

**CITY COUNCIL REGULAR MEETING
OCTOBER 5, 2011 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kallander called the Council Regular Meeting to order at 7:30 PM on October 5, 2011, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Kallander led the audience in the Pledge of Allegiance.

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

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

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

E. DISCLOSURES OF CONFLICTS OF INTEREST - none

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers - None

2. Audience comments regarding agenda items

Mary Anne Bishop, 406 Fourth St, spoke against Ordinance 1088 asking the Council to postpone the ordinance indefinitely. She stated that the sales agreement is not a transparent document. She used the example that 4.21 acres is referenced in the agreement and 4 acres is referenced in the ordinance. And also the kayak put-in and a fishing pad being developed is on the adjoining tidelands. She stated that the public has the right to know the fair market value of the publically owned fill that would be provided at no charge to the proposed buyer should the ordinance pass. She added that the land in question was given to the City from the State, subject to the rights of the public under the Public Trust Doctrine. She asked if the City had sought out the opinion of the Attorney General to see if selling this land to a private party to develop into a gas company with a fence around it is in violation of the said Public Trust Doctrine.

Leo Americus, mile 4.1 Whitshed Rd, thanked Council for bringing his attention to item 6.2 in ordinance 1089. It says "remedies cumulative" although he is not sure what that is, in previous land purchase agreements it was limited to "liquidated damages". He is wondering why his is different. *Lynch* responded that it was just a way to put a performance deed of trust into the sales agreement. It is a stronger way to insure the City can get the property back should he not meet the performance agreement. *Kallander* stated that this cannot be remedied at this meeting. Council can discuss it later in the agenda. But contract negotiations are usually handled at the staff and attorney level.

Tim Joyce, 1001 Pipe St, spoke in regards to the AIGCO sale agreement. "Life, Liberty and the Pursuit of Happiness" provides the freedom of choice in America. Freedom can be defined in a lot of ways but one way is the freedom to have a choice. Some freedoms are limited in Cordova because we are a small town. One choice we don't have in Cordova is cheaper energy options. AIGCO would provide Cordovans with choices and give them the freedom to choose. Those who vote against the ordinance are limiting his freedom and the freedom of everyone else in this community. Sometimes we have to give up a little to gain a lot more. Cordova will gain a clean and environmentally safe energy option with this ordinance.

3. Chairpersons and Representatives of Boards and Commissions – none

G. APPROVAL OF CONSENT CALENDAR

Mayor Kallander informed Council that the Consent Calendar was before them.

#6 was pulled from the consent calendar and became #17b.

4. Record unexcused absence of Council member Robert Beedle from the 9-21-11 Regular Meeting.

5. Record excused absence of Council member Keith van den Broek from the 9-21-11 Regular Meeting.

~~6. Ordinance 1089~~

~~An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots One through Four, Clock forty two, Cordova Townsite to Leo Amerieus – 1st reading~~

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

H. APPROVAL OF MINUTES

M/Reggiani S/Kacsh to approve the minutes.

7. September 21, 2011 Public Hearing Minutes

8. September 21, 2011 Regular Meeting Minutes

9. September 23, 2011 Special Meeting Minutes

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

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

10. Mayor's Report

Mayor Kallander reported that he had meetings with *Lynch* on the Cordova Center; he just got back from Juneau. He meet with *Representative Cathy Munoz*, of Community and Regional Affairs (CRA), who wanted to meet in regards to some PERS issues with the hospital and wants to get involved. He met with *Karen Rehfeld*, Director of Office of Management and Budget, in regards to the veto on the hospital roof, the City's CIP list and priorities. He met with *Mike Barnhill*, Assistant Attorney General who deals mostly with PERS. We were requesting to pull two people out of PERS in anticipation of the deal with Providence. There had been many meetings on the conflict PERS presents. He met with the Governor's office on the veto for hospital roof money; he assured us this year it will go if it gets through both houses. He also went over the PERS issue with him and they are working through the PERS issue to try to eliminate the issues for the small communities. He feels good on being able to negotiate the couple positions at the hospital on PERS and suggested that those that are going to AML to just stay out of it. He is meeting Wednesday with *Bill Streur* from Health & Human Services over the health care in Cordova. *Bradford* asked for an update on the 36 mile bridge. *Mayor Kallander* responded that it is on his list but he has not heard. He does know some engineers have been out to look at it.

