in favor of this proposal but he really wants to see the financials in a couple of weeks.

M/Allison S/Joyce to amend the resolution to say "loan" instead of "payment" in the "now, therefore, be it resolved" paragraph.

Joyce said he supports the amendment.

Vote on motion to amend: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

There was discussion about where this extra \$150K would be coming from and concerns about where the original payment to fund EHR came from. **Reggiani** said it goes back to process and he said it would be handy to have a fiscal note attached to this so that we could understand where this was coming from. He went on to say that the next step if this passes, would be a budget amendment. **Allison** said he agrees with **Reggiani** and said we need to pass this, to pay the bills and then we should come back at the next meeting with a budget amendment resolution. **Cheshier** agreed.

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

18. Resolution 09-13-52

A resolution of the City Council of the City of Cordova, Alaska, authorizing the City and CCMC to agree to repayment terms for any and all outstanding debt

M/Cheshier S/Burton to approve Resolution 09-13-52 a resolution of the City Council of the City of Cordova, Alaska, authorizing the City and CCMC to agree to repayment terms for any and all outstanding debt.

Allison said that from the HSB perspective, this is a great deal. He recalls stating when this passed at the HSB level, that it would be a harder sell at the Council level. **Allison** said he would prefer to see something budgeted as a repayment each year. He would like to see a detailed statement from our Finance Director, i.e. what we think that they owe and where that money came from (GF, PF, etc.). He would rather not sign an agreement like this that really doesn't pay us back anything in the next two years. **Joyce** agreed with **Allison** and **Cheshier** said he is not prepared to agree to this payback plan but he is glad that the hospital is operating in the black for the first time in a very long time.

M/Cheshier S/Reggiani to refer to staff.

Vote on motion to refer: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

19. Resolution 09-13-53

A resolution of the City Council of the City of Cordova, Alaska supporting cooperation and partnership with the tribal council and leadership of the Native Village of Eyak in applying for tribal transportation program safety funds (TTPSF) from within programs authorized by the federal highway agency to pay for engineering design and construction of sidewalks from Railroad Ave to Harbor Loop Rd, replacement of the stairs that provide access to Railroad Ave from the high school area and the construction of a covered stairway to access Harbor Loop Rd from Railroad Ave.

M/Allison S/Cheshier to approve Resolution 09-13-53 A resolution of the City Council of the City of Cordova, Alaska supporting cooperation and partnership with the tribal council and leadership of the Native Village of Eyak in applying for tribal transportation program safety funds (TTPSF) from within programs authorized by the federal highway agency to pay for engineering design and construction of sidewalks from Railroad Ave to Harbor Loop Rd, replacement of the stairs that provide access to Railroad Ave from the high school area and the construction of a covered stairway to access Harbor Loop Rd from Railroad Ave.

Robertson mentioned that he met with **Joel Azure** of NVE and the discussion began with the Whitshed Bike Path project having been delayed on the STIP. **Joel** mentioned his access to these TTPSF monies and we all met – **Greenwood, Azure, Zamarron, Howard, Dart-McLean** on Friday. At this time, **Joel Azure** came to the table to address Council. He said when he heard informally that the Whitshed bike path was off the table, he got with the City and they put their heads together to come up with a plan in short-order that they could seek this funding for. Railroad Avenue has been a tribal safety concern and the City agreed it was a good choice. Unlike the bike path – no matches are needed for this so it is a great opportunity.

Cheshier said looks like a no-brainer. **Joyce** agreed that he supports the project. **Carpenter** asked if there would be some public involvement in this. **Azure** said that as far as the safety grant, there was public comment period in order to determine priorities and this route was a number one priority.

Vote on motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

20. Resolution 09-13-54

A resolution of the City Council of the City of Cordova, Alaska, authorizing City Manager Randy Robertson to enter into a sole source contract with Joanie Behrends as the emergency management planner for the City of Cordova

M/Allison S/Cheshier to approve Resolution 09-13-54 a resolution of the City Council of the City of Cordova, Alaska, authorizing City Manager Randy Robertson to enter into a sole source contract with Joanie Behrends as the emergency management planner for the City of Cordova.

Robertson said that the bottom line is that the feds gave us \$2K more after the budget was approved, so we are asking now for the additional \$2K for the match. **Trumblee** mentioned that really we only need the \$1K for this year. **Joyce** asked **Trumblee** if he could have found the \$1K in his budget. **Trumblee** said his budget is really tight and he doesn't think he can. **Joyce** said, when **Trumblee** said yes to the extra funding from the feds, he was committing the City to spend more money. **Trumblee** said that the previous City Manager (Don Moore) accepted the proposal. **Reggiani** said back to process, he said a fiscal note would be very helpful; this would generate a budget amendment resolution; do you have any idea where this would come from. **Robertson** and **Stavig** said they would recommend it come from the unrestricted fund balance. **Reggiani** opined that we just seem to keep adding to the budget instead of working within the budget. He said he is sensitive to that because we worked really hard on the budget and he thought there was wiggle room in there, instead we keep adding to it and spending down our general fund reserve. **Allison** said these are good discussions for a future meeting and a different situation; this is a specific emergency management consideration. Everyone knows **Joanie (Behrends)** and knows she has done an excellent job and he is certain there is \$1K to be found in the budget.

M/Joyce S/Reggiani to refer to staff for further development. After some discussion, it was determined it would be better to handle this tonight and so Council decided to amend on the floor instead. This motion to refer was withdrawn.

M/Allison S/Cheshier to amend the resolution by adding "...and authorizes the City Manager to find the extra necessary money in the 2013 City budget" at the end of the last sentence in the "now therefore be it resolved" paragraph.

Vote on motion to amend: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

Vote on main motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

M. UNFINISHED BUSINESS

21. Report back to Council on loan to upgrade sewer system

Zamarron said that Council's questions last time were pertinent, he easily and quickly found where there was a \$1.1M loan taken out in 2005 which has yet to be put on a schedule for repayment. Approximate payment on that is \$62,800/ year which hasn't even begun. If we were to add another \$1.5M loan that repayment would be too much to handle – would be a tough sell.

22. Report back on Purchases, Consideration of Bids and Contract Approval

This was a report back concerning something that came up at a previous Council meeting. There were no Council questions or discussion.

23. Council decision on property disposal, Lot 1, Block 1 CIP

M/Reggiani S/Joyce to award the disposal of Lot 1, Block 1, Cordova Industrial Park to Ocean Beauty Seafoods.

Reggiani said that P&Z had a really good discussion – reviewed all four proposals – all were competitive and good proposals. He said Ocean Beauty rose to the top – he supports the Ocean Beauty proposal.

Joyce said it is also the best value for the City; expanded processing capabilities, expanded work force, expanded raw fish tax, expanded opportunity for the local fishermen. **Cheshier** is glad Ocean Beauty stepped up to the plate he thinks it's a no-brainer and it will do the community a lot of good. **Burton** agreed.

Vote on motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

24. Cordova Center Phase 2A

M/Joyce S/Allison for City Council to proceed with Phase 2A at this time utilizing money in the Cordova Center Fund balance. EVOSTC reimbursements would be added back into the fund to assist with further phases of construction.

