

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

Sarah Hoepfner

Gabrielle Brown

**REGULAR COUNCIL MEETING
NOVEMBER 06, 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)
4. Superintendent's Report..... **(page 1)**
5. Student Council Representative Report

G. APPROVAL OF CONSENT CALENDAR..... (roll call vote)

6. Ordinance 1112..... **(page 2)**
An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance of Lot One (1), Block One (1), Cordova Industrial Park to Ocean Beauty Seafoods, LLC – 2nd reading
7. Resolution 11-13-60..... **(page 36)**
A resolution of the City of Cordova, Alaska, authorizing the City Manager to enter into a land exchange agreement of City property described as Tract 1B in plat no. 2013-2
8. Proclamation for the 20th annual Native Village of Eyak sobriety celebration..... **(page 45)**
9. Liquor license renewals for Ambrosia Restaurant Lic. #3226, Baja Taco Lic. #4786..... **(page 46)**

H. APPROVAL OF MINUTES

10. Special Meeting Minutes 05-21-13..... **(page 52)**
11. Regular Meeting Minutes 10-16-13..... **(page 53)**

I. CONSIDERATION OF BIDS

12. Contract for legal service **(voice vote)(page 58)**

J. REPORTS OF OFFICERS

13. Mayor's Report
14. Manager's Report
 - Staff Reports – 3rd Quarter 2013
 - a. City Fire Marshal, *Paul Trumblee*..... **(page 68)**
 - b. Parks & Recreation Director, *Susie Herschleb*..... **(page 75)**
 - c. Harbormaster, *Tony Schinella*..... **(page 76)**
 - d. Finance Director, *Jon Stavig*..... **(page 77)**
15. City Clerk's Report..... **(page 82)**

K. CORRESPONDENCE

- 16. Letter from Sheridan Alpine Association requesting insurance payment..... (page 83)
reimbursement from the City 10-10-13
- 17. Letter from PWSCC to Mayor & Council regarding funding 10-15-13..... (page 85)
- 18. Letter from Mayor & Council to Governor regarding ferry 10-17-13..... (page 86)
- 19. Letter from Mayor to Governor regarding teleconference 10-22-13..... (page 93)
- 20. Letter from AKDOT&PF regarding Whitshed Road speed limit 10-23-13..... (page 94)
- 21. Letter from CAYAC regarding youth basketball in Cordova 10-23-13..... (page 96)
- 22. Polar Tankers letter of thanks to Harbormaster Schinella 10-11-13..... (page 98)

L. ORDINANCES AND RESOLUTIONS

- 23. Resolution 11-13-61..... (roll call vote)(page 99)
A resolution of the City Council of the City of Cordova, Alaska, appropriating \$550,000
from the Cordova Center fund balance to pay necessary professional services and other costs
related to the Cordova Center construction project

M. UNFINISHED BUSINESS

- 24. 2014 Budget discussions

N. NEW & MISCELLANEOUS BUSINESS

- 25. Providence 'evaluation of management' discussion including review of contract..... (page 101)
- 26. Pending Agenda and Calendar..... (page 112)

O. AUDIENCE PARTICIPATION

P. COUNCIL COMMENTS

- 27. Council Comments

Q. EXECUTIVE SESSION

- 28. Cordova Center finances – attorney update

R. ADJOURNMENT

Rainpocalypse? 208 inches for the year by October 30, 2013

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.

If you have a disability that makes it difficult to attend city-sponsored functions, you may contact 424-6200 for assistance.

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

A	B	C	D	E	F	G	H	I	J	K	L	M
			UPDATED 10/14/13			D x .00265	E x .45	D x .002	F x .23	Lesser of G or H	Greater of I or J	K + L
ID	District	2014 TOTAL ADM	FY2013 ASSESSED VALUES	2014 Basic Need	2015 PROJECTED Basic Need	Column D x .00265	45% of PY Basic Need	.002 Mills of Current F/V	23% of Basic Need	FY15 REQUIRED LOCAL EFFORT	Allowable / Additional Local Contribution	Maximum Local Contribution
12	Cordova	312.00	305,272,290	4,231,259	4,124,986	808,972	1,904,067	610,545	948,747	808,972	948,747	1,757,719

Local Contribution amounts based on current ADM and 2013 Assessed Values.

Memorandum

To: City Council
Thru: Samantha Greenwood, City Planner
Date: October 8, 2013
Re: Land Disposal

PART I. GENERAL INFORMATION:

The timeline of the disposal of the Lot 1, Block 1 Cordova Industrial Park

1. 07/09/2013 – P&Z Meeting: Planning and Zoning passed Resolution 13-06 recommending that Lot 1, Block 1, Cordova Industrial Park be listed as available.
2. 07/09/2013 – P&Z Meeting: Planning and Zoning made a recommendation to city council to dispose of Lot 1, Block 1 Cordova Industrial Park by method 4-proposals.
3. 07/17/2013 – City Council: City Council accepted Planning and Zoning Resolution 13-06 recommending Lot 1, Block 1, Cordova Industrial Park be listed as available.
4. 07/17/2013 – City Council: voted to sell the lot by proposal.
5. 08/26/2013 – 30 day period proposal period ended
6. 09/10/2013 – Planning and zoning reviewed proposals
7. 09/18/2013 – City Council awarded disposal of Lot 1 Block 1 CIP to Ocean Beauty

The Ordinance, Sale and Purchase Agreement, Performance Deed of Trust and Quit Claim Deed have been prepared for this sale and are attached for review.

PART II. RECOMMENDED CITY COUNCIL MOTION:

Motion for Approval:

"I move to adopt Ordinance 1112."

**CITY OF CORDOVA, ALASKA
ORDINANCE 1112**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE CONVEYANCE OF LOT ONE (1), BLOCK ONE (1), CORDOVA
INDUSTRIAL PARK TO OCEAN BEAUTY SEAFOODS, LLC**

WHEREAS, pursuant to CMC 5.22.030, the City of Cordova solicited proposals for the purchase of Lot One (1), Block One (1), Cordova Industrial Park (the "Property"); and

WHEREAS, the Council finds that the proposal submitted by Ocean Beauty Seafoods, LLC is the best proposal for the purchase of the Property; and

WHEREAS, the purchase price proposed by Ocean Beauty Seafoods, LLC is not less than appraised fair market value of the Property; and

WHEREAS, in selecting the proposal of Ocean Beauty Seafoods, LLC to purchase the Property, the Council relied on the plan to develop the Property that was part of the proposal, and the disposal of the Property should be conditioned upon the development of the Property in accordance with that plan; and

WHEREAS, there have been presented to this meeting the forms of a Purchase and Sale Agreement, Quitclaim Deed and Performance Deed of Trust that are to be executed in connection with the disposal of the Property by the City, and it appears that such documents are of appropriate form and are appropriate instruments for the purposes intended.

BE IT ORDAINED by the City Council of the City of Cordova, that:

Section 1: The City Manager is authorized and directed to convey the Property to Ocean Beauty Seafoods, LLC in accordance with the terms in the Purchase and Sale Agreement. The form and content of the Purchase and Sale Agreement, Quitclaim Deed and Performance Deed of Trust now before this meeting hereby are in all respects authorized, approved and confirmed, and the City Manager hereby is authorized, empowered and directed to execute and deliver such documents on behalf of the City, in substantially the form and content now before this meeting but with such changes, modifications, additions and deletions therein as he shall deem necessary, desirable or appropriate, the execution thereof to constitute conclusive evidence of approval of any and all changes, modifications, additions or deletions therein from the form and content of said documents now before this meeting, and from and after the execution and delivery of said documents, the City Manager hereby is authorized, empowered and directed to do all acts and things and to execute all documents as may be necessary to carry out and comply with the provisions of the documents as executed.

Section 2: The disposal of the Property authorized by this ordinance is subject to the requirements of City Charter Section 5-17, therefore, if one or more referendum petitions with signatures are properly filed within one month after the passage and publication of this ordinance, this ordinance shall not go into effect until the petition or petitions are finally found to be illegal and/or

insufficient, or, if any such petition is found legal and sufficient, until the ordinance is approved at an election by a majority of the qualified voters voting on the question. If no referendum petition with signatures is filed, this ordinance shall go into effect one month after its passage and publication.

1st reading: October 16, 2013

2nd reading and Public Hearing: November 6, 2013

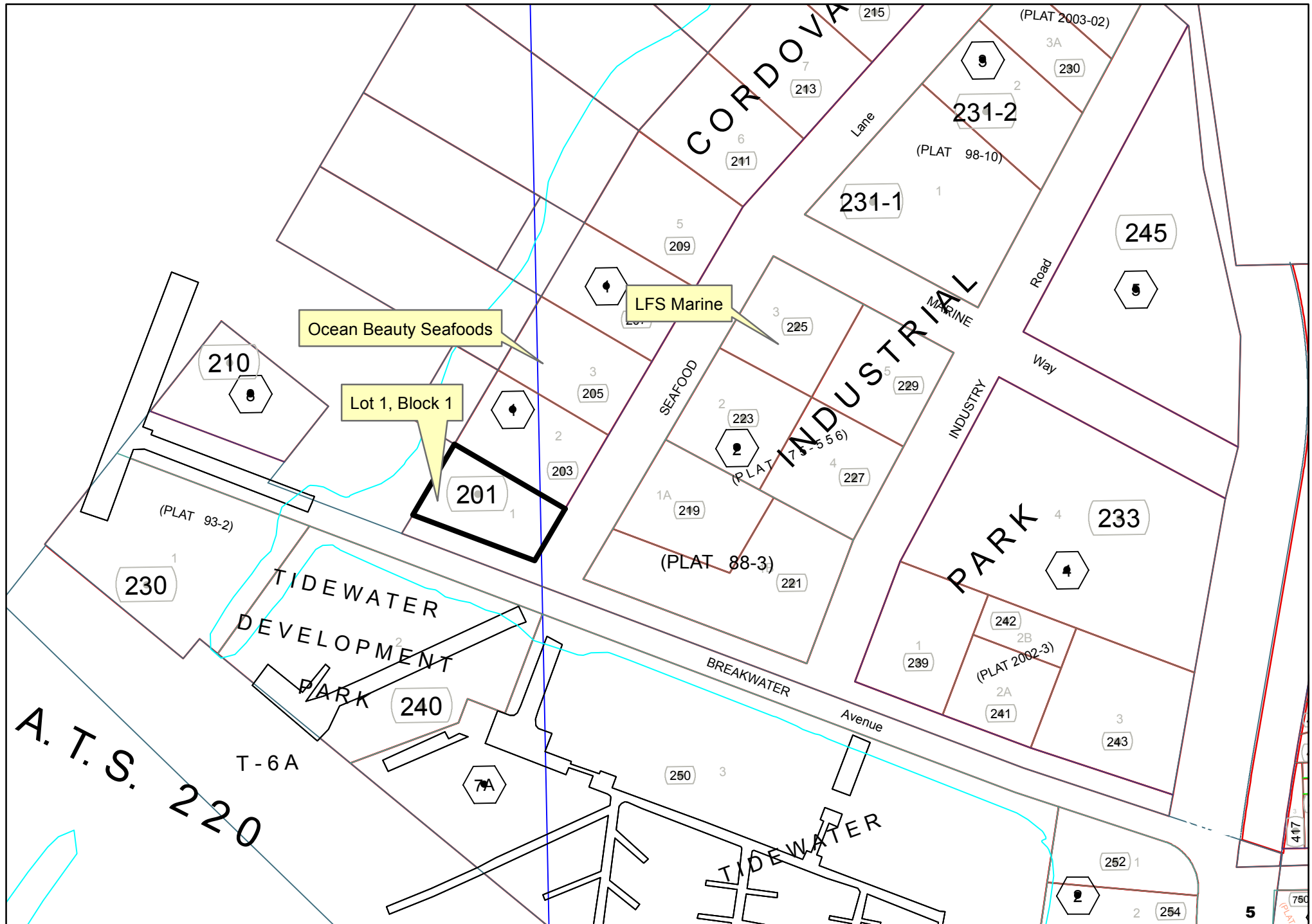
PASSED AND APPROVED THIS 6th DAY OF NOVEMBER. 2013

James Kacsh, Mayor

ATTEST:

Susan Bourgeois, City Clerk

Lot 1, Block 1 Cordova Industrial Park



PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is entered into as of XXXXXXXXXXXXX (the "Effective Date"), by and between the CITY OF CORDOVA, an Alaska municipal corporation ("Seller"), whose address is P. O. Box 1210, Cordova, Alaska 99574, and OCEAN BEAUTY SEAFOODS LLC, an Alaska limited liability company ("Purchaser"), whose address is 1100 W. Ewing Street, Seattle, WA 98119.

WHEREAS, Seller is the owner of certain real property located in the City of Cordova, Alaska, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, Purchaser will develop the Property for commercial use consistent with plans submitted to and approved by the Cordova City Council; and

WHEREAS, Purchaser has funds to pay the cost of acquiring the Property; and

WHEREAS, Purchaser desires to buy from Seller, and Seller desires to sell to Purchaser, the Property, subject to and in accordance with the terms and provisions hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing Recitals (which are incorporated herein by this reference), the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Purchase and Sale. Seller hereby agrees to sell, assign and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of Seller's right, title and interest in and to that certain real property located in the Cordova Recording District, Third Judicial District, State of Alaska, more particularly described in Exhibit A attached hereto and incorporated herein by this reference, together with any and all improvements thereon, and all rights, privileges, easements and appurtenances thereto (the "Property").

2. The Purchase Price. The purchase price for the Property is one hundred and seventy-five thousand dollars and no cents (\$175,000) (the "Purchase Price") and shall be paid to Seller by Purchaser at the Closing (as that term is defined in Section 13 below) as follows:

Within five (5) business days after execution of this Agreement by all parties, Purchaser shall deposit a fully executed copy of this Agreement, and the sum of FIVE THOUSAND DOLLARS (\$5,000.00) as an earnest money deposit (the "Deposit"), in escrow ("Opening of Escrow") with First American Title ("Escrow Agent").

(a) In the event the purchase and sale of the Property is consummated as contemplated hereunder, the Deposit shall be retained by Seller and credited against

the Purchase Price at Closing, or otherwise disbursed in accordance with this Agreement.

(b) The balance of the Purchase Price over and above the amount paid by or credited to Purchaser pursuant to Section 2(b) above shall be paid to Seller in immediately available funds at the Closing.

3. Property Development. Purchaser shall develop the Property for commercial use, consistent with plans submitted and approved by the Cordova City Council, attached hereto and incorporated herein as Exhibit B.

4. Purchaser Contingency. The obligations of Purchaser under this Agreement are contingent upon Purchaser having determined in its sole and absolute judgment on or before the Contingency Date (as hereinafter defined) that it is satisfied with (i) the physical and environmental conditions of the Property; and (ii) the results of its environmental inspection of the Property, and any state of facts or circumstances pertaining to the Property (the "Purchaser Contingency").

(a) Seller, without charge to Purchaser, shall allow Purchaser and Purchaser's agents, access to the Property for the purpose of Purchaser's investigation and testing, subject to the conditions set forth herein. Purchaser may conduct, environmental testing and an environmental site assessment of the Property at its sole expense. Purchaser shall pay all costs and expenses of Purchaser's investigation and testing and shall indemnify and hold Seller and the Property harmless from all costs and liabilities relating to Purchaser's activities. Purchaser shall repair and restore any damage to the Property caused by or occurring during Purchaser's testing and return the Property to substantially the same condition as existed prior to such entry.