11. Manager's Report

Lynch introduced *Bob Griffiths*, the new Police Chief; he is in town and on the job. He will start reviewing applicants next week for a Fire Marshal. They are looking at combining the supervisory positions of streets and refuse. He has scheduled time in November to work on the Union contract negotiation. They are working on the budgets and fee schedule. General fund revenue budget meeting will be talked about later on the agenda. He is still working on the Hospital contract. He has not heard from the Coast Guard on the Sound Developer so he assumes they are still planning on it being out the beginning of November. There will be an executive session later in regards to the Spartan. The ILP Building is well underway. Mt. Eccles project is still being finished up, the gym is done though. The renovation is almost done. There were several meetings on the Cordova Center. He is going to AML and will not be attending the PERS session. *Kallander* asked *Lynch* about the Providence Contract. *Lynch* responded that there has

been correspondence between the person handling their end of the contract and our lawyers. It is still moving forward and he thinks they are waiting to see how the PERS issue comes out. *Allison* agreed that it is going well at the hospital. Providence has been sending people in, a steady stream looking into different sections. *Beedle* asked if there was any word on the RFP for the breakwater for early spring. *Lynch* replied that it is in negotiation with the Science Center as it may be a joint project. *Kallander* responded that it is at engineering now and we are waiting for a proposal to come through. Looking at doing that project in the spring same with the boat ramp project.

12. City Clerk's Report

Bourgeois reported that the deadline for the AML registration is Friday and so far she only has *Bradford* and *Beedle* signed up.

13. Staff Reports

a. Josh Hallquist, COR, Cordova Center Project

MRV's behavior is slowing construction. There are outstanding claims that are not being worked. Received many RFI's from Dokoozian because many things are being discussed but there is no action. They are changing their tactics on that, no more conversations without taking notes to ensure action.

b. Cathy Sherman, Cordova Center Phase II (via teleconference)

Sherman reported that they had Phase II conference on Tuesday with the MRV design team. There will be a 1% for art committee meeting in late October. They are conducting an inventory of technology and communication needs for the new building. They are having a teleconference with the theater consultants, local theater groups, dance groups and the Science Center to go through the theater design October 14th. They are discussing the meeting rooms trying to decide if they want fixed seating or movable, do we want the ability to broadcast on TV, would Council like to hold their meetings on the stage, and if they want to share the space with other community organizations, etc. *Beedle* asked if it will get buttoned up this year. *Hallquist* replied that it would. They will start framing the walls in the next few weeks and will start decking the roof. *Kallander* thanked *Hallquist* and *Sherman* for their hard work because he knows this has been a lot of work.

K. CORRESPONDENCE

- 14. Letter from Cordova Running Club in re Alaska Salmon Runs
- 15. Letter from Mayor Kallander to School Board in re request for information
- 16. Letter from CDFU to Pebble Limited Partnership – cc'd to Mayor
- 16a. Email from Mary Anne Bishop in re Ordinance 1088

Bradford asked about the letter from CDFU to Pebble Limited. *Kallander* stated that he has no plan. We will see how it goes. No word yet on how the recent election went.