Joyce said that the Committee met last week and they discussed the amount available etc. because there are some grantors out there waiting for us to do something in order to give us more funding. **Cheshier** said he is nervous as hell about spending more money on this until we get some of our legal battles won on this. He is all in favor of moving forward in some fashion but he is not very excited about spending all the money we have available at one time to show somebody else that we are moving forward. **Joyce** said that he thinks **Cheshier** could get some information in the executive session if we were to have that first. **Reggiani** said he would like to hear that information as well but sees no executive session listed. He is in favor of moving forward on the Cordova Center but he doesn't feel as though he has enough information to weigh in on jumping all the way to phase 2A. Could 2A be phased? **Cathy Sherman** was asked to respond to this. She said that phasing 2A further would increase the total cost. The committee's emphasis was that we are trying to leverage the funds we have now in place. **Hallquist** was also present and he said phase 2A buys us a bunch of equipment; it hangs a little bit of a ceiling inside the building; and that's the beginning and the end of it. We would spend the phase 2A money in about two months and then we would need another \$2.4M to do the next step. We would buy the boiler and the major electrical components and they would be inside the building; we'd have to build a tent around them and keep them heated. **Hallquist** said the third bite is the biggest bite. **Sherman** wanted to add that approving moving

forward with phase 2A tonight does not mean that Dawson is going to immediately start ordering parts and pieces. We can work with them to time this yet also still have the leverage of saying we are going ahead. **Carpenter** wanted to make the case for getting more information before we make this decision. She would like to see a reverse schedule. She would like to know more information and the status of local and statewide fundraising (businesses, etc.) and she would like to see the marketing plan. **Reggiani** said he would like the opportunity to talk to Dawson and understand a breakdown of what 2A is; he understands the importance of moving forward but he wants to provide input on how we move forward. **Allison** supports moving forward too he asked **Cathy Sherman** what the funders really need to see. **Sherman** said they need to see City financial commitment of proceeding with the project. **Joyce** said the EVOSTC is tricky and if we do nothing we jeopardize the \$1.3M. Council needs to figure out whether they are going to jeopardize that money – we need to get serious. Dawson was here a year or eight months ago and we had a discussion with them about all these phases and how this would work. **Burton** agreed with **Joyce**, said it's been frustrating enough, watching how slow this goes. **Carpenter** said maybe we can wordsmith the motion. **Joyce** said the City might have to put up more funds here soon to show commitment.

M/Cheshier S/Reggiani to refer to staff and to get more information at an upcoming meeting so we know what 2A is.

After some more discussion, Council thought they might opt to amend the motion instead so the motion to refer was withdrawn.

M/Reggiani S/Allison to amend the motion by adding the words “the planning of” before Phase 2A in the first sentence, as follows: for City Council to proceed with **the planning of** Phase 2A at this time utilizing money in the Cordova Center Fund balance. EVOSTC reimbursements would be added back into the fund to assist with further phases of construction.

Vote on amendment: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

Vote on main motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

N. NEW & MISCELLANEOUS BUSINESS

16. Pending Agenda and Calendar

Joyce mentioned if we have budget work sessions scheduled yet. **Robertson** said he and **Stavig** are working on that and he will email Council with some dates.

O. AUDIENCE PARTICIPATION

Michael Clutter Ocean Beauty Seafoods Manager thanked Council for their vote of confidence in Ocean Beauty's management and operations here in Cordova. He thanked the Planning & Zoning Commission as well.

Cathy Sherman wanted to mention also as far as the Cordova Center, they have received back the marketing plan and it is 272 pages long and internally she hopes to meet with the chamber and the staff there because they are an integral partner in the plan. So before it comes to Council or to the public we will work through it that way; taking a little longer than anticipated therefore.

P. COUNCIL COMMENTS

17. Council Comments

Allison said thanks to all of those who proposed business plans for the lot in the Industrial Park, and are willing to invest in Cordova. He thanked Cathy and Josh and staff and said hopefully we can phase this so everyone's happy and wondered if there was any other support that we (i.e. Council) can give toward convincing those organizations that we are in till it's done.

Carpenter said that she probably should have brought this up during the Manager's report but that she has spoken to the City Manager about it and has emailed the Public Works Director about it but that the chip sealing up on Fourth Street was a disaster. She said the timing wasn't great and the day it happened when she walked out of her house it smelled like a tar pit. She said there was one nice weather day and then it

poured for 24 hours straight so that a ton of tar & oil washed right down the hill. She would like the City to look into paving instead of chip sealing.

Joyce said he does agree that the timing might not have been right – could have been done in June when it was hotter and dryer. However, he is not sure that we can afford paving.

Q. EXECUTIVE SESSION

27. PWSSC lease negotiations update

M/Allison S/Joyce to enter an executive session to discuss matters the immediate knowledge of which would clearly have an adverse effect on the finances of the government, specifically lease negotiations with PWSSC update.

Vote on motion: 6 yeas, 0 nays, 1 absent (Bradford). Motion passes.

Council took a five minute recess at 10:15 pm; Council entered executive session at 10:23 pm and went back into regular session at 10:55 pm. **Mayor Kacsh** said that the City Manager has been instructed to proceed as was directed in the executive session.

R. ADJOURNMENT

M/Allison S/Joyce to adjourn the regular meeting at 10:55 pm

Hearing no objection, the meeting was adjourned.

Approved: October 02, 2013

Attest: _____
Susan Bourgeois, City Clerk



UBS Financial Services Inc.

3000 A Street, Suite 100
Anchorage, Alaska 99503

Buck Adams, CFP®, CIMA®, ChFC®
Senior Vice President – Investments
Senior Managed Accounts Consultant
buck.adams@ubs.com
Direct: (907) 261-5944

October 2, 2013

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

Dear Council Members and Staff,

Thank you for providing me the opportunity to attend the October 2nd meeting in person. This quarter's performance data is reported through September 18th due to the early timing of this month's first Council meeting. Part of my purpose in attending October's first meeting is to have the opportunity to discuss with the City Manager and Finance Director future portfolio recommendations due to changing market conditions.

At least temporarily, the sharp sell-off in bond prices, which highlighted last quarter's report, has been partially mitigated. Members of the Federal Reserve have spent the past two months back-tracking on Chairman Bernanke's earlier comments about the possibility of the Fed beginning to taper their monthly purchase of \$85 billion bonds in the open market. The subsequent soothing comments from the Fed helped bond prices recoup some of the previous losses. The bond market's reaction is in-line with the commentary from the July 8th, UBS Wealth Management Research report, which I referenced in the July report. At that time our research analysts stated in part *"In the short-term, while further moves are possible, we believe this rise in yields will not be sustained. Over a longer horizon, the normalization of historically low interest rates to higher levels remains our base case".(emphasis added)* At present, our analysts project that a "light tapering" may occur after the Fed's mid-December meeting. This is dependent upon there being sufficient evidence that fiscal drag is abating. It is also dependent upon the "crises de jour", the threat of a partial government shutdown and the approaching debt ceiling debate, has abated by December. It is prudent at this juncture to consider making some tactical shifts in the city's portfolio in the face of a rising interest rate scenario.

The City of Cordova has a total of **\$12,714,709** (including accrued interest), on deposit with UBS, distributed among seven funded accounts as of June 30th. Five of these accounts are under active investment management. Three accounts are fixed income accounts managed by Sage Advisors. Two Permanent Fund accounts are invested in the UBS Portfolio Management Program. The remaining two accounts, one for the Permanent Fund and one for the Central Treasury, are being used primarily as cash management accounts. In addition, we do hold an ultra short-term bond fund in the Permanent Fund account, as well as a balanced market-linked certificate of deposit.

Year to date, through September 18, 2013, the net returns for the four Permanent Fund accounts, which include a cash management account, has been 3.27%. The return for the three Central Treasury accounts, which consist of only fixed income investments and cash type instruments, has been -1.03%. The combined net returns for through September 18, 2013 for all seven accounts held at UBS have been 1.93%, an improvement over last quarter's performance.
The balance of the Securities Based Lending credit line currently stands at \$0.

For additional information, I have attached a current research report by Katherine Klingensmith, a senior strategist at UBS Wealth Management. The report is a quick and insightful read regarding the debt ceiling debate and federal government shutdown (which has occurred 17 times since 1976). I have also attached three performance reports, which I will review during the council meeting. As always, thank you for the opportunity to assist Cordova.

