

**CITY COUNCIL REGULAR MEETING
OCTOBER 20, 2010 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor Jim Kallander called the Council Regular Meeting to order at 7:30 pm on October 20, 2010 in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Corrine Erickson led the audience in an invocation.

Mayor Kallander led the audience in the Pledge of Allegiance.

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

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

Vote on motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). Reggiani – yes; van den Broek – yes; Kacsh – yes; Bradford – yes. Motion was approved.

E. DISCLOSURES OF CONFLICTS OF INTEREST

Bradford said that he has stated before that he has a perceived conflict on the E-911 Resolution because he works for a company that would have to impose this fee on people. *Mayor Kallander* said that he appreciates the declaration but rules again that there is not a conflict of interest.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers – *Dick Groff* gave a presentation about the emergency management program in Cordova – he showed a clip from a news story about Cordova during the Alaska Shield exercise. He said all the FEMA and government people involved only had the highest praise for Cordova's efforts. He just wanted it known that it doesn't end with the big drill – the preparedness in ongoing. He encouraged Council to become involved and during Pending Agenda he would try to schedule a date for some FEMA instructors to come here for a training session with Council.

Buck Adams gave an overview of City funds and said really things are going well. The three separate City portfolios are the permanent fund, the central treasury and the school bond fund. He also wanted to discuss asset allocation with the Council. Basically, *Adams* said that Cordova's money is all in bonds (fixed income). However, we have no corporate bonds yet because the previous investment policy did not allow for that exposure. With the new investment policy in place, we have the flexibility to diversify and he commended Council for approving that policy. The balances and overall gains were as follows: Permanent fund - \$8.6 million with a year to date gain of 6.47%; Central Treasury - \$4.9 million with a 6.84% return year to date; School Bond – much shorter term money – just over \$3 million left and still returned 2.75%. The blended rate of return was 4.67% and as a comparison the AML fund averaged a rate of return of 0.02% - that is two one-hundredths of a percent. So, dollar-wise – the City investments are up about \$1.14 million. His opinion is to diversify away from all government bonds now. He will be bringing a resolution before Council at the next meeting which sets a plan for asset

allocation (i.e. what percentages in what kinds of investments). The investment policy says that Council will pass such a resolution each year – i.e. setting the asset allocation. His recommendation would be about 30% equities, 10% alternatives and 60% fixed income. This is of course for permanent fund only, not central treasury nor school bond money. So, he was bringing this forward tonight in hopes Council would give feedback on whether he is in the ballpark with these numbers. *Reggiani* asked *Adams* to offer some comparisons to Council so he could see what some other Cities or other agencies are doing with their money as far as asset allocation (i.e. the AK Permanent Fund, other municipalities).

2. Audience comments regarding agenda items - None

3. Chairpersons and Representatives of Boards and Commissions

Reggiani stated that later in the agenda there would be a Planning issue and he would speak then.

G. APPROVAL OF CONSENT CALENDAR

Mayor Kallander stated that the consent calendar was before the Council.

4. Resolution 10-10-59

A resolution opposing an application from Aquabounty Technologies, Inc. to the U.S. Food and Drug administration (FDA) to approve and market genetically engineered Atlantic salmon in the United States

5. Resolution 10-10-60

A resolution of the City Council of the City of Cordova, Alaska, supporting the submission of a grant proposal to the Denali Commission for the resurfacing of Cordova streets/roads and committing chip aggregate, equipment, labor force and expertise, with an estimated value of \$72,168 as in-kind contribution, and contributing \$45,000 of matching funds to the project

Vote on consent calendar: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). Reggiani – yes; van den Broek – yes; Kaesh – yes; Bradford – yes. Consent calendar was approved.

H. APPROVAL OF MINUTES

M/Reggiani S/Kacsh to approve the minutes.

Vote on motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). van den Broek – yes; Kacsh – yes; Bradford – yes; Reggiani – yes. Motion was approved.

6. Minutes of 09-29-10 Council Special Meeting

I. CONSIDERATION OF BIDS - none

J. REPORTS OF OFFICERS

7. Mayor's Report – *Mayor Kallander* reported that he had attended a training session with the attorney; he said it was good and was well-attended. He also met with the Health Care Task Force and he believes that the process will take considerably more time than was anticipated. He also responded to many constituent phone calls and answered as many questions as he could. He also reported on a meeting with *Mark, Cathy, Moe* and *Tom* and he is pleased at how aware our staff is about the Cordova Center project – he said they are working well together and are looking out for the City's interests.