L. ORDINANCES AND RESOLUTIONS

17. Ordinance 1088

An ordinance of the City Council of the city of Cordova, Alaska, authorizing the conveyance to Alaska Intrastate Gas Company of approximately 4 acres of tidelands located in ATS 1004 – ^{2nd reading}

M/Reggiani S/Kacsh to approve Ordinance 1088, an ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance to Alaska Intrastate Gas Company of approximately 4 acres of tidelands located in ATS 1004

Beedle stated that he read through the contract and is not comfortable with it. There are other energy suppliers that lease their land. Has an environmental study been done? He stated that he appreciated *Clay Koplins* letter in a previous packet. Has the City had a third party review? He would like to see a presentation from AIGCO. Everything they have built has had a delay in it and this contract already had a

delay built into it. What about utilities? Will we bring the utilities out to them? He will not be voting in favor of this. He feels that Cordova is project heavy right now. He is not against another energy supplier coming to town. He just doesn't have a warm and fuzzy feeling about this company. **Bradford** stated that he is not going to support this ordinance. He has looked at this company and he hasn't found anything good about them. He is not comfortable with our name being associated with theirs. The numbers in the contract are out dated. He would like to see gas come to Cordova but he needs to be convinced this company can do it. **Mayor Kallander** stated that nobody is committed to this. No one is going to be forced to convert to this energy option. **Kacsh** stated that he has seen all the presentations and it's not the government's responsibility to get in the way of the development of private enterprise. It will never happen if we keep throwing up road blocks. **Beedle** stated that the City is partnering and supporting and tying up the land for 5-7 years. He thinks a lot of things have changed since this process began. He opined that this is one opportunity that would be better to let pass. **Allison** added to **Kacsh's** statement about land sales stating that we didn't ask any other buyers of City land to open up their books. We are giving them the opportunity to build, if they can't perform we have a performance deed of trust and we will get the land back. Nobody in town has guaranteed to buy gas from them so they will have to go in and offer gas at a lower cost. He is willing to give them the chance.

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

17b. Ordinance 1089

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots One through Four, Block forty-two, Cordova Townsite to Leo Americus– 1st reading

M/Allison S/Bradford to approve ordinance 1089, an ordinance of the City Council of the City of Cordova, Alaska, authorizing the sale of Lots One through Four, Block forty-two, Cordova Townsite to Leo Americus

Allison stated that he has no problem with the sale agreement and that the item referred to before is a change in that liquidated damages is different. The way it is worded is a strong change. He would prefer to see a deed of trust similar to what we issued before. **Lynch** stated that there were problems with the way we did it before and this was a way to fix it. It was not directed at Leo it was just a way to make sure the City can get the property back should he not meet the performance standard. **Mayor Kallander** suggested that it have a second look and be brought back to Council.

M/Reggiani S/Kacsh to refer back to staff.

Beedle asked if this will significantly prolong the process for **Americus**. **Americus** responded that he is not in a hurry; he would like to have this cleared up. **Kacsh** stated that his intent is to protect the City to make sure we can get the land back but he does not want to penalize the citizen. **Mayor Kallander** asked for consensus that Council wants legal staff to assure, in the strongest language possible, that the City will get the land back should they default on the performance deed of trust. Council concurred. **Allison** added that the attorney should look into if there are liquidated damages how that affects the City's ability to get the land back. He would like some clarification on the change. **Cheshier** stated he would just like to have the lawyers explain the difference between the old contract and this contract. **Mayor Kallander** asked **Americus** to meet with **Lynch** to discuss his questions.

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

M. UNFINISHED BUSINESS

18. 2012 Proposed Budget Schedule discussion

Lynch handed out a spreadsheet from **Ashley Royal**, the City's Finance Director, who believes the City is on track to meet the goal for 2011. **Lynch** informed Council that sales taxes are up considerably from last