Sincerely,

Buck Adams, CFP®, CIMA®, ChFC®

UBS Financial Services Inc. is a subsidiary of UBS AG



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Suite 100
Anchorage, AK 995034040

Financial Advisor:
KEYSTONE WEALTH MANAGEMENT
GRO
9072615900

UBS Client Review

as of September 18, 2013

Prepared for

COC - Total

Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03542	• CT	• MAC Wrap
UC 03543	• CT	• Business Service Account
UC 03544	• PF	• Business Service Account
UC 03545 ^	• PF	• Portfolio Management Program
UC 03546	• PF	• MAC Wrap
UC 04046	• CT	• MAC Wrap
UC 04047	• PF	• Portfolio Management Program

What's inside

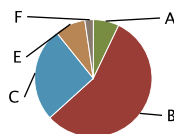
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Executive summary

as of September 18, 2013

Asset allocation summary

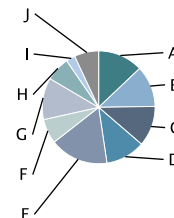
	Value on 09/18/2013 (\$)	% of portfolio
A Cash	904,034.60	7.11
Cash	904,034.60	7.11
B Fixed Income	7,142,817.46	56.18
US	6,065,670.41	47.71
Global	718,108.11	5.65
International	359,038.94	2.82
C Equity	3,297,789.14	25.94
US	2,108,627.03	16.58
Global	100,597.06	0.79
International	1,088,565.05	8.57
D Commodities	0.00	0.00
E Non-Traditional	1,075,415.20	8.46
Non-Traditional	1,075,415.20	8.46
F Other	294,653.15	2.31
Balanced	294,653.15	2.31
Total Portfolio	\$12,714,709.56	100%



Balanced mutual funds are allocated in the 'Other' category

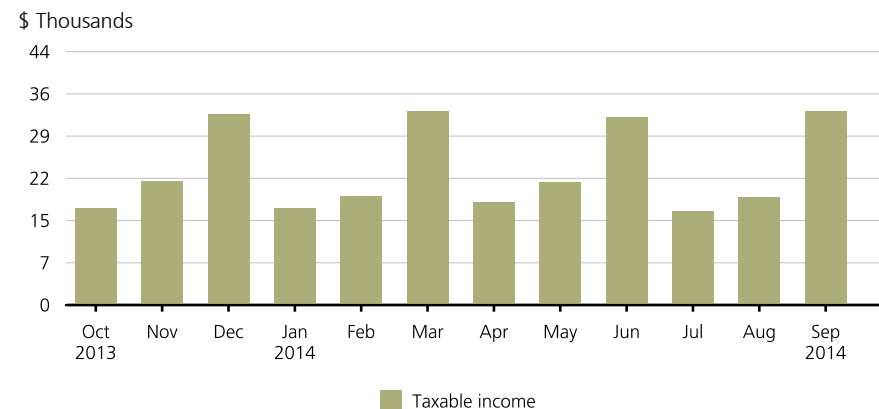
Equity sector analysis

	Value on 09/18/2013 (\$)	% of equity
A Consumer discretionary	426,249.05	12.93
B Energy	389,666.67	11.82
C Finance	381,606.89	11.57
D Health care	373,795.03	11.33
E Industrials	553,734.95	16.79
F Materials	232,964.93	7.06
G Staples	394,938.83	11.98
H Technology	228,813.24	6.94
I Telecommunications	86,334.90	2.62
J Utilities	229,684.65	6.96
Total classified equity	\$3,297,789.14	100%



Balanced mutual funds are allocated in the 'Other' category

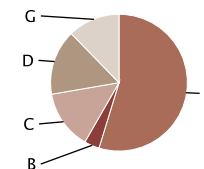
Expected cash flow


Total expected cash flow: \$277,863.81

Cash flows displayed account for known events such as maturities and mandatory puts.

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/18/2013 (\$)	% of port.
A Aaa/AAA/AAA	48	3,060,082.33	54.81
B Aa/AA/AA	7	200,477.69	3.58
C A/A/A	33	781,627.43	13.92
D Baa/BBB/BBB	37	862,504.44	15.36
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	7	686,905.41	12.33
Total	132	\$5,591,597.30	100%

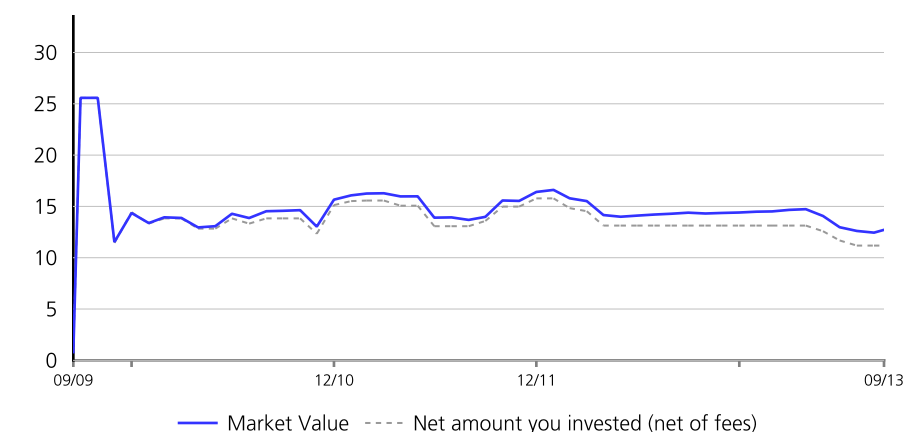


Performance review

as of September 18, 2013

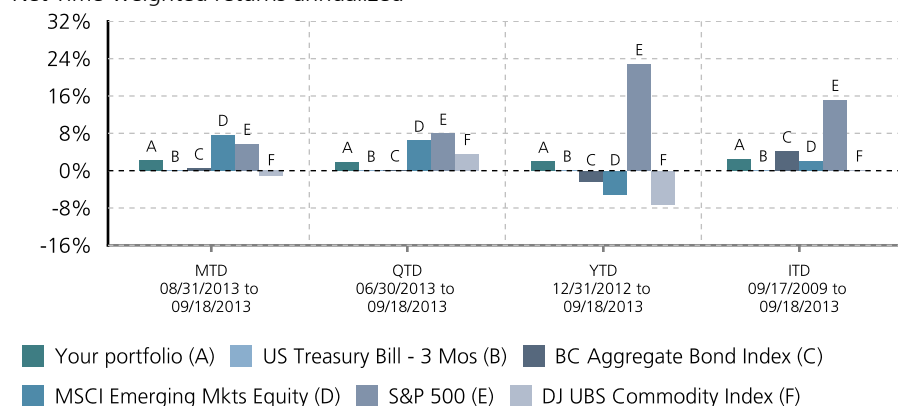
Sources of portfolio value

\$ Millions



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/17/2009 to 09/18/2013
Opening value	12,442,166.57	12,970,213.90	14,405,260.91	800,000.00
Net deposits/withdrawals	72.98	-520,695.50	-2,012,967.33	10,102,178.57
Div./interest income	15,295.95	46,598.90	183,631.28	1,027,215.92
Change in accr. interest	-3,844.27	-5,268.60	-12,447.91	11,307.17
Change in value	261,018.33	223,860.86	151,232.61	774,007.90
Closing value	12,714,709.56	12,714,709.56	12,714,709.56	12,714,709.56
Net Time-weighted ROR	2.19	1.91	1.93	2.53

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/17/2009 to 09/18/2013
Your portfolio(%)	2.19	1.91	1.93	2.53
US Treasury Bill - 3 Mos	0.00	0.01	0.04	0.08
BC Aggregate Bond Index	0.49	0.11	-2.34	4.14
MSCI Emerging Mkts Equity	7.69	6.45	-5.14	2.13
S&P 500	5.77	7.93	22.85	15.20
DJ UBS Commodity Index	-1.16	3.59	-7.26	0.08



Disclosures applicable to accounts at UBS Financial Services Inc.

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 FS 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 FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based 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 provides 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 FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

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.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. 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 performance to date), the individual's net of fee time weighted 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.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

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.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

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 FS 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, 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.

Change in Accrued Interest: 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 Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

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.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' 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 FS. 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 FS 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 **15** show



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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 Account Performance: 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.

Portfolio: For purposes of this report "portfolio" is defined as all of 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 FS or elsewhere.

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.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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 FS. More information is available upon request.

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 FS 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.

Equity Style: 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.

Equity 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.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

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.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change investment restrictions on your account.