(b) The "Contingency Date" shall be that date which is sixty (60) days after the Effective Date. If the Contingency Date falls on a Saturday, Sunday or federal holiday, then the Contingency Date shall be extended to the next business day.

(c) If Purchaser notifies Seller in writing on or before the Contingency Date that the Purchaser Contingency has not been satisfied (the "Termination Notice"), then this Agreement shall be automatically terminated without any further action by either party. Upon such termination, the Deposit shall be returned to Purchaser and upon such return, neither party will have any further rights or obligations under this Agreement or with respect to the Property. If Purchaser does not deliver the Termination Notice to Seller on or before the Contingency Date as provided herein, then the parties shall proceed to Closing as contemplated by this Agreement.

5. Title.

(a) Seller shall order from First American Title., ("Title Company"), and shall deliver to Purchaser within ten (10) days following the Opening of Escrow, a preliminary title report pertaining to the Property (the "Commitment"), together with

legible (to the extent available) copies of all documents relating to the title exceptions referred to in such Commitment.

(b) Within fifteen (15) days after the delivery of the Commitment, Purchaser shall notify Seller in writing of any title exceptions identified in the Commitment of which Purchaser disapproves. Any exception not disapproved in writing within said fifteen (15) day period shall be deemed approved by Purchaser, and shall constitute a "Permitted Exception" hereunder. Purchaser and Seller hereby agree that all non-delinquent property taxes and assessments shall also constitute "Permitted Exceptions." Within ten (10) days after receipt of Purchaser's written notice of disapproved title exceptions, if any, Seller shall notify Purchaser in writing of any disapproved title exceptions which Seller is unable or unwilling to cause to be removed prior to or at Closing. Seller's failure to give such notice shall be deemed an election not to remove any disapproved title exceptions. With respect to such exceptions, Purchaser then shall elect, by giving written notice to Seller and Escrow Agent within ten (10) days thereafter, (x) to terminate this Agreement, or (y) to waive his disapproval of such exceptions, in which case such exceptions shall then be deemed to be Permitted Exceptions. Purchaser's failure to give such notice shall be deemed an election to waive the disapproval of any such exception. In the event Purchaser elects to terminate this Agreement in accordance with clause (x) above, the Deposit, without interest, shall be immediately refunded to Purchaser; provided, however, that Purchaser shall be responsible for any title or escrow cancellation fees.

6. Representations and Warranties of Seller. Seller represents and warrants to Purchaser that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Seller which are to be delivered to Purchaser at the Closing will be, legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their respective terms and does not and will not violate any provisions of any agreement to which Seller is a party or to which it or the Property is subject.

(b) Purchaser shall purchase the Property based on Purchaser's own prior investigation and examination of the Property (or Purchaser's election not to do so) and upon the warranties, covenants and representations contained in this Agreement; AND THAT, AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, SUBJECT TO THE TERMS OF THIS AGREEMENT, PURCHASER IS PURCHASING THE PROPERTY IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS. Except as may be set forth in this Agreement, Purchaser hereby waives, and Seller does hereby disclaim, all warranties of any type or kind whatsoever with respect to the Property, whether express or implied, including, by way of description but not limitation, those of fitness for a particular purpose and use.

7. Representations, Warranties and Covenants of Purchaser. Purchaser represents and warrants to Seller that the following matters are true and correct as of the execution of this Agreement and also will be true and correct as of the Closing:

(a) This Agreement is, and all the documents executed by Purchaser which are to be delivered to Seller at the Closing will be, duly authorized, executed, and delivered by Purchaser, and is and will be legal, valid, and binding obligations of Purchaser enforceable against Purchaser in accordance with their respective terms and do not and will not violate any provisions of any agreement to which either Purchaser is a party or to which they are subject.

8. Conditions Precedent to Closing.

(a) The following shall be conditions precedent to Seller's obligation to consummate the purchase and sale transaction contemplated herein (the "Seller's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 5, Section 15 or Section 16 of this Agreement within the time periods described in said Sections.

(2) Purchaser shall have delivered to Escrow Agent, prior to or at the Closing, for disbursement as directed hereunder, all cash or other immediately available funds due from Purchaser in accordance with this Agreement.

(3) There shall be no uncured breach of any of Purchaser's representations or warranties set forth in Section 7, as of the Closing.

(4) Purchaser shall have delivered to Escrow Agent the items described in Section 11.

(5) The timely performance by Purchaser of each and every obligation imposed upon Purchaser hereunder.

The conditions set forth in this Section 8(a) are solely for the benefit of Seller and may be waived only by Seller and only in writing. Seller shall, at all times have the right to waive any of these conditions.

(b) The following shall be conditions precedent to Purchaser's obligation to consummate the purchase and sale transaction contemplated herein (the "Purchaser's Conditions Precedent"):

(1) Purchaser shall not have terminated this Agreement in accordance with Section 4, Section 5, Section 15 or Section 16 of this Agreement within the time periods described in said Sections.

(2) Title Company shall be committed to issue, at the Closing, an owner's policy of title insurance (the "Title Policy"), insuring Purchaser's interest in

the Property, dated the day of the Closing, with liability in the amount of the Purchase Price, subject only to the Permitted Exceptions.

(3) There shall be no uncured breach of any of Seller's representations or warranties as set forth in Section 6 or the covenants as set forth in Section 7, as of the Closing.

(4) Seller shall have delivered the items described in Section 10.

(5) The timely performance by Seller of each and every obligation imposed upon Seller hereunder.

The conditions set forth in this Section 8(b) are solely for the benefit of Purchaser and may be waived only by Purchaser and only in writing. Purchaser shall, at all times have the right to waive any of these conditions.

9. Covenants of Seller. Seller hereby covenants with Purchaser, as follows:

(a) After the date hereof and prior to the Closing, no part of the Property, or any interest therein, will be voluntarily sold, mortgaged, encumbered, leased or otherwise transferred without Purchaser's consent which may be withheld in their sole and absolute discretion.

(b) Seller agrees to notify Purchaser promptly of the occurrence of any event which violates any covenant set forth in this Section 9.

10. Seller's Closing Deliveries. At or prior to the Closing, Seller shall deliver to Escrow Agent the following:

(a) A Quitclaim Deed in the form attached hereto as Exhibit C, executed by Seller conveying the Property to Purchaser (the "Deed").

(b) A closing statement prepared by the Title Company itemizing and approving all receipts and disbursements made in connection with Closing.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

11. Purchaser's Closing Deliveries. At or prior to the Closing, Purchaser shall deliver to Escrow Agent the following:

(a) The balance of the Purchase Price, together with such other sums as Escrow Agent shall require to pay Purchaser's share of the Closing costs, prorations, reimbursements and adjustments as set forth in Section 12 and Section 14, in immediately available funds.

(b) A Performance Deed of Trust from Purchaser, as trustors, to Title Company, as trustee, with Seller as beneficiary, in the form attached hereto as Exhibit D, to secure the obligations of Purchaser to develop the Property.

(c) Any other documents, instruments or agreements reasonably necessary to effectuate the transaction contemplated by this Agreement.

12. Prorations and Adjustments. The following shall be prorated and adjusted between Seller and Purchaser as of the day of the Closing, except as otherwise specified:

(a) General real estate, personal property and ad valorem taxes and assessments, and any improvement or other bonds encumbering the Property, for the current tax year for the Property. Purchaser is not responsible for delinquent real estate taxes, personal property taxes, ad valorem taxes, or assessments arising prior to Closing.

(b) Utility charges, if any. Purchaser acknowledges and agrees that Seller shall be entitled to all refunds of utility deposits with respect to the Property and that such amounts are not to be assigned to Purchaser in connection with the sale of the Property. However, Purchaser will be responsible for any additional assessments effective prior to Closing, of which notice is received after Closing.

For purposes of calculating prorations, Purchaser shall be deemed to be in title to the Property, and, therefore entitled to the income therefrom and responsible for the expenses thereof for the entire day upon which the Closing occurs. All such prorations shall be made on the basis of the actual number of days of the month that shall have elapsed as of the day of the Closing and based upon the actual number of days in the month and a three hundred sixty-five (365) day year. In no event will there be any proration of insurance premiums under Seller's existing policies of insurance relating to the Property, and Purchaser acknowledges and agrees that none of Seller's insurance policies (or any proceeds payable thereunder) will be assigned to Purchaser at the Closing, and Purchaser shall be solely obligated to obtain any and all insurance that they deem necessary or desirable. The provisions of this Section 12 shall survive the Closing.

13. Closing. The purchase and sale contemplated herein shall close on or before fifteen (15) days after expiration of the Purchaser Contingency set forth in Section 4; but in no event later than seventy five (75) days after the Effective Date (the "Closing") or on such other specific date and time mutually agreed to by the parties. As used herein, the term "Closing" means the date and time that the Deed is recorded in the Cordova Recording District, Third Judicial District, State of Alaska (the "Official Records"). The Closing shall occur at the offices of the Escrow Agent as set forth in Section 19(m).

14. Closing Costs. Purchaser shall pay the fee for recording the Deed, the premium for the Title Policy, and for all fees and costs Seller incurred to third-parties in

the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees. Purchaser shall bear the expense of its own counsel. Unless otherwise specified herein, if the sale of the Property contemplated hereunder does not occur because of a default on the part of Purchaser, all escrow cancellation and title fees shall be paid by Purchaser; if the sale of the Property does not occur because of a default on the part of Seller, all escrow cancellation and title fees shall be paid by Seller.

15. Risk of Loss. If prior to the Closing, any portion of the Property is subject to a taking, or eminent domain proceedings are commenced, by public authority (other than Seller) against all or any portion of the Property, Purchaser shall have the right, exercisable by giving notice to Seller within ten (10) business days after receiving written notice of such taking (but in any event prior to the Closing), either (i) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder (except as may be expressly provided to the contrary elsewhere in this Agreement), and any money (including, without limitation, the Deposit and all interest accrued thereon) or documents in escrow shall be returned to the party depositing the same, and Purchaser and Seller each shall be responsible for one-half of any title or escrow cancellation fee, or (ii) to accept the Property in its then condition, without any abatement or reduction in the Purchase Price, and receive an assignment of all of Seller's rights to any condemnation award payable by reason of such taking. Purchaser's failure to elect timely shall be deemed an election of (ii). If Purchaser elects to proceed under clause (ii) above, Seller shall not compromise, settle or adjust any claims to such award without Purchaser's prior written consent. As used in this Section 15, "taking" shall mean any transfer of the Property or any portion thereof to a governmental entity (other than Seller) or other party with appropriate authority, by exercise of the power of eminent domain.

16. Default.

(a) No party shall be deemed to be in default hereunder unless such party fails to cure an alleged default within ten (10) days after receipt from the other party of written notice thereof; provided, however, that (i) if such alleged default is not susceptible of being cured within said ten (10) day period, such party shall not be deemed in default hereunder so long as such party commences to cure the alleged default within said ten (10) day period and diligently prosecutes the same to completion within thirty (30) days; and (ii) no notice shall be required or cure period permitted in the event the alleged default is a failure to close the transaction contemplated hereby at the Closing.

(b) In the event of a default by Seller hereunder, Purchaser shall be entitled, in addition to any and all other remedies to which Purchaser may be entitled at law or in equity, (i) to terminate this Agreement by written notice to Seller, in which event the Deposit shall be returned to Purchaser and neither party shall have any further rights, obligations, or liabilities hereunder, or (ii) to enforce Seller's obligations hereunder by a suit for specific performance, in which event Purchaser shall be entitled

to such injunctive relief as may be necessary to prevent Seller's disposition of the Property pending final judgment in such suit.

(c) In the event of a default by Purchaser hereunder, Seller shall be entitled, as Seller's sole and exclusive remedy, to terminate this Agreement by written notice to Purchaser, in which event, the Deposit shall be retained by Seller as liquidated damages; thereafter, neither party shall have any further rights, obligations, or liabilities hereunder. The parties acknowledge and agree that the actual damages in such event are uncertain in amount and difficult to ascertain, and that said amount of liquidated damages was reasonably determined.

17. Escrow.

(a) Instructions. Within five (5) business days after execution of this Agreement, Purchaser shall deposit a copy of this Agreement executed by both Purchaser and Seller with Escrow Agent. This Agreement, together with such further instructions, if any, as the parties shall provide to Escrow Agent by written agreement, shall constitute the escrow instructions. If any requirements relating to the duties or obligations of Escrow Agent hereunder are not acceptable to Escrow Agent, or if Escrow Agent requires additional instructions, the parties hereto agree to make such deletions, substitutions and additions hereto as Seller and Purchaser shall mutually approve, which additional instructions shall not substantially alter the terms of this Agreement unless otherwise expressly agreed to by Seller and Purchaser.

(b) Deposits into Escrow. Seller shall make its deliveries into escrow in accordance with Section 10. Purchaser shall make his deliveries into escrow in accordance with Section 11. Escrow Agent is hereby authorized to close the escrow only if and when: (i) Escrow Agent has received all items to be delivered by Seller and Purchaser pursuant to Sections 10 and 11; and (ii) Title Company can and will issue the Title Policy concurrently with the Closing.

(c) Close of Escrow. Provided that Escrow Agent shall not have received written notice in a timely manner from Purchaser or Seller of the failure of any condition to the Closing or of the termination of the escrow, and if and when Seller and Purchaser have deposited into escrow the matters required by this Agreement and Title Company can and will issue the Title Policy concurrently with the Closing, Escrow Agent shall:

(1) Deliver to Seller the Purchase Price, after satisfying the Closing costs, prorations and adjustments to be paid by Seller pursuant to Section 12 and Section 14, respectively.

(2) Deliver to Purchaser the Deed by causing it to be recorded in the Official Records of the Cordova Recording District, Third Judicial District, State of Alaska and immediately upon recording delivering to Purchaser a conformed copy of the Deed.

(3) Deliver to Title Company and Seller the Performance Deed of Trust by causing it to be recorded in the Official Records of the Cordova Recording District, Third Judicial District, State of Alaska and immediately upon recording delivering to Title Company and Seller a conformed copy of the Performance Deed of Trust.

(4) Deliver to Purchaser any funds deposited by Purchaser, and any interest earned thereon, in excess of the amount required to be paid by Purchaser hereunder.

(5) Deliver the Title Policy issued by Title Company to Purchaser.

18. Reciprocal Indemnification.

(a) Seller hereby agrees to indemnify, hold harmless and defend Purchaser from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, charges and costs, incurred by Purchaser by reason of: (i) Seller's breach of any covenants, representations or warranties of Seller contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Seller's failure to duly perform and discharge Retained Liabilities, as defined below. The "Retained Liabilities" include: (i) any liability the existence of which would constitute a breach of any of Seller's representations or warranties contained in Section 6; and (ii) any expenses, liabilities or obligations relating to the Property or its operation arising from acts, omissions, occurrences or matters that took place prior to the Closing.

(b) Purchaser hereby agrees to indemnify, hold harmless and defend Seller from and against any and all loss, damage, claim, cost and expense and any other liability whatsoever, including without limitation reasonable attorneys' fees, incurred by Seller by reason of: (i) Purchaser's breach of any covenants, representations or warranties of Purchaser contained in this Agreement which survive the Closing, or (ii) without limiting the generality of the foregoing, Purchaser's failure to duly perform the Assumed Liabilities. The "Assumed Liabilities" include: (i) Seller's obligations and liabilities with respect to the Property or its operation which are expressly assumed in writing by Purchaser pursuant to this Agreement or documents delivered at Closing; and (ii) any expenses, liabilities or obligations relating to the Property or its operation arising from acts, omissions, occurrences or matters that take place on or after the Closing.

