

**CITY COUNCIL REGULAR MEETING
OCTOBER 19, 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 19, 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* (via teleconference), *Bret Bradford*, *EJ Cheshier*, *David Reggiani* and *Robert Beedle*. Council Member *Keith van den Broek* was absent. Also present was City Manager *Mark Lynch* and City Clerk *Susan Bourgeois*.

D. APPROVAL OF REGULAR AGENDA

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

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

Tim Joyce, 1001 Pipe St, referred to the minutes in the packet where Council was asked by a member of the community to postpone action on Ordinance 1088. The ordinance was passed by Council. That community member is now collecting signatures to refer Ordinance 1088 to a vote of the people. It is the right of the people to have a vote on controversial ordinances. However, a property sale that followed all of the procedures and all the codified ordinances of the City is hardly controversial. The referral vote is challenging the process now used by the City. The person sponsoring this referendum wants to have a business plan on file prior to any purchase. The next requirement would be to require financial disclosure for perspective purchasers. That means that the City would have to have any resident or company show to the City Council the last few years of their revenue to prove their assets and debts. He submits that to require that kind of disclosure would end any City land sales as not many people or business are going to open their financial records to the public and to their competitors just to buy land from the City. They will take their business elsewhere. *Joyce* stated that as a result of this petition to stop land sales by the City, the City needs to put a moratorium on all land sales until this issue is resolved. If the City does continue with land sales then the City runs the risk of having those land sales challenged in court if this referendum is referred to the people and is passed. He added that you cannot pick and choose which ordinances to follow. You have to follow all the ordinances before you and Council did when they made this particular sale. However, if enough people do sign the petition and refer this sale to a vote then that means the community does not agree with the existing ordinances on file and therefore would disagree with any future sales. He urged the Council to place a moratorium on all land sales until the issue is settled.

3. Chairpersons and Representatives of Boards and Commissions

Allison reported that the HSB passed their budget at their meeting last week and has submitted their capital improvements list which is in the packet.

Reggiani reported that P&Z has submitted a resolution to Council with their capital improvements recommendations which is also included in the packet.

Beedle reported that the Harbor Commission is looking towards a future expansion of the harbor and would include slips for boats longer than 40' which have been in demand for the last year. Due to the damage from the north wind the harbor has lost 3 more 50' finger floats during the winter of 2010/2011. Since the last expansion in the early 80's the winter storms have cost the harbor the loss of about 7 50' finger floats (14 slips) and 3 30' finger floats (6 slips). The topic of a harbor expansion is a valid topic but they are looking at some ways to mitigate the expensive project. In the next 10-15 years it will have to be renovated as it will be at the end of its useful life. They worked on a rough draft of the harbor facilities and uplands. They discussed boat trailer and boat storage options on the North Fill. He opined that the breakwater is crucial for damage control; the full extent of that damage is hard to evaluate.

Bradford reported that Parks & Rec has discussed their capital improvements and maintenance budgets and will submit their list by the next meeting.

Jim Nygaard reported on the schools. He stated that they are wrapping things up at Mt. Eccles. There is just a small punch list left with small electrical issues and some rain seepage. Signage is going up at the District Office and Playground. He informed Council that the City really made itself available for support to ensure a safe startup of the school which he really appreciated. The traffic pattern for parents to pick up their kids has been established. Archery in Schools is going well; they had to order some more equipment as a result of the turnout for the activity. He thanked **Bret Bradford** for working with that program. **Dave Crowley** is starting a shooting club out of the hound pound that meets twice a week. They have had almost two dozen kids turning out for that activity. They got the preliminary audit back with no findings or flaws. It was a clean audit. The ILP building (Innovative Learning Program) painting will be completed tonight. Plumbers and cabinet workers are here and should have that done by the weekend. The temporary heat should be put in and completed by the weekend. The last items will be getting the fiber in for the technology, carpet, linoleum and siding to finish up the project. There has been a set back with some of the cabinetry that will push the final completion date back. The design/build is quicker, more hand-in-hand with the builders. It has worked well. They are getting rid of the last old modular which is out to bid right now. They are adding a roof extension on the furnace building so cars can be stored out of the weather; this is also out to bid and should be wrapped up by November. They are starting to do budget workshops. October is count month for the schools for the State which determines the amount of money the school will get. There was an eligibility conflict at school in regards to sports. The ineligibility list didn't get printed and some students participated in sports when they should not have been allowed. It was an unfortunate situation. He updated Council on what they are doing to meet AYP (Annual Yearly Progress-No Child Left Behind) and how to meet the goals for next year. They are implementing MAP (Measure of Academics Progress) which is a computerized test that tests kids at their grade level. This will help them have current and accurate assessments. They are able to do a waiver on the Terra Nova assessments now that the district is using the MAP program. Facilities use has been brought to the board, there was no vote. They talked about putting a cap on the fees. They met Monday and will meet again next week to come up with something that is acceptable to all of the board. **Mayor Kallander** asked where he is at with enrollment. **Nygaard** responded that they don't have an official number yet but it is probably about 350 students which is about 12 down from last year. They have been steadily losing 8-10 kids a year. It isn't that they are losing kids but that the amount graduating is not being replaced at the Kindergarten level. **Mayor Kallander** thanked **Nygaard** for responding to his letter of questions.