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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Financial Advisor:
KEYSTONE WEALTH MANAGEMENT
GRO
9072615900

UBS Client Review

as of September 18, 2013

Prepared for

COC - CT

Accounts included in this review

Account	Name	Type
UC 03542	• CT	• MAC Wrap
UC 03543	• CT	• Business Service Account
UC 04046	• CT	• MAC Wrap

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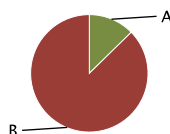
Executive summary

as of September 18, 2013

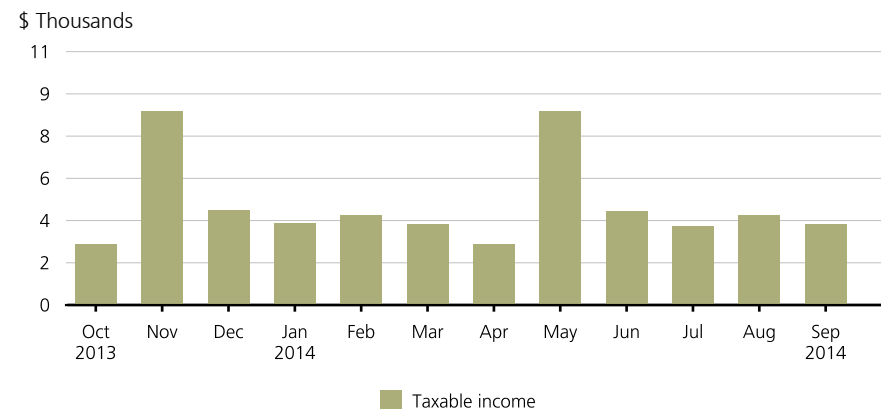
Asset allocation summary

	Value on 09/18/2013 (\$)	% of portfolio
A Cash	387,981.78	12.66
Cash	387,981.78	12.66
B Fixed Income	2,677,272.05	87.34
US	2,616,853.86	85.37
International	60,418.19	1.97
C Equity	0.00	0.00
D Commodities	0.00	0.00
E Non-Traditional	0.00	0.00
F Other	0.00	0.00
Total Portfolio	\$3,065,253.83	100%

Balanced mutual funds are allocated in the 'Other' category



Expected cash flow


Total expected cash flow: \$53,365.08

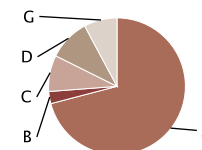
Cash flows displayed account for known events such as maturities and mandatory puts.

Equity sector analysis

Portfolio does not contain applicable holdings - exhibit intentionally left blank.

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/18/2013 (\$)	% of port.
A Aaa/AAA/AAA	37	1,898,947.50	70.99
B Aa/AA/AA	7	76,659.30	2.86
C A/A/A	29	229,413.68	8.53
D Baa/BBB/BBB	34	262,773.38	9.76
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	5	209,478.19	7.85
Total	112	\$2,677,272.05	100%

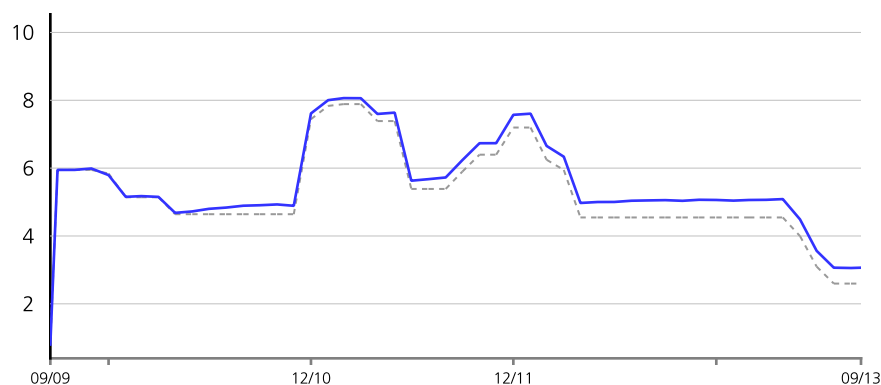


Performance review

as of September 18, 2013

Sources of portfolio value

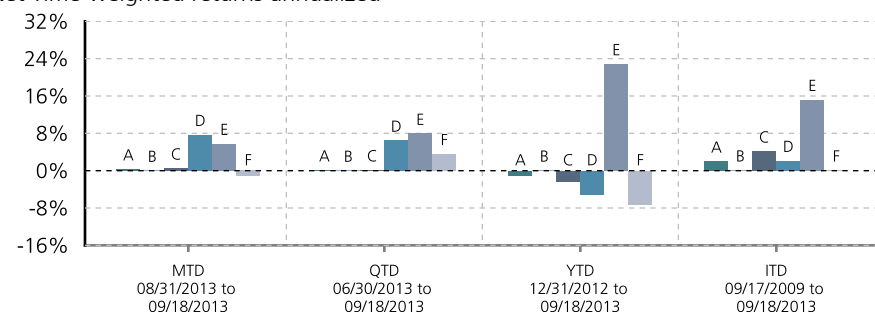
\$ Millions



— Market Value --- Net amount you invested (net of fees)

Portfolio and selected benchmark returns

Net Time-weighted returns annualized



■ Your portfolio (A)
 ■ US Treasury Bill - 3 Mos (B)
 ■ BC Aggregate Bond Index (C)
 ■ MSCI Emerging Mkts Equity (D)
 ■ S&P 500 (E)
 ■ DJ UBS Commodity Index (F)

Portfolio value and investment returns

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/17/2009 to 09/18/2013
Opening value	3,055,724.59	3,561,687.00	5,061,769.65	800,000.00
Net deposits/withdrawals	0.00	-503,274.52	-1,962,670.84	1,723,754.10
Div./interest income	2,455.28	10,344.55	61,149.87	366,159.47
Change in accr. interest	-360.46	-1,359.73	-9,511.45	-602.52
Change in value	7,434.42	-2,143.46	-85,483.40	175,942.78
Closing value	3,065,253.83	3,065,253.83	3,065,253.83	3,065,253.83
Net Time-weighted ROR	0.31	0.09	-1.03	1.98

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/17/2009 to 09/18/2013
Your portfolio(%)	0.31	0.09	-1.03	1.98
US Treasury Bill - 3 Mos	0.00	0.01	0.04	0.08
BC Aggregate Bond Index	0.49	0.11	-2.34	4.14
MSCI Emerging Mkts Equity	7.69	6.45	-5.14	2.13
S&P 500	5.77	7.93	22.85	15.20
DJ UBS Commodity Index	-1.16	3.59	-7.26	0.08



Disclosures applicable to accounts at UBS Financial Services Inc.

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 FS 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 FS offers a number of investment advisory programs to clients, acting in our capacity as an investment adviser, including fee-based 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 provides 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 FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

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.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. 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 performance to date), the individual's net of fee time weighted 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.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

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.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

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 FS 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, 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.

Change in Accrued Interest: 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 Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

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.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' 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 FS. 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 FS 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



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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 Account Performance: 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.

Portfolio: For purposes of this report "portfolio" is defined as all of 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 FS or elsewhere.

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.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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 FS. More information is available upon request.

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 FS 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.

Equity Style: 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.

Equity 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.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

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.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

Account changes: At UBS, we are committed to helping you work toward your financial goals. So that we may continue providing you with financial advice that is consistent with your investment objectives, please consider the following two questions:

- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change investment restrictions on your account.



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

ADV disclosure: A complimentary copy of our current Form ADV Disclosure Brochure that describes the advisory program and related fees is available through your Financial Advisor. Please contact your Financial Advisor if you have any questions.

Important information for former Piper Jaffray and McDonald Investments clients: As an accommodation to former Piper Jaffray and McDonald Investments clients, these reports include performance history for their Piper Jaffray accounts prior to August 12, 2006 and McDonald Investments accounts prior to February 9, 2007, the date the respective accounts were converted to UBS FS. UBS FS has not independently verified this information nor do we make any representations or warranties as to the accuracy or completeness of that information and will not be liable to you if any such information is unavailable, delayed or inaccurate.

For insurance, annuities, and 529 Plans, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Information for insurance, annuities, and 529 Plans that has been provided by a third party service may not reflect the quantity and market value as of the previous business day. When available, an "as of" date is included in the description.

Investors outside the U.S. are subject to securities and tax regulations within their applicable jurisdiction that are not addressed in this report. Nothing in this report shall be construed to be a solicitation to buy or offer to sell any security, product or service to any non-U.S. investor, nor shall any such security, product or service be solicited, offered or sold in any jurisdiction where such activity would be contrary to the securities laws or other local laws and regulations or would subject UBS to any registration requirement within such jurisdiction.