19. General Provisions.

(a) Each individual executing this Agreement hereby represents and warrants that he or she has the capacity set forth on the signature pages hereof with full power and authority to bind the party on whose behalf he or she is executing this Agreement to the terms hereof.

(b) Time is of the essence in the performance of and compliance with each of the provisions and conditions of this Agreement. In the computation of any period of time provided for in this Agreement or by law, the day of the act or event from which such period of time runs shall be excluded, and the last day of such period shall be included, unless it is a Saturday, Sunday or legal holiday, in which case the period shall be deemed to run until the end of the next business day.

(c) Seller represents and warrants to Purchaser, and Purchaser represents and warrants to Seller, that there is no broker, finder, or other intermediary of any kind with whom such party has dealt in connection with the transaction contemplated hereby, and each party agrees to indemnify, defend, and hold harmless the other from any claim made by any broker or agent alleging entitlement to any fee or commission as a result of having dealt with the indemnifying party.

(d) This Agreement, including all exhibits attached hereto, constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other prior or contemporaneous written or oral agreements, undertakings, promises, warranties, or covenants with respect thereto not contained herein.

(e) This Agreement may be amended or modified only by a written instrument executed by all of the parties hereto.

(f) No waiver of any condition or provision of this Agreement by any party shall be valid unless in writing signed by such party. No such waiver shall be deemed or construed as a waiver of any other or similar provision or of any future event, act, or default.

(g) If any provision of this Agreement is deemed unenforceable in whole or part, such provision shall be limited to the extent necessary to render the same valid or shall be deemed excised from this Agreement and replaced by a valid provision as close in meaning and intent as the excised provision, as circumstances require, and this Agreement shall be construed as if said provision had been incorporated herein as so limited or as so replaced, as the case may be.

(h) Headings of articles and sections herein are for convenience of reference only and shall not be construed as part of this Agreement.

(i) This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors, and permitted assigns.

(j) This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

(k) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute a single instrument.

(l) In no event shall this Agreement be construed more strongly against any one person solely because such person or its representative acted as draftsman hereof, it being acknowledged by the parties hereto that both have been represented by competent legal counsel, that this Agreement has been subject to substantial negotiation, and that all parties have contributed substantially to the preparation of this Agreement.

(m) Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be sent by United States registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

Seller:	City of Cordova Attn: City Manager P. O. Box 1210 Cordova, Alaska 99574
Purchaser:	Ocean Beauty Seafoods LLC 1100 W. Ewing Street Seattle, WA 98119
Escrow Agent:	First American Title 3035 C Street, Anchorage, Alaska 99503
Title Company:	First American Title 3035 C Street, Anchorage, Alaska 99503

Any party may change its address for notice by written notice given to the other in the manner provided in this Section. Any such communication, notice or demand shall be deemed to have been duly given or served on the date three (3) days after being placed in the U.S. Mail.

(n) The parties agree to execute such instructions to Escrow Agent and Title Company and such other instruments and to do such further acts as may be reasonably necessary to carry out the provisions of this Agreement on terms mutually acceptable to Purchaser and Seller.

(o) Notwithstanding anything to the contrary contained herein, this Agreement shall not be deemed or construed to make the parties hereto partners or joint venturers, or to render either party liable for any of the debts or obligations of the

other, it being the intention of the parties to merely create the relationship of Seller and Purchaser with respect to the Property to be conveyed as contemplated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

SELLER: CITY OF CORDOVA

By: _____
Randy Robertson, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by Randy Robertson, City Manager of the CITY OF CORDOVA, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires: _____

PURCHASER:

OCEAN BEAUTY SEAFOODS LLC

By: _____
Tony Ross, Chief Financial Officer

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2013, by Tony Ross, Chief Financial Officer of OCEAN BEAUTY SEAFOODS LLC, an Alaska limited liability company, on behalf of the company.

Notary Public in and for Alaska
My commission expires: _____

EXHIBIT A

Legal Description of the Property

Lot 1, Block 1, Cordova Industrial Park, according to the official map and plat thereof, Plat No. 65-304, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska.

EXHIBIT B
Property Development Plan

EXHIBIT C
Quitclaim Deed

EXHIBIT D
Performance Deed of Trust

SEALED PROPOSAL FORM

All proposals must be submitted by August 26, 2013 @ 5 PM in a sealed envelope.

Property: Lot 1, Block 1, located in the Cordova Industrial Park. (Does not include Tidelands)
See attached map.

Name of Proposer MARK PALMER
Name of Business Ocean Beauty Seafoods
Address Ocean Beauty Seafoods Phone # (206) 281-5891
PO BOX 70739
Seattle, WA 98127

Note: All submitted proposals for this property will be reviewed by the Planning & Zoning Commission using the attached criteria. The Planning and Zoning Commission will then recommend a proposal to City Council for final review and acceptance.

The City Council reserves the right to reject any proposal, part of any proposal, or all proposals. The City Council may accept any proposal deemed most advantageous to the City of Cordova.

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

The minimum price that will be accepted for Lot 1, Block 1; Cordova Industrial Park is \$145,200. Fair Market Value for this property is based on the appraised value set by the City. If the successful proposal amount is greater than the minimum price, that shall be the amount paid for the property.

All Organizations that submit proposals, including non-profits with proposals of less than Fair Market Value, will be required to meet the appropriate criteria within Cordova Municipal Code Section 5.22. A link to the City code is available at www.cityofcordova.net.

Proposed Price \$ 175,000

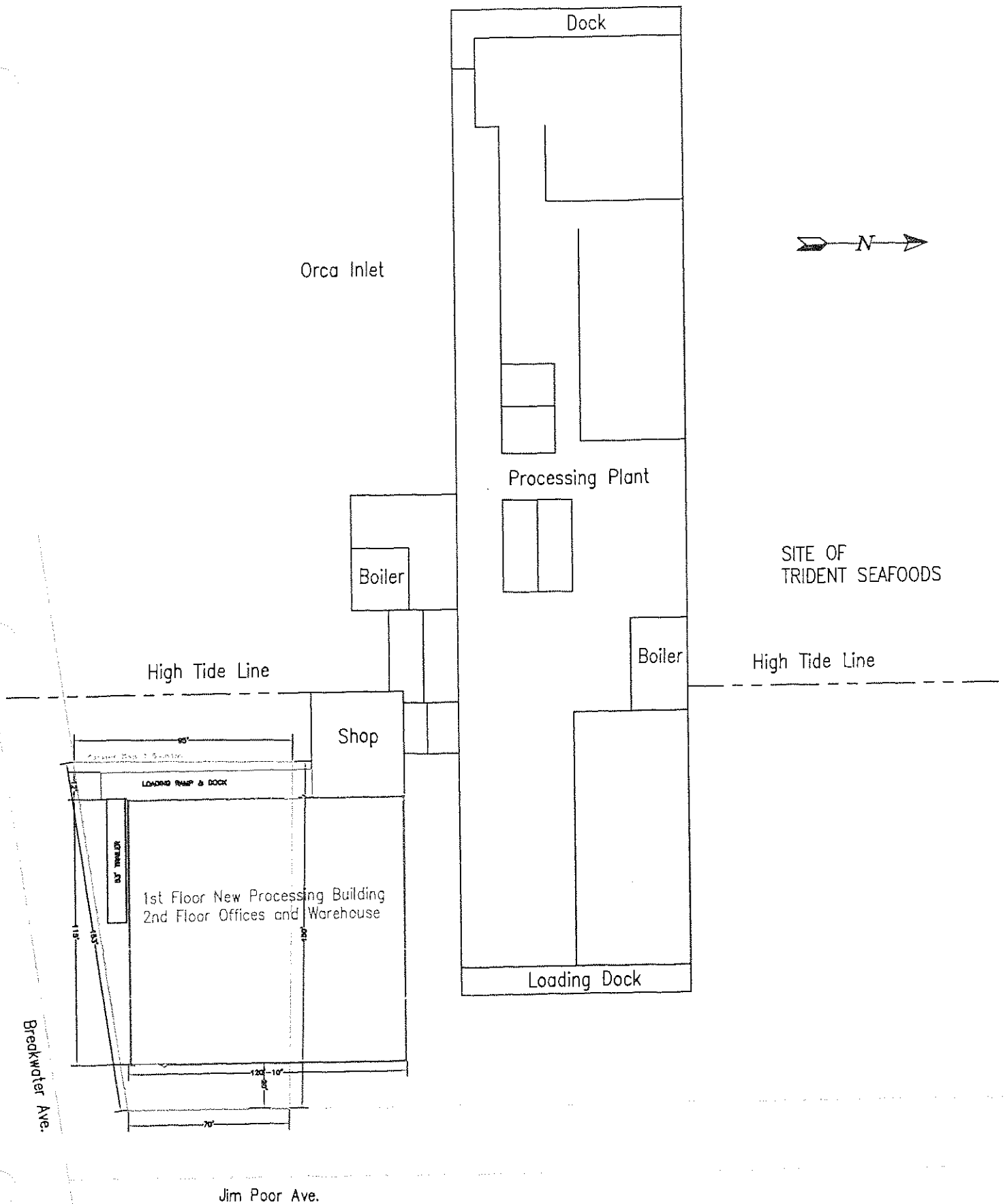
The applicant shall be responsible for all fees and costs the City incurred to third-parties in the transaction, including without limitation costs of appraisal, attorney's fees and costs, surveying and platting fees and costs, closing costs and escrow fees as per City of Cordova Municipal Code section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



1. Ocean Beauty Seafoods will utilize the available property to expand our existing adjacent seafood processing plant. The additional square footage is imperative to the expansion of our processing capability. We will utilize the space to build a two story building consisting of offices, a tunnel freezer, a heading and gutting line and/or to possibly accommodate auxiliary functions to support probable expansion of capacity to the existing buildings.
2. Conceptually, we will build a 12,000 sq. ft. building, but we are still determining the exact size and configuration of our plans.
3. For a sketch, please see attached document.
4. Our intention is to expand the Ocean Beauty plant and supplement existing capacity by an estimated 40% for the 2014 season and eventually by an additional 20-25%. This expansion will allow us to hire an additional 40-50 employees, purchase more fish, and thus greatly increase the fish taxes we pay, currently estimated at \$800,000 for 2013. Currently, during years with large salmon runs, significant opportunity is lost for additional fish (and fish tax income) coming to Cordova due to production limitations. Increasing capacity will alleviate these issues by allowing us to lift fishing limits placed on fishermen and process more salmon in Cordova. Sales tax revenue will also increase because the additional employees will be making retail purchases locally. Additionally, our hopes are that the new space will allow us to eventually reconfigure the current tractor trailer parking spaces to provide room for 53 ft. trucks creating a safety buffer that does not exist today.
5. The value of the proposed improvements ranges from \$2.5 million-\$10 million.
6. We plan to begin construction in 2014 and complete building for the 2015 season. Additional curb appeal and architectural design enhancements are set to be completed by 2016.

Please note, this sketch is a conceptual image of Ocean Beauty's plans.

Exact architecture will be determined after final approval.



CORDOVA RECORDING DISTRICT

Exhibit C

Recording requested by and
after recording return to:

Thomas F. Klinkner
Birch Horton Bittner & Cherot
1127 West 7th Avenue
Anchorage, AK 99501

QUITCLAIM DEED

The CITY OF CORDOVA, an Alaska municipal corporation, whose address is P.O. Box 1210, Cordova, Alaska 99574 ("Grantor"), for good and valuable consideration in hand paid, the adequacy and sufficiency of which are hereby acknowledged, conveys and quitclaims to OCEAN BEAUTY SEAFOODS LLC, whose address is 1100 W. Ewing Street, Seattle, WA 98119, all interest which Grantor has, if any, in the following described real property:

Lot 1, Block 1, Cordova Industrial Park, according to Plat No. 65-304, filed in the Cordova Recording District, Third Judicial District, State of Alaska.

DATED this _____ day of November, 2013.

GRANTOR:

CITY OF CORDOVA

By: _____
Randy Robertson, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of February, 2013, by Donald L. Moore, Interim City Manager of the City of Cordova, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires:_____

EXHIBIT D
Form of Performance Deed of Trust

CORDOVA RECORDING DISTRICT

**Recording requested by and
after recording, return to:**

**Thomas F. Klinkner, Esq.
BIRCH HORTON BITTNER & CHEROT
1127 W. 7th Avenue
Anchorage, AK 99501**

PERFORMANCE DEED OF TRUST

This PERFORMANCE DEED OF TRUST (this "Deed of Trust") is made this _____ day of XXXXX (the "Effective Date"), by Ocean Beauty (the "Trustors"), whose address is 1100 W. Ewing Street, Seattle, WA 98119, to FIRST AMERICAN TITLE (the "Trustee"), whose address is 3035 C Street, Anchorage, Alaska 99503, for the benefit of the CITY OF CORDOVA (the "Beneficiary"), whose address is P. O. Box 1210, Cordova, Alaska 99574.

1. GRANT. In consideration for the acceptance by Trustee of the trust hereunder, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to secure the obligations of Trustors described herein, Trustors hereby grant, bargain, sell and convey to Trustee, in trust, with the power of sale, all of Trustors' estate, right, title, and interest in and to the following property:

Lot 1, Block 1, Cordova Industrial Park, according to the official map and plat thereof, Plat No. 65-304, on file in the office of the recorder, Cordova Recording District, Third Judicial District, State of Alaska

Together with all improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents, all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust (collectively, the "Property").

2. COMMENCEMENT AND SUBSTANTIAL COMPLETION OF CONSTRUCTION; OPERATIONAL OBLIGATIONS. On or before the date three (3) years after the Effective Date, Trustors shall substantially complete construction a commercial building and any and all appurtenances and accessions thereto as required in the plan referenced in the Purchase and Sale Agreement for this Property (the "Project"). For purposes of this Section 2 and Section 7.2 hereof, the term "substantially complete" shall mean the stage of progress of construction when the Project, including without limitation its structure, façade and windows, roof, heating, plumbing and lighting,

are sufficiently complete so that the Trustors can occupy and use the Project for its intended purposes.

3. COMPLIANCE WITH LAWS. Trustors shall comply with all federal, state, and local laws affecting the Property, neither commit nor permit any illegal act thereon or waste thereof, and shall keep all improvements on the Property in good working condition and repair.

4. WARRANTIES AND COVENANTS OF TRUSTORS. Trustors warrant, covenant and agree as follows:

4.1 Warranties

4.1.1 Trustors have full power and authority to grant the Property to Trustee.

4.1.2 Trustors have undertaken their obligation under this Deed of Trust primarily for commercial, industrial or business purposes, and not primarily for personal, family or household purposes.

4.2 Preservation of Lien. Trustors will preserve and protect the priority of this Deed of Trust as a first lien on the Property.

4.3 Construction. Trustors shall commence and complete construction of the Project, and will otherwise fulfill all of their covenants and obligations to Beneficiary relating in any way to such construction, in accordance with the terms and conditions of this Deed of Trust.

4.4 Right of Inspection. Trustors shall permit Beneficiary, or its agents, at all reasonable times, to enter upon and inspect the Property for purposes of ensuring Trustors' compliance with this Deed of Trust.

4.5 Further Assurances. Trustors will, at their own expense, from time to time execute and deliver any and all instruments of further assurance and do any and all such acts, or cause the same to be done, as Trustee or Beneficiary deem necessary or advisable to grant to Trustee the Property or to carry out more effectively the purposes of this Deed of Trust.