a. Student council Representative – was not in attendance

G. APPROVAL OF CONSENT CALENDAR

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

4. Record excused absence of Council member Keith van den Broek from the 10-5-11 Regular Meeting.

5. Proclamation declaring November 1, 2011 as "Extra Mile Day".

7. Resolution 10-11-50

A resolution of the City Council of the City of Cordova, Alaska supporting nomination of a non-motorized path connecting the AMHS Cordova ferry terminal with Cordova's town center to the AK DOT/PF TRAAK program

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/Bradford to approve the minutes.

8. October 05, 2011 Public Hearing Minutes

9. October 05, 2011 Regular Meeting Minutes

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

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

10. Mayor's Report

Kallander reported that he had meetings in Anchorage with **Kristin Ryan**, Director of DEC, on LT2. She has assembled a team that is closely monitoring Portland's progress with the variance and Cordova will be the Alaska test variance. He feels confident that we will come out good on this, they want the variance; they think the thing is ridiculous. **Bill Streur**, HSS, won't oppose funding for the hospital roof repairs and they are looking into options to help with EMR (Electronic Medical Records). Federal money is set up as a reimbursement for EMR. He is feeling optimistic about the whole thing and that we might be able to wiggle out of this high dollar project. He also met with **Susan Humphrey-Barnett** who oversees regional hospitals for Providence (Kodiak, Seward, and Valdez) Cordova's CEO will report to her. He was hoping to have a contract this week for Council to look at but after talking to Holly it sounds like we are still a little ways away from that due to the governance issue. **Humphrey-Barnett** is looking at other programs available, one is that veterans will be able to seek health care here at our facility and the hospital would receive some funding from that program.

11. Manager's Report

Lynch reported that the USCG expects to award the contract for the removal of the Sound Developer early next week. They have asked to have a meeting early next week immediately after choosing the contractor. In regards to Secure Rural Schools funding (i.e. Timber receipts), Senator Murkowski has proposed extending it to 2017 but it still has to pass the Senate budget and then pass the House. For the City budget the general fund numbers from the departments should be to him by the end of the week. If the number for the hospital is close to the same as last year we will be very close to a balanced budget but we won't know till he gets the final numbers from Providence. The referendum petition has put the Science Center on hold.

12. City Clerk's Report – written report in packet

Bourgeois reported that she has found a cleaner way to put agenda packets into one PDF. She highlighted the few days she will be taking off in the next couple months and the two training opportunities. One is with the Foraker Group on November 18th and the other with **Holly Wells** (City Attorney) in December or January. She informed Council that shared fisheries business tax is a three way split between Cordova,

Valdez and Whittier. She talked to **Bill Rolfzen**, who handles this for the State, and asked his opinion if it would be worth trying to get a different split as Cordova has a much higher fishery base than the other two. She needs to know from Council if they would like to seek an alternative split. They would have to get all three communities to agree or they will have to do a long form. She has had communication with Valdez who is willing to talk numbers with her. **Mayor Kallander** asked for this years projected amount. **Lynch** responded that it was \$195K to be split three ways as it stands it would be about \$65K a piece. **Mayor Kallander** recapped that it could be \$20K in our favor to fight it. **Bourgeois** responded that it could be higher than that. **Mayor Kallander** opined that it should be based on the fisheries infrastructure and Cordova has the largest in the region except for Kodiak. **Bourgeois** stated that if it's based on population Valdez would get more so it would have to be a set percentage split. **Kacsh** opined that it would be a small pot at the risk of upsetting our neighbors. **Bradford** stated that a lot of time and effort has been put into this already and he doesn't see why we couldn't approach Whittier with the option. **Beedle** asked about the long form. **Bourgeois** stated that if all three communities did the long form then the State decides the percentage allocation. **Lynch** stated that Whittier does not have the infrastructure for fisheries that this money is meant for. **Mayor Kallander** asked for concurrence to look into getting a bigger share. **Cheshier** stated that he can't see that it would hurt to look into it more, short of doing the long form. **Reggiani** supported it. **Bradford** supported it. **Kacsh** did not support it. **Beedle** stated he was unsure. **Allison** supported it. **Mayor Kallander** announced concurrence **Bourgeois** also reported that she has an unofficial number on the raw fish tax at \$1,365,497.