8. Manager's Report – *Lynch* said he had a written report in the packet. Besides what was there, he said he spoke to the USCG again about the Sound Developer and the move to Seward is on again, although they are still awaiting the go-ahead from headquarters. As far as DMV he said that training has been put back by a week. There will be a training of multiple City employees so there will not be a break in service due to sickness or vacation.

9. City Clerk's Report – *Bourgeois* said there was a written report in the packet.

10. Staff Reports

a. Moe Zamarron, COR, Cordova Center Project – said that blasting is underway and all is going well; he said that back filling will be happening next week which is great – now we are building it back up and things will start to take shape; the architects and civil engineers were here last week as there are concerns about the west wall – the footings are different from what we believed we would find (i.e. the bedrock); mentioned the process of becoming LEED certified – will take some coordination. As far as schedule goes, *Zamarron* said that we could be at about a 30 day delay right now, which could mean more money too, however, the construction administration team is on top of this and all will get together this week with all the parties and get heads together to solve problems. Finances are fine – there has been one pay request and we have received a good schedule so we will know when payments will be requested in the future. *Zamarron* said that this is the difficult part, the foundation; once these issues are worked out and the walls start going up things will smooth out.

Lynch commended *Moe Zamarron* for really handling a difficult situation with professionalism and knowledge. He also commended *Cohenour* and *Sherman* for the great job they did in finding and picking *Zamarron* out of the pool of applicants for the Project Manger job.

b. Susan Herschleb, Director of Parks and Recreation - pool update

Herschleb was present to give an update on the pool – the main drain is leaking profusely – approximately 2500 – 3000 gallons every 24 hours. She said that we can keep people in the pool, but we are spending about four times as much on chemicals and are reheating water to replace all that is draining. She has gotten quotes from the pool manufacturer – Chester Pools (\$31,073) and from a local contractor (\$49,209). However, a lot of interests need to be weighed such as High School swim team, Ice Worm club swim team program and elementary school usage. The closure times are important to consider as well – the local contractor estimates closure at 2.5 months and Chester says 1.5 months. After lengthy Council discussion including questions and answers from *Herschleb* and *Lynch*, there was a concurrence of Council to direct staff to get the pool repairs done in February after Ice Worm season. It was also decided that if Chester Pools could dramatically shorten the time frame, *Herschleb* was to get a special meeting of Council together if necessary to move forward with that option.

c. Tom Cohenour, Director of Public Works - landfill report

Cohenour wanted Council to be aware of how good things are at the baler and landfill – the recent DEC audit gave our landfill 408 out of a possible 410 points – 99% compliance rating. He gave kudos to *Greg Rankin* and *Aaron Muma*.

Quarterly Reports from Staff

- a. Dale Muma, Harbor - 3rd Quarter Report
- b. Sam Greenwood, Planning - 3rd Quarter Report
- c. Chief Robert Baty, Public Safety Department - 3rd Quarter Report
- d. Cathy Sherman, Museum, Library, Info Services, CDV Center - 3rd Quarter Report
- e. Buck Adams, UBS, City Investments - 3rd Quarter Report
- f. Tom Cohenour, Public Works Department - 3rd Quarter Report
- g. Susan Herschleb, Parks and Recreation Department - 3rd Quarter Report
- h. Ashley Royal, Finance Department - 3rd Quarter Report

K. CORRESPONDENCE

11. Letter from State DCCED in re 2010 Full Value Determination
12. Letter to NVE Tribal Council in re Whitshed Road multiuse path funding commitment

L. ORDINANCES AND RESOLUTIONS

13. Resolution 08-10-49

A resolution of the City Council of the City of Cordova, Alaska, directing the imposition of an E-911 surcharge – 2nd reading

M/Reggiani S/Bradford to approve Resolution 08-10-49 a resolution of the City Council of the City of Cordova, Alaska, directing the imposition of an E-911 surcharge.

M/Bradford S/Reggiani to amend the motion by adding “up to” in front of \$2.00 in the last paragraph.

Lynch said that this resolution is asking for the amount. *Bradford* said he would like to set the amount after we know how much we will collect on this. *Lynch* explained that the \$2 would be used to implement the system. Later the amount could be adjusted after it was determined how much would be necessary to maintain the system.

Reggiani asked how quickly this would be implemented. *Lynch* said that there are different options as to how to go about it. Maybe we would wait until the surcharge collections equal enough to purchase the system or we could borrow from the Permanent Fund and establish a payback solution. At the same time, grants would be sought.

Vote on the amendment: 0 yeas, 4 nays, 3 absent (Allison, Cheshier and Beedle). Reggiani – no; van den Broek – no; Kacsh – no; Bradford – no. Motion failed.