4.6 Legal Actions. Trustors will appear in and defend any action or proceeding before any court or administrative body purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and will pay all costs and expenses, including cost of evidence of title, title insurance premiums, and any fees of attorneys, appraisers, environmental inspectors, and others, incurred by Beneficiary or Trustee, in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary or Trustee to foreclose this Deed of Trust and in any nonjudicial foreclosure of this Deed of Trust.

4.7 Taxes, Assessments, and Other Liens. Trustors will pay with interest, not later than the due date, all taxes, assessments, encumbrances, charges and liens on the Property or any part thereof which at any time appear to be or are alleged to be prior and superior hereto, including without limitation any tax on or measured by rents of the Property, this Deed of Trust, or any obligation or part thereof secured hereby.

4.8 Expenses. Trustors will pay all costs, fees, and expenses reasonably incurred by Beneficiary or Trustee in connection with this Deed of Trust.

4.9 Sale, Transfer, or Encumbrance of Property. Subject to Section 7 hereof, Trustors shall not, without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, sell, transfer or otherwise convey the Property or any interest therein, further encumber the Property or any interest therein, cause or permit any change in the entity, ownership, or control of Trustors or agree to do any of the foregoing. Consent to any one such occurrence shall not be deemed a waiver of the right to require consent to any future occurrences.

5. DEFAULT. In the event Trustors fail to commence or substantially complete the construction of the Project within the times set forth in Section 2 hereof, or if Trustors violate any other term of this Deed of Trust, Beneficiary may declare Trustors to be in default of this Deed of Trust without any notice or demand of any kind, both of which are hereby expressed waived.

6. REMEDIES UPON DEFAULT.

6.1 Foreclosure of Deed of Trust. Upon the occurrence of any event of default under this Deed of Trust, all sums secured hereby shall become immediately due and payable, without notice or demand at the option of Beneficiary, and Beneficiary may cause the Property may to be sold by foreclosing this Deed of Trust in any manner then permitted by law. Trustee may act as agent for Beneficiary in conducting any such sale.

6.2 Liquidated Damages. Trustors agree that Beneficiary has sold the Property to Trustors for one hundred and seventy five thousand dollars and no cent (\$175,000.00), and that part of the consideration for the sale was Trustors' completion of the Project, which benefits the public interest, including without limitation the economy of the City of Cordova. The parties understand the impracticality and difficulty of fixing Beneficiary's actual damages in the event of Trustors' default, and the parties therefore agree that Thirty five Thousand dollars and no cents (\$35,000.00) represents a reasonable estimate of the actual damages that Beneficiary would incur. This amount shall be the amount stated in any notice of default and sale that Trustee shall record as the amount due and owing to Beneficiary for Trustors' breach of their obligation under this Deed of Trust.

6.3 No Waiver. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare an event of default for failure to do so.

6.4 Remedies Cumulative. The rights and remedies accorded by this Deed of Trust shall be in addition to, and not in substitution of, any rights or remedies available under now existing or hereafter arising under applicable law, in equity, or otherwise. All rights and remedies provided for in this Deed of Trust or afforded by law or equity are distinct and cumulative and may be exercised concurrently, independently or successively. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver of any default shall not constitute a waiver of any subsequent or other default.

7. TRUSTEE.

7.1 General Powers and Duties of Trustee. At any time or from time to time, upon an event of default, without liability therefor and without notice and without affecting the liability of any person for the payment of the indebtedness secured hereby, and upon written request of Beneficiary, payment of its own fees and presentation of this Deed of Trust, Trustee may:

7.1.1 Join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; or

7.1.2 Reconvey, without warranty, all or any part of the Property.

7.2 Reconveyance. Upon the Trustors' satisfactory performance of the obligations set forth in Section 2 hereof, Beneficiary shall request Trustee to reconvey the Property. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs and any attorneys' fees and costs. Beneficiary may charge such person or persons a fee for reconveying the Property.

7.3 Powers and Duties on Default. Upon written request therefor by Beneficiary specifying the nature of the default, or the nature of the several defaults, and the amount or amounts due and owing, Trustee shall execute a written notice of default and of its election to cause the Property to be sold to satisfy the obligation secured hereby, and shall cause such notice to be recorded and otherwise given according to law.

Notice of the sale shall have been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Trustors, shall sell the Property at the time and place of sale specified in the notice, as provided by statute, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest

and best bidder for cash in lawful money of the United States, payable at the time of sale. Trustors agree that such a sale (or a sale pursuant to judicial foreclosure) of all the Property as real estate constitutes a commercially reasonable disposition thereof. Trustee may postpone the sale of all or any portion of the Property, and from time to time thereafter may postpone such sale, as provided by statute. Trustee shall deliver to the purchaser its deed and bill of sale conveying the Property so sold, but without any covenant or warranty, express or implied. The recital in such deed and bill of sale of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person other than Trustee, including Trustors or Beneficiary, may purchase at such sale.

After deducting all of the costs, fees and expenses of Trustee and of this trust, including the cost of title search and title insurance and reasonable attorneys' fees in connection with the sale, Trustee shall apply the proceeds of sale to payment of all sums secured hereby in such order as Beneficiary may determine; and the remainder, if any, to the party or parties entitled thereto.

7.4 Acceptance of Trust. Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

7.5 Reliance. Trustee, upon presentation to it of an affidavit signed by Beneficiary setting forth facts showing a default by Trustors under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7.6 Replacement of Trustee. Beneficiary may, from time to time, as provided by statute, appoint another trustee in place and stead of Trustee herein named, and thereupon Trustee herein named shall be discharged and the trustee so appointed shall be substituted as Trustee hereunder, with the same effect as if originally named Trustee herein.

8. HAZARDOUS SUBSTANCES.

8.1 Covenants and Agreements. Trustors hereby covenant and agree as follows:

8.1.1 Trustors will not cause or permit any Hazardous Substance to be brought upon, kept, used or generated by Trustors, their agents, employees, contractors or invitees, in the operation of the Property unless the use or generation of the Hazardous Substance is necessary for the prudent operation of the Property in the ordinary course of Trustors' business and operations and in compliance with all Environmental Laws.

8.1.2 Trustors will at all times and in all respects use their best efforts to comply with all Environmental Laws. Trustors' duty of compliance with Environmental Laws includes without limitation the duty to undertake the following

specific actions: (1) Trustors will, at their own expense, procure, maintain in effect and comply with all conditions of any and all permits, licenses and other governmental and regulatory approvals required by all Environmental Laws, including without limitation permits required for discharge of (appropriately treated) Hazardous Substances into the ambient air or any sanitary sewers serving the Property; and (2) except as discharged into the ambient air or a sanitary sewer in strict compliance with all applicable Environmental Laws, any and all Hazardous Substances to be treated and/or disposed by Trustors will be removed and transported solely by duly licensed transporters to a duly licensed treatment and/or disposal facility for final treatment and/or disposal (except when applicable Environmental Laws permit on-site treatment or disposal in a sanitary landfill).

8.1.3 At any time, and from time to time, if Trustee so requests, Trustors shall have any environmental review, audit, assessment and/or report relating to the Property theretofore provided by Trustors to Trustee updated, at the sole cost and expense of Trustors, by an independent environmental consultant selected by Trustors and not objected to by the Trustee in writing within 30 days after receipt of notification of Trustors' selection.

8.1.4 Trustors will, at their sole expense, take all actions as may be necessary or advisable for the clean-up of Hazardous Substances on or with respect to the Property, including without limitation all removal, containment and remedial actions in accordance with all applicable laws, and shall further pay or cause to be paid all clean-up, administrative and enforcement costs of governmental agencies with respect to Hazardous Substances on or with respect to the Property if obligated to do so by contract or by law. Trustors will immediately notify the Trustee should Trustors (1) become aware of any actual or potential liability with respect to Hazardous Substances stored, disposed or released in, on or about the Property, (2) receive any notice of, or become aware of, any actual or alleged violation with respect to the Property of any federal, state or local statute, ordinance rule, regulation or other law pertaining to Hazardous Substances, (3) receive any written request for information or for an inspection of the Property by any governmental authority with respect to any Hazardous Substances or Environmental Laws, or (4) become aware of any lien or action with respect to any of the foregoing. Trustee may require from Trustors assurances that Trustors is taking all actions as may be reasonably required for the clean-up of Hazardous Substances in or with respect to any of the Property; provided, that for all purposes under this Section, Trustors shall, upon the Trustee's request therefor, provide the Trustee with, and the Trustee shall be fully protected in relying upon, without further investigation or further duty to determine whether any removal, containment and/or remedial actions are satisfactory, either (A) the written approval of such actions by any independent environmental consultant selected by Trustors and not objected to in writing by Trustee or Beneficiary within 30 days after receipt of notification of Trustors's selection; or (B) written notice from Trustors that he is contesting in good faith any such requirement by appropriate legal proceedings.

8.2 Definitions. As used in this Section 8:

8.2.1 "Environmental Laws" means all laws and regulations, now or hereafter in effect, with respect to Hazardous Substances, including without limitation the Comprehensive Environmental response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.), and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.), and any state or local similar laws and regulations and any so-called local, state or federal "superfund" or "superlien" law.

8.2.2 "Hazardous Substance" means any substance or material now or hereafter defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous, toxic or radioactive substance, or other similar term, by any Environmental Laws.

9. CONDEMNATION. Trustors shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property or any part thereof, and Trustors shall appear in and prosecute any such action or proceeding unless otherwise directed by Beneficiary in writing. Upon the occurrence and continuance of a default under this Deed of Trust, Trustors authorize Beneficiary, at Beneficiary's option, as attorney-in-fact for Trustors, to commence, appear in and prosecute, in Beneficiary's or Trustors' name, any action or proceeding relating to any condemnation or other taking of the Property whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking.

10. MISCELLANEOUS.

10.1 Time of Essence. Time is of the essence of this Deed of Trust.

10.2 Binding Upon Successors and Assigns. Subject to the provisions of applicable law with respect to successor trustees, this Deed of Trust shall be binding on and inure to the benefit of the parties, their successors and assigns.

10.3 Beneficiary's Right to Perform Obligations of Trustors. If Trustors fail to perform the covenants and agreements contained or incorporated in this Deed of Trust, or if any action or proceeding is commenced which affects the Project or title thereto or the interest of Beneficiary therein (including without limitation any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding or eminent domain proceeding), then Beneficiary, at Beneficiary's option may make such appearance, disburse such sums, and take such action as Beneficiary deems necessary, in its sole discretion, to protect Beneficiary's interest, including without limitation (i) disbursement of attorneys' fees and expenses; (ii) entry upon the Property

to make repairs; and (iii) procurement of satisfactory insurance. Trustors shall reimburse Beneficiary for all reasonable costs incurred by Beneficiary in taking any said action, together with interest from the date of expenditure until repaid at two percent per annum over the rate of interest announced by the Trustee as its prime rate from time to time, but in any event, not greater than the maximum rate of interest permitted by Alaska law. Such sums shall become a part of the obligations of Trustors secured by this Deed of Trust and be payable by Trustors on demand. Trustors agrees that the amounts described in this section constitute necessary expenditures for the preservation of Beneficiary's security and, to the extent permitted by law, such amounts shall have a lien priority date as of the date of recording of this Deed of Trust.

Such action by Beneficiary shall not constitute a waiver of the default or any other right or remedy which Beneficiary may have on account of Trustors' default. Nothing in this Section 10.3 shall require Beneficiary to incur any expense or take any action.

10.4 Notices. Notices under this Deed of Trust shall be in writing and shall be sufficiently given if addressed and mailed by first-class, certified or registered mail, postage prepaid, to a party at the address set forth above, or such other address as a party may indicate by written notice to the others. All notices shall be deemed served upon deposit of such notice in the United States Postal Service in the manner above provided.

10.5 Captions. All captions used in this Deed of Trust are intended solely for convenience of reference and shall not limit, expand or otherwise affect any of the provisions of this Deed of Trust.

10.6 Invalid Provisions to Affect No Others. If any of the provisions contained in this Deed of Trust shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions contained herein shall not be affected thereby.

10.7 Changes in Writing. This Deed of Trust and any of its terms may only be changed, waived, discharged or terminated by a writing signed by Beneficiary.

10.8 Applicable Law. This Deed of Trust, and the terms and conditions herein shall be construed, applied and enforced in accordance with the laws of the State of Alaska.

10.9 Parties Interested Herein. Nothing in this Deed of Trust, express or implied, is intended or shall be construed to give to any person, other than Trustors, Beneficiary and Trustee any right, remedy or claim under or by reason of this Deed of Trust. The covenants, stipulations and agreements in this Deed of Trust contained are and shall be for the sole and exclusive benefit of Trustors, Beneficiary and Trustee, and their successors and assigns.

IN WITNESS WHEREOF, the Trustors have executed this Agreement as of the date first above written.

TRUSTORS:

By: _____
Tony Ross, Chief Financial Officer

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of ###, 2013, by Tony Ross, Chief Financial Officer.

Notary Public in and for Alaska
My commission expires: _____

MEMORANDUM

TO: MAYOR AND CITY COUNCIL, CITY OF CORDOVA

FROM: AMY W. LIMERES

**RE: RESOLUTION FOR APPROVAL OF LAND EXCHANGE AGREEMENT
WITH SAMSON LEASING SERVICES, L.L.C.**

FILE NO.: 401777.209

DATE: OCTOBER 23, 2013

Submitted with this memorandum is a resolution approving the Land Exchange Agreement that has been negotiated between the City and Samson Leasing Services, L.L.C. The City Council previously approved the vacation of certain rights of way to effectuate this exchange. Tracts 1A and 1B to be exchanged are of like kind and value and are described in a new plat that has been recorded, evidencing the proposed exchange. This resolution approves the form of the Land Exchange Agreement and authorizes the City Manager to execute and enter into the land exchange, which is anticipated to close in mid November, 2013.

AWL/DSG

**CITY OF CORDOVA, ALASKA
RESOLUTION 11-13-60**

**A RESOLUTION OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE
CITY MANAGER TO ENTER INTO A LAND EXCHANGE AGREEMENT OF CITY
PROPERTY DESCRIBED AS TRACT 1B IN PLAT NO. 2013-2**

WHEREAS, SAMSON LEASING SERVICES, L.L.C., an Alaska limited liability company ("Samson") is the owner of certain improved real property in fee in Cordova, Alaska whose legal description is "Ocean Dock Subdivision #2, Tract 1," located in the Cordova Recording District, Third Judicial Circuit, State of Alaska ("Tract 1A"); and

WHEREAS, the City is the owner of certain improved real property in fee in Cordova, Alaska with legal descriptions: (i) "Alaska Tidelands Survey No. 220 (CR 15S. 3W.)"; Ocean Dock Subdivision Lot 11, Block 2; and public rights of way known as Boat Dock Road and Barnacle Boulevard ("Tract 1B"); and

WHEREAS, the City Administration and Samson propose to exchange Tract 1A and Tract 1B, described on Plat No. 2013-2, which properties are of like kind and value; and

WHEREAS, the City Council of the City of Cordova, Alaska by Resolution 09-12-42 has approved Planning & Zoning Commission Resolution 12-07, vacating the right-of-way of Boat Dock Road and portions of Barnacle Boulevard to effectuate the proposed land exchange; and

WHEREAS, new Plat No. 2013-2 has been recorded evidencing the proposed exchange; and

WHEREAS, the Land Exchange Agreement by and between the City and Samson is hereto attached as Exhibit A.