13. Staff Reports

a. Josh Hallquist, COR, Cordova Center Project

Council took a few minutes to read the written report **Hallquist** handed out. **Beedle** asked how many more concrete pours are left. **Hallquist** replied they should be done by the 2nd week in November. The architect is still only visiting on a bi-monthly basis and he thinks it should be more often. They are 1.5 months behind on the Phase II design schedule. They were supposed to be done by August and now they are looking at having a set to review in the middle of November. **Beedle** asked if they will be bringing in more crew. **Hallquist** responded that they did bring in three more guys for the wall framing crew. He would like to see a few more iron workers. **Mayor Kallander** asked if MRV is doing any better in defending our position and taking responsibility. **Hallquist** responded that they are working through items, double checking what MRV should have done. It is moving forward but it is an effort.

b. Cathy Sherman, Cordova Center Phase II

Sherman reported that she had a teleconference Monday with the theater consultants and met with the local theater groups and the Stage of the Tides group going through the theater areas. They will have a second teleconference on the audio/video needs. They are identifying furnishing equipment needs on November 2nd & 3rd that may have been missed in the original budget estimation. **Lynch** has been forwarding her some grant and funding opportunities to look into for Phase II. She is meeting with the Chamber of Commerce next Friday to continue development for the future community infrastructure on how they will handle conferences and meetings with lodging and logistics. She anticipates that they will give a presentation by the end of the year. The 1% for Art committee will meet in November. She had a teleconference with OAC and the City attorney's. The negotiations are waiting on some numbers from Dokoozian on the concrete work. The EVOS funds have been released this week which is progress. **Mayor Kallander** stated that the City gave the Chamber money to start working on promotions and maybe management but feels that they should have a work shop or a discussion to keep it in-house. He feels that the management responsibility of the facility is critical to the success. He would like a discussion between **Sherman**, himself, City Council and the City Manager on a job description for management and execution of events and whether we need to add personnel or designate a portion of a job description towards that. **Sherman** responded that the management of the facility will be the City's

responsibility and right now she is doing it as the City's representative. The business plan for the Cordova Center does leave the responsibility with the City. They are discussing with the Chamber things like who can and cannot book conference rooms and such. It is being worked through at these meetings and will be presented and be very clear cut and thought out. **Mayor Kallander** stated that he would like to see that ultimate responsibility rest with someone on the City's staff because the first year or two will be important to the success of this project. **Sherman** responded that they have been focused on those exact issues. **Beedle** stated that the Pioneers have plans and it would be nice if someone would discuss those with them. **Sherman** responded that she has been in contact and she will check back to hear their plans.

14. Quarterly Reports – 3Q, 2011

Reggiani asked **Ashley Royal** about the sweep accounts \$2.7 million balance on 12/31/2010 and \$2.7 million balance on 8/31/2011. He recognizes that this is a snapshot but he feels that those amounts may be high for that account. He would guess that the account may be going backwards as interest rates are low and fees are high on sweep accounts. **Royal** responded that he has already made contact to talk to **Buck Adams** (UBS investments) about some of that for investment purposes. He agreed that the need to keep that much cash in that account has diminished over the past couple months. **Cheshier** asked **Greenwood** for an update on the Chugach lot proposal. **Greenwood** responded that they are looking to swap some land out at the shipyard fill in order to allow the City to have a continuous piece of land to develop. **Mayor Kallander** responded that they have been working on this for about a year. They don't want to sell the land but will look into other City lots for a land swap. This has slowed the Samson land deal too.

K. CORRESPONDENCE

15. Letter from Diane Wiese in re School's Facilities Use policy
16. Letter from State Assessor in re 2011 Full Value Determination
17. Letter from Patton of NVE in re "Scoop the Poop" demonstration project
18. Email from Senator Kookesh in re Coastal Management
19. New release from Senator Murkowski in re SRS reauthorization
20. Letter from NWQG in re School's Facilities Use policy
21. Letter from Henrichs of NVE requesting Sobriety donation

Mayor Kallander stated there needs to be a response to #17, he asked **Lynch** to write a letter asking them to identify locations and bring them to Council. **Lynch** pointed out that they are requesting the City fund the bags and labor needed to support the kiosks. **Greenwood** stated that they have received a grant and are looking to put up numerous kiosks and do have some locations identified. **Kacsh** pointed out that they have done this in the past but just put out kiosks not cans to collect. **Reggiani** suggested **Lynch** to look at this and bring it back with cost estimates. **Mayor Kallander** asked Council to give concurrence to support the Sobriety Celebration with a donation. Council gave concurrence for \$300 of support. **Reggiani** stated that he appreciates Senator Murkowski's efforts to reauthorize the SRS. **Mayor Kallander** agreed and stated that he would like to send her a thank you letter for her efforts.