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Financial Advisor:
KEYSTONE WEALTH MANAGEMENT
GRO
9072615900

UBS Client Review

as of September 18, 2013

Prepared for

COC - PF

Accounts included in this review

^ performance and account start dates differ (see disclosures)

Account	Name	Type
UC 03544	• PF	• Business Service Account
UC 03545 ^	• PF	• Portfolio Management Program
UC 03546	• PF	• MAC Wrap
UC 04047	• PF	• Portfolio Management Program

What's inside

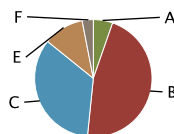
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Executive summary

as of September 18, 2013

Asset allocation summary

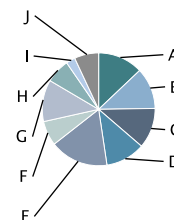
	Value on 09/18/2013 (\$)	% of portfolio
A Cash	516,052.82	5.35
Cash	516,052.82	5.35
B Fixed Income	4,465,545.41	46.28
US	3,448,816.55	35.74
Global	718,108.11	7.44
International	298,620.75	3.10
C Equity	3,297,789.14	34.18
US	2,108,627.03	21.85
Global	100,597.06	1.04
International	1,088,565.05	11.29
D Commodities	0.00	0.00
E Non-Traditional	1,075,415.20	11.14
Non-Traditional	1,075,415.20	11.14
F Other	294,653.15	3.05
Balanced	294,653.15	3.05
Total Portfolio	\$9,649,455.73	100%



Balanced mutual funds are allocated in the 'Other' category

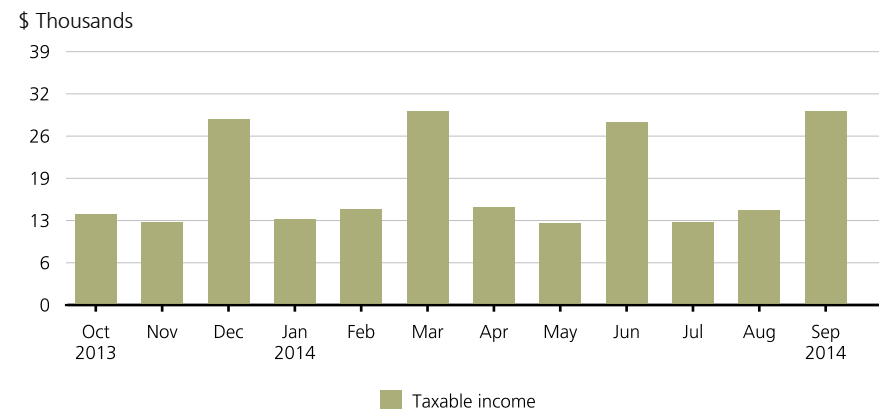
Equity sector analysis

	Value on 09/18/2013 (\$)	% of equity
A Consumer discretionary	426,249.05	12.93
B Energy	389,666.67	11.82
C Finance	381,606.89	11.57
D Health care	373,795.03	11.33
E Industrials	553,734.95	16.79
F Materials	232,964.93	7.06
G Staples	394,938.83	11.98
H Technology	228,813.24	6.94
I Telecommunications	86,334.90	2.62
J Utilities	229,684.65	6.96
Total classified equity	\$3,297,789.14	100%



Balanced mutual funds are allocated in the 'Other' category

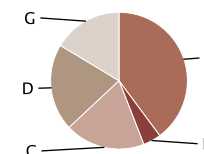
Expected cash flow


Total expected cash flow: \$224,498.73

Cash flows displayed account for known events such as maturities and mandatory puts.

Credit quality of bond holdings

Effective credit rating	Issues	Value on 09/18/2013 (\$)	% of port.
A Aaa/AAA/AAA	38	1,161,134.83	39.93
B Aa/AA/AA	7	123,818.39	4.25
C A/A/A	30	552,213.75	18.86
D Baa/BBB/BBB	36	599,731.06	20.51
E Non-investment grade	0	0.00	0.00
F Certificate of deposit	0	0.00	0.00
G Not rated	6	477,427.22	16.44
Total	117	\$2,914,325.25	100%

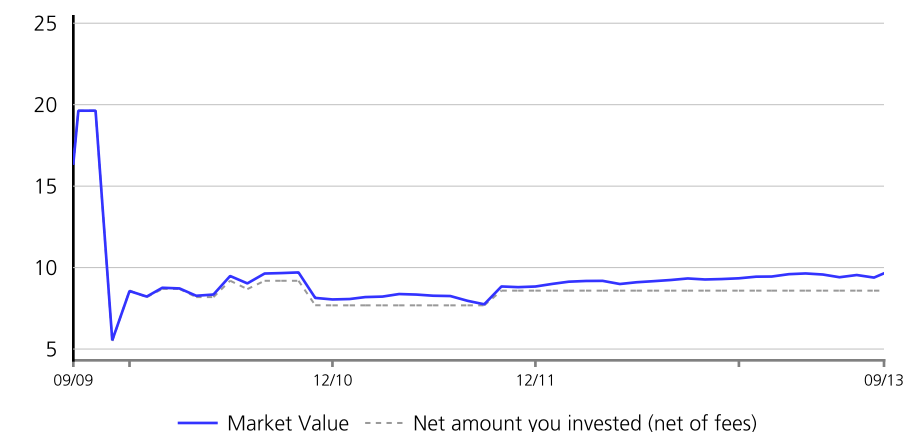


Performance review

as of September 18, 2013

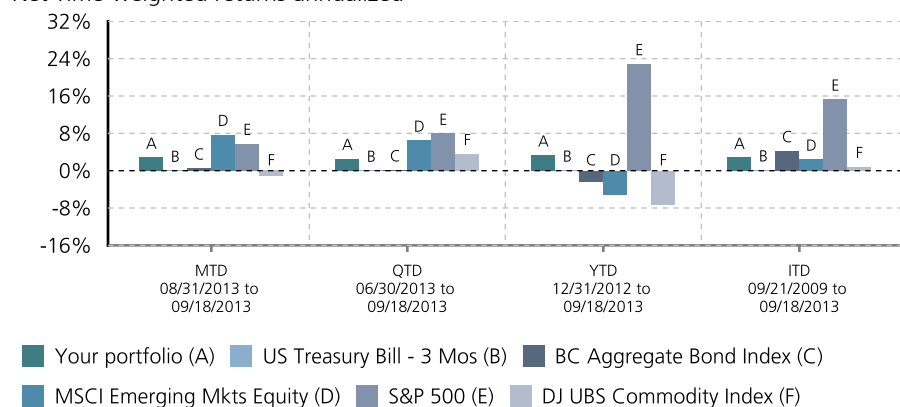
Sources of portfolio value

\$ Millions



Portfolio and selected benchmark returns

Net Time-weighted returns annualized



Portfolio value and investment returns

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/21/2009 to 09/18/2013
Opening value	9,386,441.98	9,408,526.90	9,343,491.25	16,384,107.34
Net deposits/withdrawals	72.98	-17,420.98	-50,296.49	-8,005,682.87
Div./interest income	12,840.67	36,254.35	122,481.41	661,056.45
Change in accr. interest	-3,483.81	-3,908.87	-2,936.45	11,909.69
Change in value	253,583.91	226,004.32	236,716.00	598,065.11
Closing value	9,649,455.73	9,649,455.73	9,649,455.73	9,649,455.73
Net Time-weighted ROR	2.80	2.56	3.27	2.79

Net deposits and withdrawals include program and account fees.

Time weighted rates of return (net of fees)

Performance returns (annualized > 1 year)

	MTD 08/31/2013 to 09/18/2013	QTD 06/30/2013 to 09/18/2013	YTD 12/31/2012 to 09/18/2013	ITD 09/21/2009 to 09/18/2013
Your portfolio(%)	2.80	2.56	3.27	2.79
US Treasury Bill - 3 Mos	0.00	0.01	0.04	0.09
BC Aggregate Bond Index	0.49	0.11	-2.34	4.22
MSCI Emerging Mkts Equity	7.69	6.45	-5.14	2.39
S&P 500	5.77	7.93	22.85	15.26
DJ UBS Commodity Index	-1.16	3.59	-7.26	0.82



Disclosures applicable to accounts at UBS Financial Services Inc.