NOW THEREFORE BE IT RESOLVED THAT the City Council of the City of Cordova, Alaska, hereby authorizes the City Manager to enter into the land exchange on the terms and conditions contained in the Land Exchange Agreement.

PASSED AND APPROVED THIS 6th DAY OF NOVEMBER, 2013

James Kacsh, Mayor

ATTEST:

Susan Bourgeois, City Clerk

LAND EXCHANGE AGREEMENT

This Land Exchange Agreement ("Agreement") is made as of this 15th day of February, 2013, by and between CITY OF CORDOVA, an Alaska Municipal corporation ("City") and SAMSON TUG AND BARGE COMPANY, INC., a Alaska corporation ("Samson").

WHEREAS, Samson is the owner of certain improved real property in fee in Cordova, Alaska whose legal description is "Ocean Dock Subdivision #2, Tract 1," located in the Cordova Recording District, Third Judicial Circuit, State of Alaska ("Samson Tract 1"); and

WHEREAS, the City is the owner of certain improved real property in fee in Cordova, Alaska with legal descriptions: (i) "Alaska Tidelands Survey No. 220 (CR 15S. 3W.)" ("ATS 220"); Ocean Dock Subdivision Lot 11, Block 2; and public rights of way known as Boat Dock Road and Barnacle Boulevard; and

WHEREAS, the City and Samson wish to exchange a portion of each of Samson Tract 1 and ATS 220 under the terms and conditions set forth herein; and

WHEREAS, because the exact legal description for the properties to be exchanged cannot be finalized until the new plat is approved and recorded, the parties agree that the final legal description will be determined at a later date and will substantially comply with that shown on the new plat, as shown on Exhibit A attached hereto and incorporated herein by reference.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DEFINITIONS. Tract 1A subject to this Agreement consists of that certain portion of Samson Tract 1, as more particularly described in Exhibit A and all rights, privileges and easements appurtenant thereto. Tract 1B subject to this Agreement consists of: (i) that certain portion of ATS220; (ii) Ocean Dock Subdivision Lot 11, Block 2; and (iii) rights of way for Boat Dock Road and a portion of Barnacle Boulevard vacated pursuant to City of Cordova, Alaska Resolution 09-12-42, as more particularly described in Exhibit A and all rights, privileges and easements appurtenant thereto. Tract 1A and Tract 1B are sometimes individually referred to hereinafter as the "Exchange Property" or collectively as the "Exchange Properties." A party who is intending to convey title to an Exchange Property at Closing is sometimes referred to hereinafter as "Grantor Party" and a party who is intending to accept title to an Exchange Property at Closing is sometimes referred to hereinafter as "Grantee Party."
2. CONVEYANCE. Subject to the terms, covenants and conditions set forth in this Agreement: City hereby agrees to convey Tract 1B to Samson in exchange for Tract 1A; and Samson hereby agrees to convey Tract 1A to City in exchange for Tract 1B.
3. THE EXCHANGE TERMS. The consideration for Tract 1A is Tract 1B. The consideration for Tract 1B is Tract 1A. Samson and the City acknowledge that Tract 1A

and Tract 1B are of like kind and equal value after the adjustment provided for in Paragraph 6 hereof. The parties have each agreed that they will not require the other to provide any earnest money. Samson shall convey Tract 1A to the City together with any easements or restrictions of record which do not interfere or prevent the City from utilizing it, but free and clear of all liens, encumbrances, encroachments and special assessments levied or assessed. The City shall convey Tract 1B to the Samson together with any easements or restrictions of record, but free and clear of all liens, encumbrances, encroachments and special assessments levied or assessed. Samson acknowledges Tract 1B will be used for the placement of their cargo and freight business. The City agrees to provide the following at its cost:

- (a) A survey of Tract 1B subject to approval by Samson.
 - (b) A commercial appraisal of both properties detailing net useable space and value of each parcel is attached hereto as Exhibits B and C and incorporated herein by reference.
 - (c) Relocation of electric, sewer, water, cable and telephone utilities, as more particularly described in Exhibit D attached hereto and incorporated herein by reference.
 - (d) Removal of all City personal property that is currently located on the Exchange Property to be conveyed to Samson.
 - (e) Recorded deeds for both properties and new plat.
 - (f) Phase 1 Environmental Assessment of both properties.
4. DEDICATIONS AND EASEMENTS. After the date of this Agreement, but prior to Closing, Grantor Party shall not dedicate, gift, transfer, mortgage or convey any interest in Grantor Party's Exchange Property without written consent from Grantee Party, which may be withheld for any reason.
5. ENVIRONMENTAL TESTING AND RELEASE. City has performed a Phase 1 environmental test on the both Exchange Properties. City and Samson agree that no further testing shall be required. Each Grantee Party acknowledges that it will have the opportunity to inspect the respective Exchange Properties during Due Diligence, and to observe existing conditions and conduct such investigation and study as such Grantee Party deems necessary. Except as expressly provided in this Agreement, each Grantee Party hereby forever waives, releases, discharges and indemnifies Grantor Party from all responsibility and liability, relating to the environmental compliance status of the respective Exchange Property for all hazardous waste and materials whatsoever on, under, adjacent to, or otherwise affecting the respective Exchange Property including, but not limited to, hazardous materials or other materials or substances that have been (or may in the future be determined to be) toxic, hazardous, undesirable or subject to regulation or may need to be specially treated, handled and/or removed from the respective Exchange Property under current or future federal, state and local laws,

regulations or guidelines.

6. APPRAISAL & ADJUSTMENT. The commercial appraisal determined that the net useable space of the Tract 1B is less than the net useable space of Tract 1A. The City, therefore, added 0.14 acres to Tract 1B, resulting in an adjusted valuation in Samson's favor of twenty-one thousand, one hundred and seventy-five dollars (\$21, 175).
7. TITLE INSURANCE. Within twenty (20) days after the new plat reflecting the Exchange Properties is recorded, each respective Grantee Party shall deliver to each respective Grantor Party a copy of a title insurance commitment (the "Commitment") bearing an effective date subsequent to the date hereof in favor of Grantee Party for an owner's title insurance policy insuring marketability of the title to the Exchange Property in the amount of the Exchange Property's appraised value underwritten by a title insurance company acceptable to Grantee Party. The copy of the Commitment shall be accompanied by a written statement of any objections to Grantor Party's title to the Exchange Property as disclosed by the Commitment. Any matter not objected to by Grantee Party within such twenty (20) day period shall be deemed approved exceptions to title by Grantee Party. Ten (10) days prior to Closing, Grantor Party shall deliver to Grantee Party a written statement of any objections which Grantor Party could not, upon the exercise of due diligence in good faith, cure prior to or concurrent with Grantee Party's acquisition of the Exchange Property. If Grantor Party gives notice to Grantee Party of any objections which cannot be cured, then Grantee Party shall have the option of: (i) waiving such objections and proceeding with this Agreement or (ii) terminating this Agreement, and thereupon this Agreement shall be null and void and neither Grantor Party nor Grantee Party shall have any further obligations hereunder. In addition to the terms and conditions of this Agreement, land title law of Alaska and the title standards approved by the Alaska Bar Association to the date of examination of title shall serve as a guide of marketability of title. Grantee Party shall be responsible for the expense of a title insurance policy issued on the Exchange Property to be transferred to the Grantee Party.
8. CONDITIONS PRECEDENT. The parties' respective obligation to close the Exchange is also contingent on the following occurring prior to Closing (or as otherwise indicated):
 - (a) Due Diligence. Satisfactory completion by the acquiring party of due diligence (the "Due Diligence") as to each of the Exchange Properties at the respective cost of that acquiring party, with such due diligence to be of the type and extent required in a transaction of this sort including, without limitation: (i) a comprehensive inspection and review by the acquiring party of the physical condition of each respective Property and all improvements thereon; (ii) a review of the state of legal title to the Exchange Property (including, without limitation, any mineral claims) and the acquiring party's determination that following Closing, it will have satisfactory title; (iv) review by the acquiring party of all contractual arrangements pertaining to the Exchange Property being acquired, including, without limitation, a legal and financial review of all leases; (v) a review by the acquiring party of all plans, drawings, specifications and surveys pertaining to the Exchange Property being acquired; (vi) all insurance policies

insuring the Property. Each party acknowledges that it has completed the Due Diligence provided for in this paragraph, and this contingency has been satisfied.

- (b) Approvals and Consents. Approvals and consents as required by law or by contract (including without the State of Alaska) in order for either party to effect the transaction.
- (c) Internal Corporate Approval. Approval by the Board of Directors of Samson.
- (d) City Council Approval. Approval by the City Council of Cordova.
- (e) Completion of relocation of certain utilities as specified in Paragraph 3(c).
- (f) Recording of new plat reflecting Exchange Properties.

9. ACCESS TO PROPERTY BEFORE CLOSING. The parties shall have the right to enter upon either of the Exchange Properties between the date this Agreement is mutually accepted and the Closing Date only in accordance with the following terms and conditions:

- (a) This Agreement is still in full force and effect
- (b) City may enter upon Tract 1A, and Samson may enter upon Tract 1B, only for the purposes of reasonable inspections, studies and surveys, all of which shall be at such party's sole cost and expense.
- (c) City shall protect, defend, indemnify and hold Samson harmless with regard to any damage caused to Tract 1A, and any claims by persons or entities not a party to this Agreement that arise out of City's activities at Tract 1A before Closing. Samson shall protect, defend, indemnify and hold City harmless with regard to any damage caused to Tract 1B, and any claims by persons or entities not a party to this Agreement that arise out of Samson's activities at Tract 1B before Closing,

10. CONVEYANCE OF TITLE. Upon Closing:

- (a) City shall deliver to Samson a Statutory Warranty Deed for Tract 1B, subject to the lien of real estate taxes for the current year not yet due and payable; and
- (b) Samson shall deliver to City a Statutory Warranty Deed for Tract 1A, subject to the lien of real estate taxes for the current year not yet due and payable.
- (c) Each party shall deliver to each title company a copy of a resolution of the Board of Directors approving this Agreement, and of the City Council action approving this Agreement, as may be required by the title companies.
- (d) The parties shall have delivered all documents and paid all amounts that may be required to be paid under Paragraph 5 hereof.

11. TAXES. Real estate taxes on the Exchange Property prior to the date of Closing shall be paid by each respective Grantor Party. Real estate taxes on the Exchange Property after the date of Closing shall be paid by each respective Grantee Party. The taxes for the year of the date of Closing shall be prorated based upon the then most current property valuations and upon the most current tax rate as determined by law.
12. CLOSING. The transaction shall be closed in escrow in the offices of First American Title ("Title Company"), 3035 C Street, Anchorage, AK 99503, thirty (30) days after the later of April 4, 2013, or the date all the conditions precedent set forth in Paragraph 8 are satisfied ("Closing" or "Closing Date"), unless extended by the parties in writing. City and Samson shall on or before such date deposit in escrow with the Title Company, or an escrow agent, all instruments and moneys necessary to complete the Exchange in accordance with this Agreement. The instruments so delivered shall include, without limitation, an affidavit ("FIRPTA Affidavit") sworn by an officer of Samson to the effect that such party is not a "foreign person" as that term is defined in Section 1445(f) (3) of the Internal Revenue Code of 1986, as amended, which affidavit shall be in such form as may be prescribed by federal regulations. City shall be entitled to possession of Tract 1A on Closing, and Samson shall be entitled to possession of Tract 1B on Closing. City shall pay for title insurance, closing costs, escrow expenses, and similar reasonable costs and expenses.
13. RISK OF LOSS. Risk of loss or damage to the Exchange Property shall rest with Grantor Party until the time of delivery of possession. Upon Closing, and except as set forth in this Agreement, each Grantee Party shall assume the risk that adverse matters, including, but not limited to, adverse physical or construction defects or adverse environmental, health or safety conditions, may not have been revealed by such party's inspections and investigations
14. NO REAL ESTATE COMMISSION AND FINDER'S FEE. The parties agree that no party hereto shall be liable for any real estate broker's commission, agent's commission, or finder's fee, in connection with the transaction contemplated by this Agreement. Each party warrants to the other party that it shall indemnify and hold harmless for any and all claims of any person for broker's or agent's commissions or finder's fees in connection with this transaction. The City acknowledges that Thomas E. White, John C. Brager, Gerald L. Schleich, Louise D. Schleich, John F. Schleich, Thomas G. Schleich and David D. Schleich, who are principals of the Seller, are licensed real estate brokers
15. CONDITION OF EXCHANGE PROPERTY. Grantor Party acknowledges that its representatives or agents have examined the Exchange Properties prior to entering into this Agreement. This Agreement is based upon Grantee Party's inspection of the Exchange Property and not upon any representation or warranties or conditions by Grantor Party's agents. Grantee Party acknowledges Grantor Party is conveying the Exchange Property on an "as is" basis, except for the warranties in the statutory warranty deed.
16. DEFAULT. Time is agreed to be of the essence. In the event either party fails to comply with any of the material terms hereof, then the other party may declare a default and seek

any remedy at law or in equity without notice or demand, including specific performance.

17. RIGHT TO EFFECTUATE EXCHANGE. The City acknowledges that the Samson may undertake an additional Internal Revenue Code Section 1031 tax deferred exchange of their interest in all or any portion of the Exchange Property. Samson's rights and obligations under this Agreement may be assigned to facilitate such exchange. The City agrees to cooperate with Samson and any assignee of Samson to enable it to qualify for such exchange; provided that such cooperation shall not require the City to incur any additional costs or liability and the City shall be able to realize all intended benefits of this Agreement.
18. ASSIGNMENT. Neither party may assign this Agreement without the written consent of the other party.
19. SEVERABILITY. If any term or provision of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.
20. FURTHER ASSURANCES. Each undersigned party will, except as otherwise provided herein, whenever it shall be necessary to do so by the other, promptly execute, acknowledge, and deliver, or cause to be executed, acknowledged, or delivered, documents as may be necessary or proper to effectuate the covenants, contingencies and agreements herein provided. Samson and the City agree to use their best efforts in cooperation to carry out the intent of this Agreement and to provide quality and efficient development sites for both the Samson and the City.
21. NON-MERGER. All representations and warranties made herein are intended to survive Closing and shall not be merged in the deed unless otherwise stated in this Agreement. This Agreement shall not be canceled at Closing.
22. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties relating to the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are merged herein. This Agreement cannot be modified or altered unless reduced to writing and consented to by all the undersigned parties.
23. NOTICE AND DEMANDS. All notices required or permitted to be given hereunder shall be in writing to the following addresses:

To City City of Cordova
 PO Box 1210
 Cordova, AK 99574

To Samson: Samson Tug & Barge
1553 'A' Street, # 332
Anchorage, AK 99501

Any such notices shall be either sent by (a) personal delivery, (b) certified mail, return receipt requested, or (c) a nationally recognized overnight courier, and notice shall be deemed delivered three (3) days after mailing. The above addresses may be changed by written notice to the other party, including substituting an email address or facsimile number; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

24. EXECUTION IN COUNTERPARTS. This Agreement may be executed in two or more counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.
25. GOVERNING LAW. All aspects of this Agreement shall be governed by the laws of the State of Alaska.
26. SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, devisees, personal representatives, successors and assigns.
27. TIME IS OF THE ESSENCE. The parties agree time is of the essence under this Agreement.