L. ORDINANCES AND RESOLUTIONS - none

M. UNFINISHED BUSINESS

22. Impound Lot location/size

Lynch reiterated the points listed in the two memos included in the packet. He added that the Police Chief has stated that they have several vehicles that are tagged to be picked up and **Zamarron** is bringing a rollback truck into town next week. **Bradford** stated that he didn't realize that P&Z and staff had put so much time and energy into finding a spot and he is in favor to keep it where it is. **Cheshier** agreed. **Allison** stated that if they are going to use it than he is good with it.

23. School Board answers to Mayor's letter with questions

Mayor Kallander prefaced the answers with the fact that he had asked for this information with budget season being upon us and they seem to feel like they are in need of the extra money.

N. NEW & MISCELLANEOUS BUSINESS

24. City Manager Contract approval

M/Reggiani S/Kacsh to approve the City Managers contract as presented in the packet.

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

25. Planning & Zoning Commission Resolution in re Capital Improvements

Reggiani stated that this is a resolution from P&Z that highlights their capital improvements list. The list is in order of priority; this is an improvement list critical to the future well-being and economy of Cordova and the surrounding area. Their focus was on infrastructure. **Mayor Kallander** suggested they start permitting for the South Fill as he thinks it will be a lengthy process. **Bradford** asked if the Shelter Cove campground could be held off until after the fill has been moved for AIGCO. **Mayor Kallander** stated that P&R and P&Z should be included in developing quarry plans with AIGCO.

26. Pending Agenda and Calendar

Lynch will be in Anchorage November 3rd and 4th to meet with some granting agencies. AML is the second week in November. He may be taking some vacation time after the budget and before Christmas.

Kacsh will be in Anchorage the first week in November for the PIO (Public Information Officer) disaster response training

Mayor Kallander will be gone from the 12th of November to December 3rd.

November 18th 6-8pm Governmental board training.

O. AUDIENCE PARTICIPATION

Tom Bailer, 304 Orca Inlet Rd, stated that sewer, water, and garbage used to not be charged until the house was occupied (i.e. for new construction homes). He does not see the fairness of charging for water and sewer before its being used. He asked who is responsible to repair a water line. It used to be from the main to curb was City and the rest was up to the resident. It should be the City's responsibility to see that the hook up to the main City water line is done right. He would like Council look at that too. He added that chip sealing is great and thinks things are picking up all over. He stated that the City should publicize the accomplishments so people see what their money is accomplishing. He noticed in the Managers report mention of some training and he would like to see more training for the employees.

P. COUNCIL COMMENTS

27. Council Comments

Kacsh requested an executive session at the next meeting to discuss back sales tax. **Bradford** agreed with **Kacsh**.

Reggiani stated that to place a moratorium on land sales would paralyze the City. Half a dozen are in progress and would come to a screeching halt and that concerns him. He also stated he would like to invite MRV to present Phase II to Council.

Beedle stated that the dumpsters in the harbor are overflowing. Maybe they could get an extra dumpster somewhere for common use. He stated that he was reading some old newspapers that emphasized the damage the harbor has gone through since the 80's. He would like to see something to stop the damage and go ahead with the breakwater extension. He added that around the grade school looks really nice.

Q. EXECUTIVE SESSION

~~28. Cordova Center Financial Update~~ this was deemed unnecessary – no new information

29. Attorney advice regarding Spartan

M/Reggiani S/Bradford to enter into executive session to hear the attorney's advice regarding Spartan and the 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 at 9:28 pm; Council entered into executive session at 9:35 pm; Council came out of executive session at 9:53 pm. They had given the City Attorney direction.

30. Discussion of Lots 1-4 Blk 42 Original Townsite

M/Reggiani S/Kacsh to enter into executive session to discuss Lots 1-4 Block 42 of the Original Townsite and 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 entered into executive session at 9:53 pm; Council came out of executive session at 10:44 pm.

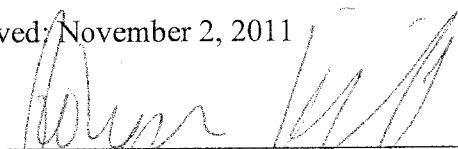
R. ADJOURNMENT

M/Reggiani S/Bradford to adjourn the regular meeting at 10:44 pm

Hearing no objection the meeting was adjourned.

Approved: November 2, 2011

Attest:


Robyn Kincaid, Deputy City Clerk