year, we are waiting on 3rd quarter numbers though. The concern is that fish tax isn't in yet and we don't have the amount yet. We won't know for sure till the check comes in. The forest receipts money is also a concern as congress didn't pass the reauthorization which puts us almost a million dollars short each year. **Kacsh** stated that he believed the program was funded through 2013. **Reggiani** stated that he is unprepared to discuss this at this meeting. Council decided to have a work session for this discussion. **Kallander** informed Council that **Zamarron** has informed him that sewer is short on funds. At last year's budget Council had decided to add \$85,000 which he believes was supposed to come from raising rates. When the rate increase was bought before Council they voted it down leaving them short on funds for the year. **Kacsh** stated that he thinks they all knew that it was going to fall short because of the extra work that's had to be done for DEC. **Bradford** asked **Zamarron** to give them the numbers. **Zamarron** stated that they are about \$85-90,000 short. They are making plans to help mitigate the need for LT2 and the plans are working but it is costing money. Those extra plans are costing about \$200,000 in order to save those millions of dollars. This year they will probably spend about \$45,000. So we are looking at \$130,000 short for the year. **Bradford** asked that this topic be added to the work session they are planning. **Allison** stated that he doesn't see that it needs to be addressed right away we just need to make sure we budget enough money in next year's budget to cover next year and pay ourselves back for the short fall.

N. NEW & MISCELLANEOUS BUSINESS

19. North Fill - snow dump/impound lot discussion

Allison suggested using the impound lot for snow storage in the winter. He added that several years ago the snow dump committee did designate that as a potential snow storage spot. He thinks there are other places that the impound lot could go. **Kacsh** stated that the City needs a place to put the snow but residents are responsible for their own snow storage and are not supposed to dump it on City owned land. An impound lot is a need for the Police Department. It needs to be fenced and observable to avoid vandalism or tampering with evidence. It doesn't need to be big, and maybe it can have a removable fence so part of it can be used seasonally for other things. **Bradford** stated that he would like to see the impound lot moved. That lot is better served as a snow dump. **Lynch** provided for Council the 2008 snow dump map. That map does not designate the lot as snow dump lot. When the adjoining lot was purchased by Kelly's it was clearly stated in their sale agreement that they not dump snow on City property. The new Planning and Zoning Commission map for property disposal marks this lot as not available. A lot of thought and planning was put into choosing this spot for an impound lot. The fence is a movable fence; it could accommodate other needs that have been brought up. He would ask Council to leave the impound where it sits currently. **Allison** stated he has no problem leaving it there if it can be made an appropriate size. We should do what we can to support the businesses and if it is no cost to the City then he can't see that it would hurt. **Kacsh** stated that he was not pointing out any business in particular just that we shouldn't set a precedent for supplying land to businesses for snow storage. **Allison** asked for concurrence to ask staff to push the fence back and allowing some room for snow storage. Council did not concur. **Allison** asked to put on the next agenda a vote to make the lot a reasonable size for an impound. **Mayor Kallander** asked the Clerk to put adjusting the size of the impound lot on the next agenda.

20. Pending Agenda and Calendar

October 13, 2011 Thursday at 7:00 pm Work session to discuss general fund revenues

O. AUDIENCE PARTICIPATION

Diane Wiese, 6.5 CRH, spoke in regards to the proposed school use fee. It is affecting the North Winds Quilters Guild (NWQG) who has not been able to use the school because of the fee. Their use would be for about 26 hours and would cost \$390. She wonders where the money is going (electrical? janitorial?) and when the school became a money-making entity instead of an educational facility. She feels \$390 for a weekend is over the top. **Mayor Kallander** asked if the guild is non-profit. **Wiese** replied in the

affirmative. He asked where the proceeds for their quilts go. *Wiese* responded that they do not sell quilts; they do have a quilt auction every year that funds their scholarship program. *Mayor Kallander* asked if they teach. *Wiese* replied that they do but it is open to the public. Once in a while they do charge for a class but the money goes back to the guild for the scholarship. The school board's facilities use committee is revisiting the fees and there was a meeting yesterday which only 3 committee members attended. She reviewed for Council the proposed new school use fees that still have to be voted on by the school board. The guild will not be able to use the school again because of the fee. The school facility should be used. *Allison* pointed out that the Red Cross was in town last week and planned to use the school for Emergency Shelter training and couldn't because of the fee. They ended up using a church instead and he can't imagine why we should charge someone for such a training opportunity. *Mayor Kallander* stated he was going to try to go to the next school board meeting and encouraged other Council members to do the same.