IN WITNESS WHEREOF, the undersigned have carefully read this Agreement and understand, accept and agree to all of the provisions contained herein, and having had the benefit of legal counsel, and intending to be legally bound thereby, have signed this Agreement as their own free act and deed, being fully aware of its final and binding effect.

CITY OF CORDOVA

By: _____
Randy Robertson, City Manager

STATE OF ALASKA)
) ss:
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 2013, by Randy Robertson, City Manager of the CITY OF CORDOVA, an Alaska municipal corporation, on behalf of the City.

Notary Public in and for Alaska
My commission expires: _____

CITY OF CORDOVA, ALASKA PROCLAMATION

A PROCLAMATION BY THE MAYOR OF THE CITY OF CORDOVA, ALASKA RECOGNIZING THE 20th ANNUAL SOBRIETY CELEBRATION AND MEMORIAL POTLATCH SPONSORED BY THE NATIVE VILLAGE OF EYAK

WHEREAS, alcohol and drug abuse are serious health and social concerns that affect and impact all family members as well as entire communities; and

WHEREAS, the Native Village of Eyak promotes sobriety through social gatherings and education; and

WHEREAS, the Sobriety Celebration's mission each year is to bring awareness of alcoholism and drug abuse to the community, and to celebrate through cultural healing for those suffering from dependency; and

WHEREAS, the Native Village of Eyak's 20th Annual Sobriety Celebration & Memorial Potlatch theme is **"Strengthening Spirit and Community through Sobriety"** and will be held in Cordova from November 15th through 17th 2013; and

WHEREAS, the Native Village of Eyak invites everyone to celebrate with them the progress that their culture has made in promoting and achieving sobriety through good food; an arts and crafts fair; educational workshops; inspirational speakers; honoring of our Elders, youth and veterans; sobriety countdown; Alaskan Native dancing; and 12 step meetings.

NOW, THEREFORE BE IT PROCLAIMED THAT I, Mayor Jim Kacsh, on behalf of the City Council and the community of Cordova, Alaska do hereby proclaim the 20th Annual Sobriety Celebration and Memorial Potlatch to be an inspiration of community commitment to aid and educate its community members concerning the abuse and misuse of alcohol and drugs through the social events held at the Sobriety Celebration.



SIGNED THIS 6th DAY OF NOVEMBER, 2013


James Kacsh, Mayor

A MEMO FROM SUSAN BOURGEOIS, CITY CLERK

DATE: October 17, 2013
TO: Mayor & City Council
SUBJECT: Liquor License Renewal

The Clerk's office has received notification that the following local establishments have applied for renewal of their liquor licenses with the State Alcoholic Beverage Control Board. Police Chief Wintle and Finance Director Jon Stavig have been advised and their suggestions to Council are attached hereto. The Clerk's office has opined that property tax wise, these two owners are current on 2013 property taxes owing to the City.

Licenses: Ambrosia Restaurant – Restaurant/Eating Place Lic. #3226
Baja Taco – Restaurant/Eating Place Lic. #4786

Suggested motion: move to waive Council's right to protest the ABC Board's approval of the application for renewal of Ambrosia Restaurant – Restaurant/Eating Place Lic. #3226 and of Baja Taco – Restaurant/Eating Place Lic. #4786

Required Action: Majority voice vote or unanimous roll call vote of the consent calendar.



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Commerce, Community,
and Economic Development

ALCOHOLIC BEVERAGE CONTROL BOARD

2400 Viking Drive
Anchorage, Alaska 99501
Main: 907.263.5900
TDD: 907.465.5437
Fax: 907.263.5930

October 17, 2013

Renewal Application Notice

City of Cordova
Attn: City Clerk
VIA EMAIL: cityclerk@cityofcordova.net

DBA	Lic Type	Lic #	Owner	Premise Address
Ambrosia Restaurant	Restaurant/Eating Place	3226	413 Main Street	Konstantinos Gialopsos
Baja Taco	Restaurant/Eating Place- Public Convenience Seasonal	4786	1 Harbor Loop Rd. Cordova	Andra Doll

We have received a renewal application for the above listed licenses within your jurisdiction. This is the notice as required under AS 04.11.520. Additional information concerning filing a "protest" by a local governing body under AS 04.11.480 is included in this letter.

A local governing body as defined under AS 04.21.080(11) may protest the approval of an application(s) pursuant to AS 04.11.480 by furnishing the board **and** the applicant with a clear and concise written statement of reasons in support of a protest within 60 days of receipt of this notice. If a protest is filed, the board will not approve the application unless it finds that the protest is "arbitrary, capricious and unreasonable". Instead, in accordance with AS 04.11.510(b), the board will notify the applicant that the application is denied for reasons stated in the protest. The applicant is entitled to an informal conference with either the director or the board and, if not satisfied by the informal conference, is entitled to a formal hearing in accordance with AS 44.62.330-44.62-630. **IF THE APPLICANT REQUESTS A HEARING, THE LOCAL GOVERNING BODY MUST ASSIST IN OR UNDERTAKE THE DEFENSE OF ITS PROTEST.**

Under AS 04.11.420(a), the board may not issue a license or permit for premises in a municipality where a zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages, unless a variance of the regulation or ordinance has been approved. Under AS 04.11.420(b) municipalities must inform the board of zoning regulations or ordinances which prohibit the sale or consumption of alcoholic beverages. If a municipal zoning regulation or ordinance prohibits the sale or consumption of alcoholic beverages at the proposed

premises and no variance of the regulation or ordinance has been approved, please notify us and provide a certified copy of the regulation or ordinance if you have not previously done so.

Protest under AS 04.11.480 and the prohibition of sale or consumption of alcoholic beverages as required by zoning regulation or ordinance under AS 04.11.420(a) are two separate and distinct subjects. Please bear that in mind in responding to this notice.

AS 04.21.010(d), if applicable, requires the municipality to provide written notice to the appropriate community council(s).

If you wish to protest the application referenced above, please do so in the prescribed manner and within the prescribed time. Please show proof of service upon the applicant. For additional information please refer to 13 AAC 104.145, Local Governing Body Protest.

Note: Applications applied for under AS 04.11.400(g), 13 AAC 104.335(a)(3), AS 04.11.090(e), and 13 AAC 104.660(e) must be approved by the governing body.

Sincerely,

SHIRLEY A. COTÉ
Director

/s/ *Christine C. Lambert*

Christine C. Lambert
Licensing & Records Supervisor
Christine.lambert@alaska.gov



Cordova Police Department

Phone: (907) 424-6100 Fax: (907) 424-6120
P.O. Box 1210 Cordova, Alaska 99574

October 17, 2013

Susan Bourgeois
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: Ambrosia Restaurant #3226

Dear Susan,

I have received your request for information regarding the liquor license for the Ambrosia Restaurant-liquor license #3226. I have no reason to protest the renewal.

Sincerely,

A handwritten signature in cursive script that reads "George Wintle".

George Wintle
Chief of Police



Cordova Police Department

Phone: (907) 424-6100 Fax: (907) 424-6120
P.O. Box 1210 Cordova, Alaska 99574
policechief@cityofcordova.net

October 17, 2013

Susan Bourgeios
City of Cordova
PO Box 1210
Cordova, AK 99574

Re: Baja Taco, #4786

Dear Susan,

I have no reason to protest the renewal of the liquor license for Baja Taco #4786.

Sincerely,

A handwritten signature in black ink that reads "George Wintle".

George Wintle
Chief of Police

CITY OF CORDOVA



To: Mayor and City Council
Through: Robert E. Robertson, City Manager
Subject: Liquor License Renewal
Date: October 28, 2013
From: Jon K. Stavig, Finance Director

I have reviewed the status of Ambrosia Restaurant and Baja Taco, per the renewal application notice from the State of Alaska, Alcoholic Beverage Control Board dated 10-17-2013, regarding compliance with City Code relating to business license, sales tax and utility services.

From such review, I find no reason to protest renewal of both of these entities.

Respectfully,

Jon K Stavig
Finance Director
City of Cordova

**CITY COUNCIL SPECIAL MEETING
MAY 21, 2013 @ 6:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

Mayor James Kacsh called the Council Special Meeting to order at 6:30 pm on May 21, 2013 in the Library Meeting Room.

B. ROLL CALL

Present for roll call were *Mayor James Kacsh* and Council members *Kristen Carpenter*, *Tim Joyce*, *David Allison* and *Bret Bradford*. Council members *EJ Cheshier*, *David Reggiani* and *James Burton* were absent. Also present were Interim City Manager *Don Moore* and City Clerk *Susan Bourgeois*.

C. APPROVAL OF AGENDA

M/Joyce S/Bradford to approve the agenda.

Vote on motion: 4 yeas, 0 nays, 3 absent (Cheshier, Reggiani, Burton). Motion carried.

D. DISCLOSURES OF CONFLICTS OF INTEREST – None.

E. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Audience Comments regarding agenda items – None.

F. NEW BUSINESS

2. City Manager Candidate Telephone Interviews

(Portions of these interviews may be conducted in executive session in order to discuss subjects that tend to prejudice the reputation and character of any person; provided that the person may request a public discussion)

- Randy Robertson
- Timothy Bolton
- Jonathan Cecil
- Jon Erickson

City Council proceeded to interview the above four candidates by asking them the same eleven questions in a round robin format. Each interview lasted for approximately 30 minutes. At the conclusion of the interviews, Council discussed the next step. They had completed phone interviews on eight candidates at this point and they decided to let the absent Council members listen to all of the interviews and then they would meet on May 24 to decide on which candidates to bring up for in-person interviews.

3. City Clerk contract extension

M/Allison S/Joyce to approve the second amendment to the City Clerk's contract and insert May 29, 2013, June 30, 2013 then May 29, 2013 and June 30, 2013 in the four blanks.

Vote on motion: 4 yeas, 0 nays, 3 absent (Cheshier, Reggiani, Burton). Motion carried.

G. AUDIENCE PARTICIPATION - none

H. COUNCIL COMMENTS

Carpenter thanked *Cindy* and *Don* for helping us through this process.

I. ADJOURNMENT

M/Joyce S/Allison to adjourn.

Hearing no objection, the meeting was adjourned at 9:07 pm.

Approved: November 6, 2013

Attest: _____
Susan Bourgeois, City Clerk

**CITY COUNCIL REGULAR MEETING
OCTOBER 16, 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 October 16, 2013, in the Library Meeting Room.

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Cordova Webelo Scouts presented the colors and then 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**, **Bret Bradford**, **EJ Cheshier** and **Dave Reggiani**. Council member **James Burton** was present via teleconference. Also present were Student Council member **Sarah Hoepfner**, City Manager **Randy Robertson** and City Clerk **Susan Bourgeois**.

D. APPROVAL OF REGULAR AGENDA

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

Joyce mentioned that the Student Council representative report should be moved from item 16 to after item 3.

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

E. DISCLOSURES OF CONFLICTS OF INTEREST

Council Member **Carpenter** declared a conflict on agenda item 8 as she is the executive director of the CRWP which is the agency asking for Council support for a grant in this resolution. **Mayor Kacsh** agreed that she was conflicted on this item.

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speaker - none
2. Audience comments regarding agenda items - none
3. Chairpersons and Representatives of Boards and Commissions

Harbor Commission – Burton reported that there had been a meeting but he was sick.

HSB – Allison said there had been no news since the last HSB meeting.

Parks and Rec – Carpenter said they had a special meeting to work on more budget requests.

Planning and Zoning – Reggiani said they had met and had a few agenda items on tonight's Council packet.

School Board – Bradford said he had missed the last School Board meeting.

3. a. Student Council Representative's report: **Hoepfner** reported that some upcoming events are as follows: spirit week for volleyball and swimming will be the last week in October; the carnival will be December 14. There are three students in Juneau for AASG conference.

Theresa Keel, superintendent reported on the school board meeting of last week. The main topic was that **Chief Wintle** did a presentation about use of the drug dog at the schools and it opened up a conversation regarding our policy which requires the "express authorization of the school board and superintendent". There was a lively discussion and it will be on the board meeting agenda next month to get even more public input. They discussed the playground at Mt. Eccles – a timeline for the repairs should be forthcoming and the plan is for repair to occur over the winter. Budget was also discussed and she will address that with Council at their next meeting.

G. APPROVAL OF CONSENT CALENDAR

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

Council called out items 7 & 8. Which were placed under Ordinances and Resolutions, as items 17a and 17b.

4. Ordinance 1112

An ordinance of the City Council of the City of Cordova, Alaska, authorizing the conveyance of Lot One (1), Block One (1), Cordova Industrial Park to Ocean Beauty Seafoods, LLC – 1st reading

5. Resolution 10-13-56

A resolution of the City Council of the City of Cordova, Alaska supporting a Prince William Sound regional mutual aid agreement for emergency management

6. Resolution 10-13-57

A resolution of the City Council of the City of Cordova, Alaska approving a site plan for Thai Vu & Camtu Ho for construction of an addition to their current building that would include an enclosed building addition of 25 x 60 feet and a covered back loading dock area that is 25 x 30 feet on Lot 7 South Fill Development Park

7. Resolution 10-13-58

~~A resolution of the City Council of the City of Cordova, Alaska to honor the late Carl Brady, US Army aviator/instructor and first to bring helicopters to Alaska in 1948, by naming a 12,250' peak in Prince William Sound as Mt. Carl Brady~~

8. Resolution 10-13-59

~~A resolution of the City Council of the City of Cordova, Alaska stating support for an application to the State's recreation trails grant program for funds to restore the Eyak Mountain Trail~~

9. Accepting P&Z Resolution 13-10

Vote on Consent Calendar: 7 yeas, 0 nays. Burton-yes; Joyce-yes; Cheshier-yes; Bradford-yes; Carpenter-yes; Reggiani-yes and Allison-yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Reggiani S/Bradford to approve the Minutes.

10. Special Meeting Minutes 06-26-13

11. Regular Meeting Minutes 10-02-13

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

I. CONSIDERATION OF BIDS

12. Contract for legal service

M/Allison S/Bradford to accept the contract for general counsel legal services with BHB&C for a one year time period.

Allison said we could try for a year. We can then see how it works for us or not.

Joyce said he is going back to more than just the past couple of years. Cordova Center has been a huge cost as well as contracts they have had for interim manager and city manager and other personnel issues; also many planning and zoning issues too. He said it is really difficult for him to be able to pull those big things out and analyze the bills. Also, what is the City's policy on calling attorneys? It used to be that only the City Manager or the City Clerk and/or possibly the Planner could contact the attorney, anyone else would have to get the ok from them. He feels like he still needs information in order to make the decision.

Bradford also has similar questions. He said he still thinks giving this contract a shot for a year is a good idea. *Reggiani* said he doesn't feel comfortable voting for or against this at this time. He doesn't feel as though all the information necessary is before them at this time. He would ask that staff get them more information for the next meeting. *Carpenter* said if we are referring this to staff let's be clear as to what we want answers to. *Joyce* said he is just so unsure if this is a great deal or not he would have to see detailed bills to understand if there is a cost savings to this plan. City Attorney *Wells* explained that all of the bills for the past year were given to staff to pass on to Council but she said they are not easy to understand and hopes that individual Council members will call her as they are looking over the bills so she can explain things to them.

M/Bradford S/Reggiani to refer to staff and see this back on the next agenda.

The connection with Council member **Burton** was lost.

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

J. REPORTS OF OFFICERS

13. Mayor's Report - Mayor Kacsh said last week he met with the Webelos den and had a great conversation about what Council and the Mayor do and he invited them to do the color guard today. Tomorrow he has a teleconference with the Governor regarding the Cordova Center. Yesterday he attended a meeting with **Robertson**, **Sherman**, Dokoozian, AMI, **Hallquist**, Capital Glass and others – we will hear more about that in executive session.