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 FS 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.

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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 FS. The accounts included in this report are listed under the "Accounts included in this review" shown on the first page or listed at the top of each page.

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.

Performance: This report presents accounts activity and performance starting 12/31/02. For accounts opened prior to 12/31/02, this report does not include the complete account activity or performance of your accounts prior to that date. 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 performance to date), the individual's net of fee time weighted 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.

Time-weighted Returns (prior to 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated using the Modified Dietz Method. This calculation uses the beginning and ending portfolio values for the month and weighs each contribution/withdrawal based upon the day the cashflow occurred. Periods greater than one month are calculated by linking the monthly returns. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. All periods shown which are greater than 12 months are annualized.

Time-weighted Returns (after 10/31/2010): The report displays a time weighted rate of return (TWR) that is calculated by dividing the portfolio's daily gain/loss by the previous day's closing market value. All cash flows are posted at end of day. The TWR gives equal weighting to every return regardless of amount of money invested, so it is an effective measure for returns on a fee based account. Periods greater than one day are calculated by linking the daily returns. All periods shown which are greater than 12 months are annualized.

Money-weighted returns: Money-weighted return (MWR) is a measure of the rate of return for an asset or portfolio of assets. It is calculated by finding the daily Internal Rate of Return (IRR) for the period and then compounding this return by the number of days in the period being measured. The MWR incorporates the size and timing of cash flows, so it is an effective measure returns on a portfolio.

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.

Cumulative Performance: A cumulative return is the aggregate amount that an investment has gained or lost over time, independent of the period of time involved.

Net of Fees and Gross of Fees Performance:

Performance is presented on a "net of fees" and "gross of fees" basis, where indicated. Net returns do not reflect Program and wrap fees prior to 10/31/10 for accounts that are billed separately via invoice through a separate account billing arrangement. Gross returns do not reflect the deduction of fees, commissions or other charges. The payment of actual fees and expenses will reduce a client's return. The compound effect of such fees and expenses should be considered when reviewing returns. For example, the net effect of the deduction of fees on annualized performance, including the compounded effect over time, is determined by the relative size of the fee and the account's investment performance.

Benchmark/Major Indices: The past performance of an index is not a guarantee of future results. Any benchmark is shown for informational purposes only and relates to historical performance of market indices and not the performance of actual investments. The benchmark is not managed and does not reflect the deduction of any fees and expenses, which will lower results. Indices are not actively managed and investors cannot directly invest in indices. The portfolio's investment strategy is not restricted to securities in the benchmark. Further, there is no guarantee that an investor's account will meet or exceed the stated benchmark. Index performance information has been obtained from third parties deemed to be reliable. We have not independently verified this information, nor do we make any representations or warranties to the accuracy or completeness of this information.

Custom Time Periods: If represented on this report, the performance start date and the performance end date have been selected by your Financial Advisor in order to provide performance and account activity information for your account for the specified period of time only. As a result only a portion of your account's activity and performance information is presented in the performance report, and, therefore, presents a distorted representation of your account's activity and performance.

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 FS 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, 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.

Change in Accrued Interest: 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 Value: Represents the change in value of the portfolio during the reporting period, excluding additions/withdrawals, dividend and interest income earned and accrued interest.

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.

Net of fees: When indicated, the information is shown net of fees and commission charges to your accounts for the time period shown. For example, if your accounts are charged an asset based fee during the month the report is produced, net of fees performance information would reflect the deduction of those fees. Please see your program documents regarding fee schedules.

Performance Start Date Changes: The Performance Start Date for accounts marked with a 'A' 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 FS. 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 FS 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 **27** show



Disclosures applicable to accounts at UBS Financial Services Inc. (continued)

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 Account Performance: 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.

Portfolio: For purposes of this report "portfolio" is defined as all of 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 FS or elsewhere.

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.

Pricing: All securities are priced using the closing price reported on the last business day preceding the date of this report. Every reasonable attempt has been made to accurately price securities; however, we make no warranty with respect to any security's price. Please refer to the back of the first page of your UBS FS. accounts statement for important information regarding the pricing used for certain types of securities, the sources of pricing data and other qualifications concerning the pricing of securities. To determine the value of securities in your account, we generally rely on third party quotation services. If a price is unavailable or believed to be unreliable, we may determine the price in good faith and may use other sources such as the last recorded transaction. When securities are held at another custodian or if you hold illiquid or restricted securities for which there is no published price, we will generally rely on the value provided by the custodian or issuer of that security.

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 FS. More information is available upon request.

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 FS 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.

Equity Style: 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.

Equity 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.

Equity Sectors: The Equity sector analysis may include a variety of accounts, each with different investment and risk parameters. As a result, the overweighting or underweighting in a particular sector or asset class should not be viewed as an isolated factor in making investment/liquidation decisions; but should be assessed on an account by account basis to determine the overall impact on the account's portfolio.

Classified Equity: Classified equities are defined as those equities for which the firm can confirm the specific industry and sector of the underlying equity instrument.

Estimated Annual Income: The Estimated Annual Income is the annualized year to date per share dividends paid and multiplied by the quantity of shares held in the selected account(s).

Current Yield: Current yield is defined as the estimated annual income divided by the total market value.

Bond Rating: These ratings are obtained from independent industry sources and are not verified by UBS FS. Securities without rating information are left blank. Rating agencies may discontinue ratings on high yield securities.

NR: When NR is displayed under bond rating column, no ratings currently available from that rating agency.

High Yield: This report may designate a security as a high yield fixed income security even though one or more rating agencies rate the security as an investment grade security. Further, this report may incorporate a rating that is no longer current with the rating agency. For more information about the rating for any high yield fixed income security, or to consider whether to hold or sell a high yield fixed income security, please contact your financial advisor or representative and do not make any investment decision based on this report.

Credit/Event Risk: Investments are subject to event risk and changes in credit quality of the issuer. Issuers can experience economic situations that may have adverse effects on the market value of their securities.

Reinvestment Risk: Since most corporate issues pay interest semiannually, the coupon payments over the life of the bond can have a major impact on the bond's total return.

Yields: Yield to Maturity and Yield to Worst are calculated to the worst call.

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.

Tax Status: "Taxable" includes all securities held in a taxable account that are subject to federal and/or state or local taxation. "Tax-exempt" includes all securities held in a taxable account that are exempt from federal, state and local taxation. "Tax-deferred" includes all securities held in a tax-deferred account, regardless of the status of the security.

Cash Flow: This Cash Flow analysis is based on the historical dividend, coupon and interest payments you have received as of the Record Date in connection with the securities listed and assumes that you will continue to hold the securities for the periods for which cash flows are projected. The attached may or may not include principal paybacks for the securities listed. These

potential cash flows are subject to change due to a variety of reasons, including but not limited to, contractual provisions, changes in corporate policies, changes in the value of the underlying securities and interest rate fluctuations. The effect of a call on any security(s) and the consequential impact on its potential cash flow(s) is not reflected in this report. Payments that occur in the same month in which the report is generated -- but prior to the report run ("As of") date -- are not reflected in this report. In determining the potential cash flows, UBS FS relies on information obtained from third party services it believes to be reliable. UBS FS does not independently verify or guarantee the accuracy or validity of any information provided by third parties. Although UBS FS generally updates this information as it is received, the Firm does not provide any assurances that the information listed is accurate as of the Record Date. Cash flows for mortgage-backed, asset-backed, factored, and other pass-through securities are based on the assumptions that the current face amount, principal pay-down, interest payment and payment frequency remain constant. Calculations may include principal payments, are intended to be an estimate of future projected interest cash flows and do not in any way guarantee accuracy.

Expected Cash Flow reporting for Puerto Rico

Income Tax Purposes: Expected Cash Flow reporting may be prepared solely for Puerto Rico income tax purposes only. If you have received expected cash flow reporting for Puerto Rico income tax purposes only and are NOT subject to Puerto Rico income taxes, you have received this reporting in error and you should contact your Financial Advisor immediately. Both the Firm and your Financial Advisor will rely solely upon your representations and will not make the determination of whether you are subject to Puerto Rico income taxes. If you have received this reporting and you are NOT subject to Puerto Rico income taxes, the information provided in this reporting is inaccurate and should not be relied upon by you or your advisers. Neither UBS FS nor its employees provide tax or legal advice. You should consult with your tax and/or legal advisors regarding your personal circumstances.