Bradford asked what the next step would be if this passes tonight. *Lynch* said the department is leaning toward a sole-source with ProComm because those are the radios they are familiar with at this time. *Lynch* also said that grants would be pursued. *Mayor Kallander* asked that for the next meeting, or whenever staff is ready, you can bring before Council a timeline for grants or a request for funding – be it a sole source or not.

Vote on main motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). Reggiani – yes; van den Broek – yes; Kacsh – yes; Bradford – yes. Motion was approved.

14. Resolution 10-10-58

A resolution of the City Council of the City of Cordova, Alaska, authorizing use of monies from retained earnings of water sewer fund balance (fund # 503) to pay for Eyak Water Treatment Plant emergency repairs

M/Kacsh S/Reggiani to approve Resolution 10-10-58 a resolution of the City Council of the City of Cordova, Alaska, authorizing use of monies from retained earnings of water sewer fund balance (fund # 503) to pay for Eyak Water Treatment Plant emergency repairs.

Bradford asked *Cohenour* if these are the guys that usually come down. *Cohenour* said they were but he has some late-breaking news. He said that the Eyak plant has not been working since the last flood and things are in disrepair. He met with DEC people today and they helped with recommendations on how to pay for this as well as other things. We have three open grants with DEC and they made some recommendations on how to spend money - \$342K is left in a grant and being that this work could constitute an upgrade, they thought it would work. This would still leave a 30% match that the City would have to make. *Reggiani* wondered if with the latest news, this Resolution was needed right now? *Mayor Kallander* wondered why we were sticking with Boreal and why not go out for bid. *Cohenour* said we certainly could.

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

Vote on motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). van den Broek – yes; Kacsh – yes; Bradford – yes; Reggiani – yes. Motion was approved.

M. UNFINISHED BUSINESS - None

N. NEW & MISCELLANEOUS BUSINESS

15. Discussion of boat trailer registration/lighting enforcement

Reggiani said that we heard testimony at our last meeting about DMV hours and boat trailer and lighting enforcement and he believes that it would be in our best interest to give the community time to come into compliance on this issue. He thought maybe April 1 could be a target date. *Lynch* said that *Baty* has been telling people by next fishing season. *Bradford* said that he would rather see June 1 as a target date.

16. Discussion of October 13, 2010 joint work session

Reggiani said that all three options are still out there and open - he said there are still a lot of unanswered questions out there and the consultant thought we were still at least eight months out. His suggestion at this time would be to lift the suspension on the hospital administrator search and start recruiting again. *Mayor Kallander* agreed with that. He said in speaking with NVE and *Keren Kelley*, they were hoping this process would be expedited – she is working 60 and 70 hours a week. *Bradford* said he doesn't see a problem with that, he wondered how to do this. *Mayor Kallander* said he thinks that a concurrence of Council would be fine – to let the HSB know that they may resume a search for a CEO – he thinks it should be in their hands. There was a concurrence from *Bradford, Kacsh, Reggiani* and *van den Broek*.

17. Discussion of RFP for State Lobbyist – there was no objection by Council and there was a concurrence to advertise.

18. Planning & Zoning Commission recommendation to Council in re: acquisition of property in order to pursue Saw Mill Avenue extension project

M/Reggiani S/Bradford to direct the City Manager to acquire the Samuelson property on Saw Mill Ave.

Vote on motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). van den Broek – yes; Kacsh – yes; Bradford – yes; Reggiani – yes. Motion was approved.

19. Council approval of surplus vehicle sale

M/Reggiani S/Bradford to authorize the City Manager to dispose of City vehicles which have a value of less than \$1,000.

Vote on motion: 4 yeas, 0 nays, 3 absent (Allison, Cheshier and Beedle). Reggiani – yes; van den Broek – yes; Kacsh – yes; Bradford – yes. Motion was approved.

20. Pending Agenda and Calendar

The City Clerk mentioned that the City Manager's evaluation would be in an executive session at the next Regular Meeting which is on November 3, 2010.

Mayor Kallander said he would not be present so *Vice-Mayor Reggiani* will chair the meeting.

A budget work session is scheduled for November 4 and then if necessary there will be another one on November 8.

Council training session with FEMA was scheduled for December 8 from 6 - 10 pm. Dick Groff would get back to Council on whether this works for the FEMA trainers.

O. AUDIENCE PARTICIPATION - none

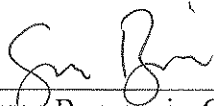
P. COUNCIL COMMENTS

21. Council Comments – None.

Q. ADJOURNMENT

M/Reggiani S/Bradford to adjourn the regular meeting at 10:33 pm.
Hearing no objection, the meeting was adjourned.

Approved: November 3, 2010

Attest: 

Susan Bourgeois, City Clerk