14. Manager's Report – Robertson reported on these items: 1) fairly significant leakage problems at the pool, there will be at least one closure next week; 2) **Representative Austerman** will be here November 3 & 4, the Chamber has a dinner planned; Council is invited to attend, there have been no details from his office yet – more to follow on that; 3) there was a letter prepared that Council all signed and it was sent out in the mail and by email; 4) he wanted to recognize **Paul Trumblee** and his one employee for some cleaning they have done – testing hoses and spraying down dirty parts of town at the same time; 5) Chief has instituted a TIPS line where people can anonymously give tips that leads to an arrest and be paid for the information, an anonymous donor has put forth \$5K toward this as well. **Robertson** asked **Chief Wintle** to address Council.

Chief Wintle handed out a flyer that was out advertising the TIPS line. He mentioned that he alone would listen to the information given on the TIPS line in order to preserve the caller's anonymity. **Chief** also said that at Halloween they are giving out bags with goodies and the flyer will be placed in the bag as well.

- Legislative Lobbyist Report – *John Bitney*

Bitney said that in Capsis we have requested \$6.7M to complete the Cordova Center and that is our legislative priority. Big issues in the upcoming session will be: education funding, TRS, school district insurance, etc.; State running into the deficit range – current year as well as next year – all related to declining oil taxes/production. **Joyce** mentioned that the Kodiak Island Borough School District was seeking some kind of supplemental appropriation from the state based upon the problems with the Tustumena and the expense of school travel due to the ferry down time. He wondered if we should be looking into something similar based upon the Whittier dock issue. **Bitney** hadn't heard of that and said he would look into it. **Cheshier** said he heard that **Representative Austerman** was coming to town and he wondered if we should try to have an audience with him. **Bitney** said yes, we should, he has already heard about a Chamber of Commerce event.

- Staff Reports – 3rd Quarter 2013
 - a. Museum Director, *Cathy Sherman*
 - b. Information Services Director, *Laura Cloward*
 - c. Library Director, *Miriam Dunbar*
 - d. Planning Department, *Samantha Greenwood*
 - e. Chief of Police, *George Wintle*
 - f. Public Works Director, *Moe Zamarron*

15. City Clerk's Report - Bourgeois said she has been working on budget, catching up on minutes, and answering property tax questions because the Deputy Clerk, **Tina Hammer** is currently at a Caselle training with a couple of the Finance department staff as well. The Clerk's department was able to afford this extra training because **Hammer** had been successful in getting a scholarship for a previous training she had attended. Caselle was offering direct training to Cordova for the property tax module that we have.

K. CORRESPONDENCE

17. Full Value Determination letter from the Office of the State Assessor 10-01-13

L. ORDINANCES AND RESOLUTIONS

17a. Resolution 10-13-58

A resolution of the City Council of the City of Cordova, Alaska to honor the late Carl Brady, US Army aviator/instructor and first to bring helicopters to Alaska in 1948, by naming a 12,250' peak in Prince William Sound as Mt. Carl Brady

M/Reggiani S/Bradford to approve Resolution 10-13-58 a resolution of the City Council of the City of Cordova, Alaska to honor the late Carl Brady, US Army aviator/instructor and first to bring helicopters to Alaska in 1948, by naming a 12,250' peak in Prince William Sound as Mt. Carl Brady

M/Reggiani S/Bradford to amend the resolution by adding on line three in the title of the resolution "supporting the" before naming and "of" after naming.

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

Joyce asked what the impetus was to this resolution. **Robertson** said that **Sue Cogswell** of PWSEDD asked for this resolution of support. She said that there are some family members of Carl Brady still around who are generous benefactors to economic development in the region and this was a gesture on their behalf.

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

17b. Resolution 10-13-59

A resolution of the City Council of the City of Cordova, Alaska stating support for an application to the State's recreation trails grant program for funds to restore the Eyak Mountain Trail

M/Joyce S/Cheshier to approve Resolution 10-13-59 a resolution of the City Council of the City of Cordova, Alaska stating support for an application to the State's recreation trails grant program for funds to restore the Eyak Mountain Trail.

Joyce said it is a round trail – where you can complete a circuit – it is currently well-used and this was partially funded with RAC money.

Vote on motion: 5 yeas, 0 nays, 1 absent (Burton), 1 conflicted (Carpenter). Motion passes.

M. UNFINISHED BUSINESS

18. Cordova Center Committee appointments by Mayor

M/Allison S/Cheshier to concur with **Mayor Kacsh's** appointments to the Cordova Center Committee.

She said this iteration of the committee is more of a final capital campaign group and that is why she wanted the "stakeholders" to be involved in doing some of the asking for us and some of the fundraising. Therefore, an NVE rep, a Stage of the Tides rep, someone from the business community, a PWSSC representative, etc. have been invited to be members of this committee.

M/Joyce S/Bradford to add **Randy Robertson** onto the committee.

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

There was discussion regarding the need for two Council representatives on the committee as **Reggiani** said he would prefer to not be on the committee – **Carpenter** said she was willing to be the second Council member committee member.

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

19. Summary of South Fill Community Meetings (informational)

Greenwood said there was a lot of positive public input and involvement. She said P&Z commission will spend more time fleshing out some of the ideas that arose from the meetings. She mentioned an interesting idea that came out of the meetings was to do a downtown, uptown study to better understand why the South Fill is selling so well and there are still vacant lots on Main Street. Many great harbor ideas were spawned as well; filling, sheet piling, the safety concern on the north side of the harbor regarding parking. P&Z will move forward with working on these shovel-ready projects and might come back to Council asking for design money. **Reggiani** opined that the work from the meetings will be

brought forward with inclusion in the Comprehensive Plan which P&Z will be tackling. *Joyce* wished there was already a prioritized list so that if money came available or if there were grants to go after, we could know which projects to try to start on. He didn't feel it was necessary to wait more than a year for the comprehensive plan to be completed. *Mayor Kacsh* suggested a possible Council work session.

N. NEW & MISCELLANEOUS BUSINESS

20. Pending Agenda and Calendar

there will be another budget work session on October 30 at 5:30 pm

November 6 there will be a placeholder for another budget work session at 5:30 as well

Robertson mentioned that he would be at AML week of November 18 and then would be on vacation for Thanksgiving week – week of November 25

O. AUDIENCE PARTICIPATION - none

P. COUNCIL COMMENTS

21. Council Comments

Joyce thanked everyone for the presentations in the work session tonight

Carpenter said ditto

Allison said in light of the resolution we passed tonight, maybe we can ask the Carl Brady family if they want to sponsor a theater seat at the Cordova Center. It is good to see small business expanding and wanting to expand – he would like to thank *Camtu* and *Thai* for putting their money out there to expand their business.

Q. EXECUTIVE SESSION

22. Cordova Center finances – attorney update

M/Joyce S/Bradford 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 Cordova Center finances.

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

Council took a five minute recess at 08:58 pm; Council entered executive session at 09:03 pm and went back into regular session at 09:47 pm.

M/Bradford S/Cheshier to direct the City Manager to proceed as was discussed in the executive session regarding the Cordova Center.

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

M/Bradford S/Allison 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 PWSSC lease negotiations.

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

Council entered executive session at 09:50 pm and went back into regular session at 10:02 pm.

M/Joyce S/Bradford to direct the City Manager to proceed as was discussed in the executive session regarding the PWSSC lease negotiations.

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

R. ADJOURNMENT

M/Bradford S/Reggiani to adjourn the regular meeting at 10:03 pm

Hearing no objection, the meeting was adjourned.

Approved: November 6, 2013

Attest: _____
Susan Bourgeois, City Clerk

HAL R. HORTON (1944 - 1998)

JENNIFER C. ALEXANDER
RONALD G. BIRCH**
WILLIAM H. BITTNER
KATHRYN A. BLACK
SUZANNE CHEROT
ADAM W. COOK
JON M. DEVORE**
DOUGLAS S. FULLER*

MAX D. GARNER
DAVID KARL GROSS
STEPHEN H. HUTCHINGS
CORTNEY H. KITCHEN
THOMAS F. KLINKNER
DAVID E. LAMPP*
STANLEY T. LEWIS
AMY W. LIMERES

JAMES H. LISTER*
MITCHI V. McNABB
MARA E. MICHALETZ
ELISABETH H. ROSS**
CARISSA D. SIEBENECK*
AARON D. SPERBECK
HOLLY C. WELLS

OF COUNSEL:
WILLIAM P. HORN*
TIMOTHY J. PETUMENOS
KENNETH E. VASSAR

1155 CONNECTICUT AVE., N.W.
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WASHINGTON, D.C. 20036
TELEPHONE 202.659.5800
FACSIMILE 202.659.1027

** D.C. AND ALASKA BAR
† MARYLAND BAR
◊ VIRGINIA BAR
* D.C. BAR
ALL OTHERS ALASKA BAR

WRITER'S DIRECT DIAL 907.263.7247 • WRITER'S DIRECT FAX 907.276.3680 • hwells@bhb.com

October 8, 2013

VIA ELECTRONIC DELIVERY

City of Cordova
Attention: City Manager/City Council Members
P. O. Box 1210
Cordova, AK 99574-1210

RE: City of Cordova
Our File No.: 401,777.212

Dear City Manager and Members of the City Council:

Enclosed per your request is a proposed contract between the City of Cordova, Alaska ("City") and Birch Horton Bittner & Cherot implementing a flat fee for general counsel services and providing for specialty services and litigation at the discounted hourly rates currently set for the City. See Contract for General Counsel Legal Services, attached as Exhibit A. This proposal was designed to minimize the legal fees incurred by the City while also providing the City with some predictability regarding the cost of counsel services. Our firm established the flat fee rate and terms proposed in the attached contract based upon a review of the legal fees paid by the City from September 1, 2012 through August 31, 2013. See Cordova Billing Data, attached to this letter as Exhibit B. At the very least, the City would have saved approximately \$33,320 if the attached contract had been in place during the last twelve month period. Additionally, the City would potentially save approximately \$3,000 in costs associated with six trips to and from the City, which are costs our firm would absorb under the proposed contract. The cost savings to the City do not take into account the discounts our firm has provided the City throughout the 12 month period evaluated, which exceeded \$4,000 in the last three months alone.

In the event the City Council decides it is in the City's best interest to enter into the proposed agreement, the Council should determine the term of the agreement that best suits the City's needs. Our firm would recommend a term of no more than one to three years as a one to three year term allows both parties a reasonable time to assess the viability of a flat fee arrangement for the City.

City of Cordova
October 8, 2013
Page 2

The following is a summary of the terms of the proposed agreement:

1. Full general counsel services, which would include representation in various matters including most non-collective bargaining employment, land, and municipal government inquiries will be charged at a flat rate of \$11,500 per month.
2. Travel costs associated with six trips to and from Cordova each year, which include round-trip air fare, per diem costs for meals, and hotel accommodations for a one-night stay per trip, and any costs associated with ground transportation shall be included within the flat fee.
3. A monthly fixed fee of \$2,000 will be charged for the pending rewrite of the Cordova Municipal Code, which will no longer be charged once the Code rewrite is complete.
4. The current discounted rates for specialized services will be fixed for the term of the contract and charged for matters including, but not limited to, issues related to collective bargaining, employee insurance benefits, litigation, and formal dispute resolution. These rates are \$205 per hour for senior attorneys, members, and shareholders; \$180 for junior to mid-level associate attorneys, and \$100 for paralegals.
5. Hourly rates as stated in number four above will be applied to real estate transactions where fees are reimbursable to the City by the other party to the transaction.
6. Fifty percent discount on rates charged for travel time between Cordova and Anchorage shall be applied.
7. The City will continue to pay full fees for costs, such as copying, legal research fees, and travel, except as otherwise provided in the proposed agreement.

Our firm has the resources to provide specialized counsel in a myriad of areas including not only municipal law, but also labor relations, employment, construction, insurance benefits, and complex real estate transactions. As a result, the City receives comprehensive representation by a team of experienced practitioners who are dedicated to serving the City and have intimate knowledge of the City's laws and its practices. The proposed agreement is designed to permit the City Administration and Council to utilize our firm as needed while reducing the costs of legal services and creating at least some predictability in legal service costs.

City of Cordova
October 8, 2013
Page 3

If you have any questions or would like to discuss the enclosed proposal further,
please do not hesitate to contact us.

Sincerely,

BIRCH HORTON BITTNER & CHEROT



Thomas F. Klinkner



Holly C. Wells

TFK/HCW:cmn
Enclosures

EXHIBIT A

**CONTRACT FOR GENERAL COUNSEL
LEGAL SERVICES**

CONTRACT FOR GENERAL COUNSEL LEGAL SERVICES

Agreement dated as of January 1, 2014 between the CITY OF CORDOVA, an Alaska municipal corporation ("City"), and BIRCH, HORTON, BITTNER, INC., an Alaska professional corporation, d/b/a Birch Horton Bittner & Cherot ("Firm").

Section 1. Definitions. In addition to the terms defined above, in this contract:

- A. "Council" means the City Council of the City.
- B. "Manager" means the City Manager of the City.

Section 2. Scope of Services.

A. The Firm shall act as general counsel to the City, to include without limitation the following:

- Serve as the legal advisor of and be responsible to the Council; advise the Manager and City Clerk concerning matters affecting the City Administration and perform other duties prescribed by the Council.
- Prepare legal documents, including but not limited to ordinances, resolutions, contracts, conveyances, leases, easements and legal opinions as needed.
- Be readily available for consultation by the Council, Manager and City Clerk.
- Provide representation in court and administrative proceedings.
- Assist the Manager in negotiations on the City's behalf and handle other legal matters that may arise.
- Draft opinion letters regarding, among other things, the interpretation of the City Code, state and federal laws, and policies.
- Perform other such duties as may be prescribed for the City Attorney by ordinance or by direction of the Council and/or Manager.
- Work effectively with the Council, Manager, City Clerk and with all other public agencies and other entities with which the City has a legal relationship.

B. All representation of the City shall continue until the matters or cases assigned are either closed out by mutual consent or are recalled by the Council.

C. The Firm shall not engage any consultant, expert, or other third-party service without the prior approval of the Manager or Council.

D. Provide email and toll-free telephone access to the City.

Section 3. Access to City Personnel. The Manager shall secure the cooperation of City personnel as necessary to assist the Firm's performance hereunder.

Section 4. Contract Administrator. The Manager shall administer this contract on behalf of the City.

Section 5. Term.

A. Initial Term. This contract becomes effective when signed on behalf of both parties and shall continue in effect for one year.

B. Option to Extend. Council shall have the option to extend this Agreement for a one (1) year term commencing on the expiration of the Initial Term. The City must give Firm written notice of its election to extend. All the terms and conditions of this Agreement shall apply during any extended term. No additional options to extend shall be created by City's election to extend this Agreement.

Section 6. Attorney Assignment. Thomas F. Klinkner is the Firm attorney who will be principally responsible for supervising the work to be done by the Firm on the City's behalf and who will be the City's principal contact with respect to contract administration and billing. Holly Wells is the firm attorney who will be principally responsible for performing the work to be done by the firm on the city's behalf. The responsible attorneys will not be changed without the consent of the City. The responsible attorneys may, in their discretion, assign additional Firm attorneys, paralegals, and law clerks to perform legal services under their supervision.