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- 1) Have there been any changes to your financial situation or investment objectives?
 - 2) Would you like to implement or modify any restrictions regarding the management of your account?
- If the answer to either question is "yes," it is important that you contact your Financial Advisor as soon as possible to discuss these changes. For MAC advisory accounts, please contact your investment manager directly if you would like to impose or change investment restrictions on your account.



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US economy

The debt ceiling – not a shutdown – the real threat

Katherine Klingensmith, strategist, UBS FS
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- There has been little progress in Washington, DC to address imminent fiscal issues.
- While we doubt the government will shut down on 1 October, it is possible if Congress cannot agree to a Continuing Resolution in time. However, the economic and financial market consequences of a brief shutdown are, in our view, limited.
- In contrast, a breach of the debt ceiling could be catastrophic. We think that a deal will be made at the last minute, and that a near miss will not trigger a selloff or a downgrade such as occurred in the summer of 2011.

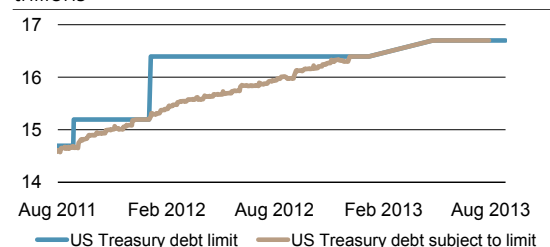
Headlines out of Washington suggest the only budget legislation the House can pass is exactly what would get rejected by the Senate, and vice versa. With only five working days left to avert a government shutdown on 1 October, the pressure is rising on Congress to pass a Continuing Resolution (CR), or short-term government appropriations bill. We walk through the differences between a government shutdown and a breach of the debt ceiling. We expect Congress will avoid both of these outcomes, but the chance of at least a short-term government shutdown is rising. However, it's a debt ceiling breach that really matters to financial markets and the economy, and we think the likelihood that such a breach occurs is remote.

A shutdown is not a default

The federal government has been shut down 17 times since 1976, with the 21 day closure in 1995-96 as the longest duration. With time running short and few headlines to generate hope that there will be a resolution next week, investors are beginning to ask what would happen if Congress doesn't pass a CR in time.

Fig. 1: Treasury already operating at debt ceiling

Debt counted under ceiling and ceiling, in USD trillions



Source: UBS CIO WMR, Bloomberg, as of 23 September 2013

Here's why we don't think the risk of a shutdown is catastrophic:

- We expect a **shutdown would likely be brief** – probably not more than a week – as Congress would be under a lot of pressure to at least provisionally fund government services. While a recent poll suggested that many would welcome a government shutdown if this were to block Obamacare, it likely only reveals the well-known even division of support and opposition among the population regarding healthcare reform. Broader polls and history suggests that the party blamed for a shutdown pays a heavy political price.
- A federal government shutdown means that up to two-thirds of government employees can be furloughed, and that **"essential personnel" will still report to work**, as well as anybody involved in an activity exempted or not funded by annual appropriations. While it's certainly insulting to not be considered essential, the fact that many functionaries (and military personnel) will still be on the job limits the ripple effects of a government closure.
- Typically **GDP is reduced only slightly by a brief shutdown**, approximately 0.3% at an annual rate per week. However, the rate of drag would increase substantially the longer a shutdown persists.
- While many policies are being debated, **the actual levels of appropriation have largely been determined** by the Budget Control Act, so the funding outcome is pretty certain.

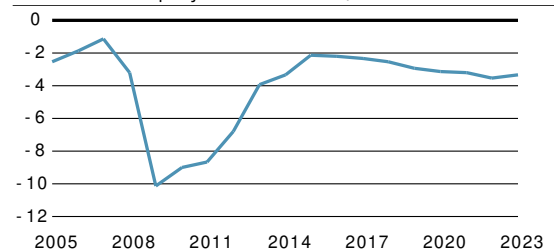
However, financial markets may get jittery because a shutdown exposes the dysfunction in Washington, which makes investors worry about the real threat, that of running up against the debt ceiling. Ironically, if a third of federal government employees get furloughed, it would bring down the government burn rate and the debt ceiling would get hit later!

The debt ceiling a bigger threat, but a 2011 redux unlikely

Treasury Secretary Lew's last estimate was that Treasury could operate under the ceiling until mid-October, at which point Treasury would have a cash cushion that could last into November. If there's no deal – or even momentum towards a deal – by the end of October, then we expect markets will become substantially more volatile, reacting to headlines about progress towards a deal to lift the ceiling. However, just as the 2011 debt-ceiling debate and the fiscal cliff agreement of 2012, we expect to have plenty of grandstanding and the collapse of various proposals before something practicable actually emerges.

The current inability of leadership in Washington to agree on funding the government has brought up the concern that we will see a repeat of the summer of 2011, when the S&P sold off nearly 20% in the face of a downgrade of the US sovereign credit rating by S&P and a near breach of the debt ceiling. We reduced our allocation to US equities and high yield bonds in early September because we have again become concerned about volatility ahead of lifting the debt ceiling. However, we remain overweight these asset classes and maintain a constructive view on risk because we do not expect the same kind of turmoil as in 2011.

Fig. 2: Lower deficits take off some of the heat
Historical and project deficit/GDP, in %

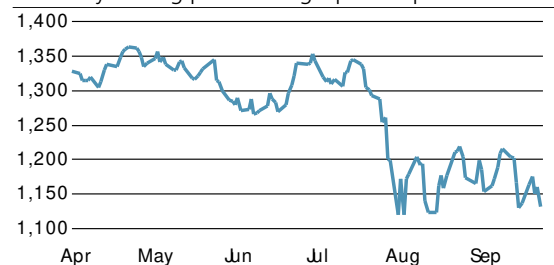


Note: Data after 2014 represents updated CBO projections.

Source: UBS CIO WMR, Congressional Budget Office (CBO), as of 23 September 2013

Fig. 3: Debt ceiling scare & downgrade caused market selloff

S&P daily closing price during April - September 2011



Source: UBS CIO WMR, Bloomberg, as of 23 September 2013

We consider for a few key reasons why we do not expect such a selloff again this time:

- The world economy is in much better shape.
- The US economy has a lot more momentum, and the housing market is on much stronger footing.
- Political risk in Europe is currently contained, with no immediate risk of a breakup.
- US GDP methodological revisions have been up, rather than down as in 2011.
- Deficit pressures are much lower than in 2011.
- The rating agencies are pretty sanguine, and unlikely to downgrade the US sovereign.
- Investors are getting used to last-minute deals.

We will continue to follow this issue closely. Unfortunately, it doesn't look likely to be resolved soon.

Appendix

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Version as per October 2011.

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CITY CLERK'S REPORT TO COUNCIL

October 02, 2013 Regular Council Meeting

Date of Report: September 26, 2013

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

- I am presently advertising for 2 Parks and Rec seats and 2 more are available end November; also available end November are 2 P&Z seats and 2 Library Board seats – please talk to your constituents and drum up interest in serving on these boards/commissions
- Notice on the calendars that I am requesting leave on the following days: Oct 10, 11; Nov 1, 19 – 22; please advise if there is a problem (I have enough accrued leave to cover these days)

Things the Clerk's Office has been working on:

- Signed paychecks/other AP checks
- Prepared agenda and packet for regular mtg on 10-02-13
- Attended Department Head meeting on September 24
- Prepared correspondence items for inclusion in regular meeting packet
- Planned Mayor's trip to Anchorage for ACoM and AML Conferences
- Worked with CCMC staff in re time of HSB meeting
- Responded to inquiry from Division of Elections in re local address of registering voter
- Prepared ads for board/commission vacancies
- Initiated meeting with City staff who work with boards and commissions to discuss boards/commissions uniform membership, etc., possible code changes in the works
- Met with two members of the public who had questions regarding trapping initiative and wording
- Responded to Alyeska and State oil & gas assessor with payment receipt for 2013 taxes received
- Registered for an Outlook seminar sponsored by the Planning department on October 15 in City Hall Conference Room
- Following the Helium Bill with the assistance of Lobbyist John Bitney – very latest is it passed the Senate (after having already passed the House) with a one year reauthorization of Secure Rural Schools funding attached – presently being forwarded to President Obama for his signature