Jennifer Gibbens, 305 Browning St, gave an update on the newspaper. She stated that there has been progress and she is excited. She is working on getting a re-launch date. She is adding a professional web designer, a sales rep, a professional reporter, and including local columnists. She stated that Cordova Clean Up day has been paying for using the school for years.

Barb Beedle, 910 Ingress, stated that ice worm has paid for school use for years too and she doesn't mind paying as much as paying the amount they are charging. She thanked the City Manager and ex-Police Chief for finally getting flag raised and lowered.

Mike Scott, Saddle Point Dr, stated that the graffiti on the new civic center was obvious and is a real issue. The bus out on the ball park looks like a piece of junk. It shouldn't be set in such a prominent place if it looks so bad. He asked if there was anything the Council can do to get the State to fix up the 36 mile bridge. It is going to affect tourism and guiding next year if we can't get to the million dollar bridge. He stated that the ferry passengers are paying more here than elsewhere. He complained that he never hears about the investigations that the Police Department does getting solved.

Tim Joyce, 1001 Pipe St, said that the election out west was one where they mail in ballots for the Pebble Mine issue. We should know in 7 days what the outcome of that vote was.

Tom Bailer, 304 Orca Inlet, agreed with *Mike Scott* on the bus but added that they have done a good job around the City shop cleaning up. He stated that the impound is in a good spot. Business is business on the Americus sale and added that on a typical property contract is set up so if you miss a certain amount of payments the lien holder gets it all back, not partial. Out at the South Fill, Redden Net and the Camtu buildings are shining examples of what we are looking for when we sell City lots.

P. COUNCIL COMMENTS

21. Council Comments

Bradford thanked *Lynch* on the flag issue. He stated that he spoke to the hospital staff and they think what's happening with Providence is positive which was reassuring to him.

Reggiani stated that he is deeply concerned about the school use fees. He stated that he searched code and could not find where the defining line was between School and City authority on City owned buildings. He has no problem with the school recovering their costs but beyond that is excessive. He wonders if Council should act and if it should be a fee schedule thing.

Cheshier stated that he thinks it is totally unreasonable to have fees for publicly owned school building.

Beedle stated that he is disappointed to hear that the breakwater is getting put aside again and getting more complicated. He has heard good things about *Moe*, thank you and keep it up. *Mayor Kallander*

clarified that there are no additional expenses and fees for the breakwater, its all on the Science Center. As the proposal stands it may turn into a revenue maker for the City.

Kacsh wondered if a letter to the Governor about the 36 mile bridge, focusing on the economic impact, would help get things moving. *Mayor Kallander* responded that it is high on his list.

Q. EXECUTIVE SESSION

22. Cordova Center Financial Update

M/Bradford S/Allison to enter into executive session to hear the Cordova Center financial update. Subjects which may be discussed are matters the immediate knowledge of which would clearly have an adverse effect upon the finances of the government.

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

Council took a 5 minute recess before entering the executive session; Council entered into executive session at 9:40 pm; Council came out of executive session at 10:22 pm; No action was taken.

M/Reggiani S/Bradford to recess the meeting to resume immediately after the work session on Thursday October 13th, 2011.

Council wanted to give adequate time to the City Manager evaluation to do a good job.

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

CALL TO ORDER

Mayor James Kallander called the Council Regular Meeting back to order at 7:25 PM on October 13, 2011, in the Library Meeting Room.

ROLL CALL

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

EXECUTIVE SESSION

23. City manager annual evaluation

M/Reggiani S/Bradford to enter into executive session for the City Manager's annual evaluation. Subjects which may be discussed are subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion.

Vote on motion: 7 yeas, 0 nays. Motion approved.

Council entered into executive session at 7:30 pm; Council came out of executive session at 8:17 pm

R. ADJOURNMENT

M/van den Broek S/Bradford to adjourn the regular meeting at 8:18 pm

Vote on motion: 7 yeas, 0 nays. Motion approved.

Approved: October 19, 2011

Attest: _____
Robyn Kincaid, Deputy City Clerk