Native Village of Eyak

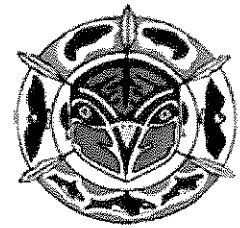
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10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

Jim Kacsh

Mayor

City of Cordova

P.O. Box 1210

Cordova, AK 99574

Jim

Thanks for your help -

Bob

September 6, 2013

Dear Jim,

One of the missions of the Native Village of Eyak is to increase awareness in a world that is awash in alcohol and drugs. The NVE Sobriety Celebration is a light in the wilderness to many other people, Tribes and Communities giving them hope in the battle against substance abuse. We invite you to participate in the 20th^h Annual Sobriety Celebration and Memorial Potlatch to be hosted in Cordova, Alaska on November 15th 16th, and 17th 2013 This event encourages sobriety through celebration with native dancers from many Alaskan villages and educational speakers on the prevention of alcohol and substance abuse. Events include native dance group in the schools, Sobriety Countdown, 12 Step meetings, Candle Light Vigil for those who have passed on from Substance Abuse, a potlatch, a ceremony honoring our Veterans and native arts and crafts. By popular demand, traditional native dance groups will also perform on Friday night. Please note this year's theme is **Strengthening Spirit and Community through Sobriety.**

We would like to thank you for your past assistance and ask for your continuing financial support for this spiritual and educational event. This event continues to grow each year and would not be possible without such generous sponsors such as you. Just a few of our previous donors *Alyeska Pipeline Services, Trident Seafood Inc. Orca Adventure Lodge, BP, ANTHC Health Consortium, Rural Cap, Chugach Alaska Corporation, Tatitlek Corporation, Alaska Optical, Chitna Native Corporation, Lynden Transport, Mike Williams & Drue Pearce, Alaska Serigraphic, Morgan Fawcett, Eyak Corporation, Mt St. Elias Dancers, Ke ex' Kwaan Dancers, Yees Ku Oo Dancers, Kodiak Native Association, Pete Hoepfner, Bob Chaney, Charlie Bunch, Chugachmuit, Alaska Commercial Company, Alaska Native Technologies, Cordova Telephone Company, Larry and Carmen Markley, Seafood Sales, Southcentral Foundation, Ocean Beauty Seafoods, Seaman's Hardware, Chinook Auto Rental*, along with a host of other local and state wide contributors. Please join with us in the effort to educate and to reduce the effects of alcohol and drug abuse in our communities. Your support makes it possible!

We are asking for your tax-deductible donation of \$300 to help make the 20th Annual Sobriety Celebration the most exciting and spiritual event of this year. As more communities and people become aware of our celebration and want to join us in sobriety, our expenses for this event have continued to grow. Donated

Native Village of Eyak

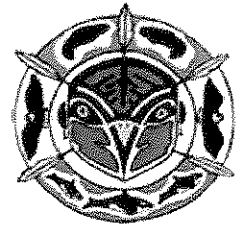
110 Nicholoff Way

P.O. Box 1388

Cordova, Alaska 99574-1388

P (907) 424-7738 * F (907) 424-7739

www.eyak-nsn.gov



10,000 years in our Traditional Homeland, Prince William Sound, the Copper River Delta, and the Gulf of Alaska

funds will be used to help provide travel for dance groups, speakers, supplies for the event, and promotional items. Your participation in this annual celebration is deeply appreciated by the Tribal Council, Sobriety Celebration Committee and all the participants. We thank you in advance for your consideration of our request and extend our best wishes. Your tax-deductible contribution will be listed in the 20th Annual Sobriety Celebration program as well as featured in promotional advertising, website and Facebook. We hope to see you at the 20th Annual Sobriety Celebration. Also please check out our web site **eyak-nsn.gov** and click on to Sobriety. If you have any questions please contact Belen Cook Special Events Coordinator at the Native Village of Eyak 907-424-7738 or belen@eyak-nsn.gov

Sincerely,

Robert Henrichs

From: Toni Godes

Sent: Tuesday, September 10, 2013 12:28 PM

To: James Fritsch

Cc: Dan Reum; Kara Johnson; Karen Hallquist; Kristin Carpenter; Shelly Bourgeois; Steve Barnes; Susie Herschleb

Subject: Re: Next Meeting

Hi Guys. I won't be in town for this one (I'll be in Norway with daughter:). Also, I'm thinking I should step down because I don't think I will be around much this winter (not absolutely sure on this). I've really enjoyed being on this board, but I don't want to be an absentee, non-active member. How do I go about resigning? Seems like there was lots of interest in being on the board this last nomination round, so hopefully that is still the case!

All the best,

Toni

Sent: Mon 9/23/2013 10:05 AM
To: Mayor Kacsh
Cc: Susie Herschleb; James Fritsch
Subject: Rec committee

Dear Mayor Kacsh,

I have taken on another job as a tutor of children and feel like I do not have the time to commit to the Parks and Rec Committee. Please remove me from that position. I wish Susie and Jim good luck as they have a big job in handling all the park and recreation needs of the area.

Thanks, for allowing me to serve two yrs.

Dan Reum

Pending agenda:

Providence Review/Evaluation of Management - discussion item on a **future agenda**

Capital Priorities List Meeting - **December 2013, March 2014, June 2014, September 2014**

HSB Quarterly regular meetings **Jan ?, 2014; Apr 2, 2014; July 2, 2014; Oct 1, 2014**

Committees:

Cordova Center Committee: Tim Joyce, Sylvia Lange, Dan Logan, Randy Robertson, Sam Greenwood, Moe Zamarron, Dave Reggiani, Cathy Sherman

Fisheries Advisory Committee: David Reggiani, PWSAC; Ken Roemhildt, Seafood Sales; Jim Holley, AML; Torie Baker, Marine Advisory Program Coordinator; John Bocci; and Jeremy Botz, ADF&G

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

Public Services Building Design Committee: David Reggiani - Chairman, Chief George Wintle, vacancy, Jim Kacsh, Dick Groff, Mike Hicks, Tom Bailer

E-911 Committee: Chief George Wintle – Chairman, Bret Bradford, Gray Graham, Dick Groff, Mike Hicks (and/or Paul Trumblee), David Allison, George Covell

Calendars:

3 months of calendars are attached hereto

Oct 2013; Nov 2013; Dec 2013

October 2013

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library		<i>1</i>	<i>2</i> time tba HSB LMR 7:30 reg mtg LMR	<i>3</i>	<i>4</i>	<i>5</i>
<i>6</i>	<i>7</i>	<i>8</i> 6:30 P&Z LMR	<i>9</i> 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	<i>10</i> Clerk out on vacation	<i>11</i> Clerk out on vacation	<i>12</i>
<i>13</i>	<i>14</i>	<i>15</i>	<i>16</i> 5:30 bdgt wksn LMR 7:15 pub hrg LMR 7:30 reg mtg LMR	<i>17</i>	<i>18</i> Alaska Day City Hall Offices Closed	<i>19</i>
<i>20</i>	<i>21</i>	<i>22</i>	<i>23</i>	<i>24</i>	<i>25</i>	<i>26</i>
<i>27</i>	<i>28</i>	<i>29</i>	<i>30</i> 5:30 bdgt wksn LMR	<i>31</i>		Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library

November 2013

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

December 2013

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i> 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	<i>5</i>	<i>6</i>	<i>7</i>
<i>8</i>	<i>9</i>	<i>10</i> 6:30 P&Z LMR	<i>11</i> 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	<i>12</i>	<i>13</i>	<i>14</i>
<i>15</i>	<i>16</i>	<i>17</i>	<i>18</i> 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	<i>19</i>	<i>20</i>	<i>21</i>
<i>22</i>	<i>23</i>	<i>24</i>	<i>25</i> Christmas City Hall Offices Closed	<i>26</i>	<i>27</i>	<i>28</i>
<i>29</i>	<i>30</i>	<i>31</i>				Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library 42