Section 7. Compensation. The Firm shall be compensated for services performed during the term of this contract as follows:

A. A monthly fixed fee of \$11,500 to provide general counsel services every month plus travel to Cordova for six Council meetings per year.

B. A monthly fixed fee of \$2,000 for pending rewrite of the Cordova Municipal Code. Once the Code rewrite is complete, this fee shall no longer be due and owing.

C. The following hourly rates for specialized services, which include but are not limited to matters related to collective bargaining, employee insurance benefits, litigation, and formal dispute resolution (mediation and arbitration) before federal, state, and local administrative agencies, and federal and state courts: Shareholders, members, and senior associates: \$205; mid level and junior associates: \$180; paralegals: \$100.

D. The following hourly rates for attorneys fees incurred regarding real estate transactions where such fees are reimbursable to the City by the other party to the transaction: Shareholders, members, and senior associates or of-counsel: \$205; mid-level to junior associates: \$180; paralegals: \$100.

E. For travel time between Cordova and Anchorage, one-half the applicable hourly rate during travel, plus actual out-of-pocket expenses.

F. The City shall reimburse the Firm for in-house expenses and third-party expenses incurred on the City's behalf. Such expenses may include applicable filing fees, recording fees,

facsimile services, courier services, photocopying at \$0.20 per page, long distance telephone charges, postage, expedited mail or delivery services, travel expenses, service of process fees, deposition transcripts, stenographer fees, computer-assisted legal research fees, title insurance premiums, and other similar charges.

Section 8. Statements and Payment.

A. The Firm shall submit itemized monthly statements to the City for all fees and costs incurred during the preceding calendar month. Monthly statements shall identify the subject of the work performed and the time, to the nearest one-tenth of an hour, spent on each subject. Costs shall be itemized and described separately on each monthly statement.

B. Payment of monthly statements will be remitted to the Firm within 30 days. A late charge on amounts past due for 30 days or more will be assessed at the rate of .88% per month, or at the highest rate allowed by applicable law.

Section 9. Insurance. The Firm shall maintain in good standing the following insurance during the term of this contract, and shall furnish the City Manager with proof of the required insurance coverage before rendering any services under this contract:

A. Worker's compensation insurance as required by AS 23.30.045, including employer's liability protection not less than \$100,000 per person, \$100,000 per occurrence.

B. Comprehensive automobile liability insurance, covering all owned, hired and non-owned vehicles with coverage limits not less than \$300,000 per person/\$300,000 per occurrence.

C. Professional liability coverage for claims up to a minimum amount of \$1,000,000 per claim for the term of this contract, plus a three-year extended reporting period endorsement after the end of the contract.

Section 10. Records. Subject to the transfer of a file to another attorney at the City's request, the Firm shall retain and maintain all significant components of the files concerning each matter in which the Firm provides services to the City for a period of six years following the conclusion of representation of the City in the matter. During such time the Firm will afford City representatives reasonable access to each such file. At any time after the end of this six-year retention period, the Firm, in its discretion, may destroy the file and its contents without further notice to the City. The Firm will deliver to the City the originals of any documents in a file at the time the file is closed.

Section 11. Termination of Services. The Firm's services under Section 2 may be terminated:

A. For convenience by the City.

B. By mutual consent of the parties.

C. For cause, by either party where the other party fails in any material way to perform its obligations under this contract. Termination under this subsection is subject to the condition that the terminating party notify the other party of its intent to terminate, stating with

reasonable specificity the grounds therefor, and the other party's failure to cure the default within 15 days after receiving the notice.

Section 12. Notices. Any notice pertaining to this contract shall be either personally delivered, faxed or mailed by prepaid first class registered or certified mail, return receipt requested as follows:

City: City of Cordova
Attention: City Manager
P.O. Box 1210
Cordova, Alaska 99574-1210
FAX: (907) 424-1000

Firm: Birch Horton Bittner & Cherot
Attn: Thomas F. Klinkner and Holly C. Wells
1127 West Seventh Avenue
Anchorage, Alaska 99501
FAX: (907) 276-2822

Section 13. Amendment. This contract may be amended only by a writing executed by each party.

Section 14. Integration. This instrument embodies the entire agreement of the parties. There are no promises, terms, conditions or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

IN WITNESS WHEREOF, the parties have executed this contract as of the date first written above.

CITY OF CORDOVA

BIRCH HORTON BITTNER & CHEROT

James Kasch, Mayor

Thomas F. Klinkner

ATTEST:

Susan Bourgeois, City Clerk

EXHIBIT B

**CITY OF CORDOVA
BILLING DATA**

Exhibit B
CORDOVA BILLING DATA

	Invoice	If Flat Fee	Fees		
	Dates	Had Been Billed	Worked		
			For General Counsel Matters		
	10/18/2012	11,500.00	9,516.00		
	11/12/2012	11,500.00	11,789.00		
		(+\$2,000 for City Code Re-Write)			
	12/14/2012	11,500.00	17,504.00		
		(+\$2,000 for City Code Re-Write)			
	1/8/2013	11,500.00	10,787.50		
		(+\$2,000 for City Code Re-Write)			
	2/15/2013	11,500.00	18,628.00		
		(+\$2,000 for City Code Re-Write)			
	3/7/2013	11,500.00	17,385.00		
		(+\$2,000 for City Code Re-Write)			
	4/23/2013	11,500.00	22,759.50		
		(+\$2,000 for City Code Re-Write)			
	5/15/2013	11,500.00	25,081.50		
		(+\$2,000 for City Code Re-Write)			
	6/14/2013	11,500.00	16,734.00		
		(+\$2,000 for City Code Re-Write)			
	7/18/2013	11,500.00	21,549.50		
		(+\$2,000 for City Code Re-Write)			
	8/20/2013	11,500.00	12,847.50		
		(+\$2,000 for City Code Re-Write)			
	9/11/2013	11,500.00	8,739.00		
		(+\$2,000 for City Code Re-Write)			
	*****	*****	*****		
	Totals	160,000.00	193,320.50		
	Proposed \$11,500.00 per month with \$2,000 for City Code Re-Write.				
	Total Savings per year of \$33,320.50 if this proposal had been in effect from 9/1/2012 - 8/31/2013				

CORDOVA VOLUNTEER FIRE DEPARTMENT

Quarterly Report

In this 3rd quarter the Cordova Volunteer Fire Department responded to 67 calls for Fire, Rescue and EMS for a total of 402.5 member hours. Including the emergency calls, the volunteers of the fire department participated in the regular Thursday night meetings, public education and other activities for a total of 1742.8 member hours.

Year to Date total are 165 runs with 1024.05 member hours and 5130.6 Total Member Hours.

This quarters training and activities included EMS SOP's, addressing and location of hydrants, fire fighters skills, equipment maintenance, airport familiarization, tanker drafting ops, EMT I & II skills, ambulance inventory, public relations, business meetings, station tours and summer camp activities

Please see attached detail monthly activity sheets attached for more information on fire department activities.

Monthly Activity 7-13

			Attendance	Hours	Total Man Hours
Date	Thursday Meetings				
7/11	Business Meeting		20	3	60
7/18	EMS SOP Review, Address Location Drills/ Fire Hydrants		21	3	63
7/25	Tour of Ferry Ship M/V Chenega		29	3	87
	Total		50	6	150
Date	Public Education Taught				
	Total		0	0	0
Date	Other Activities				
7/4	Kelp Box Derby Public Relations		9	2	18
7/4	4th of July Dunk Tank Public Relations		7	4	28
7/26	Public Donation of a Used Vehicle for Training		2	4	8
7/26	Station Maint. Painting Gear Lockers		1	6	6
7/27	Salmon Run Standby Public Relations		2	4	8
7/29	Station Maint. Painting Gear Lockers		1	2.5	2.5
7/30	Station Maint. Painting Gear Lockers		1	6	6
	Total		23	28.5	76.5
Date		Fire Runs			
7/13	13-023	Amonia Leak Ocean Beauty	20	1	20
7/13	13-024	Amonia Leak Ocean Beauty 2nd Incidnet	22	1	22
7/16	13-025	Rescue Assit Medics Hoist Pt.. from deck of boat	8	1	8
7/26	13-026	Fire Alarm Ocean Beauty	13	1	13
7/30	13-027	Fire Alarm CCMC	12	1	12
7/30	13-028	Fire Alarm CCMC	18	1	18
		Total	63	4	93
Date		Amb. Runs			
7/2	13-077	Anxiety Attack	4	1	4
7/3	13-078	Heart Attack Symptoms	3	1	3
7/4	13-079	Shortness of Breath	4	1	4
7/4	13-080	Medivac Transport 13 Mile	3	2	6
7/4	13-081	Unknown Medical Man Turned Yellow	5	1	5
7/4/	13-082	Medivac Transport 13 Mile	3	2	6
7/5	13-083	Blood Clot/ Leg Pains	4	1	4
7/5	13-084	Medivac Transport 13 Mile	3	2	6
7/5	13-085	Medivac Transport 13 Mile	2	2	4
7/5	13-086	Medivac Transport 13 Mile	3	2	6
7/7	13-087	Medivac Transport 13 Mile	3	2	6
7/8	13-088	Unconscious Female	5	2	10
7/9	13-089	Unconscious / Difficulty Breathing	4	2	8
7/9	13-090	CODE	11	2	22
7/9	13-091	Medivac Transport 13 Mile	3	2	6
7/13	13-093	Amonia Leak EMS Standby	4	1	4

7/13	13-094	Asthma Attack	4	1	4
7/13	13-095	Mile 26 ATV Accident	3	3.5	10.5
7/13	13-096	Ammonia Leak EMS Standby	5	1	5
7/13	13-097	Amonia Leak Exposure	4	2	8
7/13	13-098	Amonia Leak Exposure	5	2	10
7/14	13-099	Medivac Transport 13 Mile	3	2	6
7/15	13-100	ETOH Medical Assit Mile 4	6	2	12
7/16	13-101	Siezure	4	1	4
7/17	13-102	Medivac Transport 13 Mile	4	2	8
7/17	13-103	Unknown Medical Altered Mental Status	5	2	10
7/17	13-104	Unknown Medical Female Collapse	6	2	12
7/20	13-105	Medivac Transport 13 Mile	2	2	4
7/26	13-106	Hand Trauma/ Anchor Line	5	2	10
7/26	13-107	Medivac Transport 13 Mile	3	2	6
		Total	123	52.5	213.5
		Total hours for the month of June	259	91	533

Monthly Activity 8-13

			Attendance	Hours	Total Man Hours
Date	Thursday Meetings				
8/1	EMS Bags/ SALT Airway Training		7	1.5	10.5
8/1	Run Review/ Going Away Party For Derrick T		13	2	26
8/1	Box of Death Firefighter Skills Drill		31	3	93
8/8	Business Meeting		34	3	102
8/15	Equipment Maintenance		11	3	33
8/15	New EMT Ambulance Orientation		5	2	10
8/22	Mile 13 Airport Familiarization		21	3	63
8/29	Mass Casualty Training		6	2	12
8/29	Tranker/ Drafting Ops/ Water Flow @ Terminal		12	3	36
	Total		140	22.5	385.5
Date	Public Education Taught				
8/6	Family Resource Center Summer Camp Fire Station Tour		5	3	15
8/24	Public CPR Pro Class		1	2.5	2.5
	Total		5	3	15
Date	Other Activities				
8/1	Tanker 9 Drafting Operations/ Maintenance		2	6	12
8/11	EMT III IV Training / Ambulance Inventory		2	1	2
8/11	ASFA Secretary Duties		1	4	4
8/13	ASFA Secretary Duties		1	8	8
8/14	Non-Profit Committee		4	2	8
8/14	New IV Instruction/ Ambulance Inventory		2	3	6
8/15	Non-Profit Committee		1	3	3
8/20	Non-Profit Committee		1	5	5
8/23	Dan Jager Retirement Party Setup		8	8	64
8/24	Dan Jager Retirement Party		21	4	84
	Total		14	32	196
Date		Fire Runs			
					0
					0
		Total	0	0	0
Date		Amb. Runs			
8/4	13-109	Woman Fainted	3	1	3
8/7	13-110	Patient Vomitting	5	1	5
8/8	13-111	Broken Shoulder	5	1.5	7.5
8/12	13-112	Siezure	3	1	3
8/12	13-113	Medical Transport	3	3	9
8/12	13-114	USCG Medical Standby @ CCMC	3	1	3
8/12	13-115	Medical Transport	3	2	6
8/13	13-116	Man Fallen/ Dislocated Shoulder	4	2	8
8/15	13-117	Medical Transport	3	2	6
8/16	13-118	Hip Pain/ Trouble Walking	2	2.5	5
8/16	13-119	Deceased Person	3	2	6

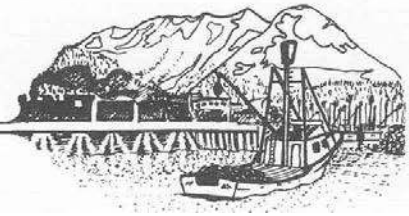
8/16	13-120	Medical Transport	3	1.5	4.5
8/20	13-121	Individual Feeling Sick	4	2	8
		Total	44	22.5	74
		Total hours for the month of August	203	80	670.5

Monthly Activity 9-13

			Attendance	Hours	Total Man Hours
Date	Thursday Meetings				
9/5	EMT I & II Skills		9	3	27
9/5	ASFA Competition Skills		6	2.5	15
9/12	Business Meeting		22	2.5	55
9/19	Golden Stehescope		27	4	108
9/26	Ambulance Inventory		6	3.5	21
9/26	Hand Tools		11	3	33
		Total	81	18.5	259
Date	Public Education Taught				
		Total	0	0	0
Date	Other Activities				
9/6	VFIS Drivers Training		8	4	32
9/7	VFIS Drivers Training		7	4	28
9/19	Engine 1 Tune Up		1	3	3
9/20	Communication Planning		6	3	18
9/20	EVAC Palnning		3	2.5	7.5
9/30	EMS Training Joaine B.		1	32.75	32.8
		Total	26	49.25	121.3
Date		Fire Runs			
9/11	13-034	Possbile Man Overboard in Harbor	19	1	19
9/16	13-035	False Fire Alarm Orca Lodge	16	1	16
9/16	13-036	ELT locate	1	2	2
9/18	13-037	Structure Fire Orca Lodge	38	2	76
9/26	13-038	Automated Fire Alarm	12	1	12
9/27	13-039	Fire Alarm	9	1	9
		Total	74	6	134
Date		Amb. Runs			
9/4	13-126	Medevac	3	2	6
9/8	13-127	Medevac	3	2	6
9/13	13-128	Possible Heart Attack	6	3	9
9/14	13-129	Unresponsive Male/ Breathing Troubles/ Man Down	5	2	10
9/15	13-130	Medevac	3	2	6
9/16	13-131	Medevac	3	2	6
9/18	13-132	Smoke Inhalation Pt. Refusal Transport	6	2	12
9/19	13-133	Medevac	3	2	6
9/22	13-134	Altered Level of Conciousness	3	2	6
9/22	13-135	Allergic Reaction	5	2	10
9/23	13-136	Narcotic Drug OD	3	2	6
9/23	130137	Medevac	2	2	4

		Total	45	25	87
		Total hours for the month of September	226	98.75	601.3

CITY OF CORDOVA



City of Cordova - Parks and Recreation Dept.

Bidarki Rec. Center 3rd Quarter 2013

3rd Quarter Revenue 2013

Month	Drop in	Passes	Programs	S.Cabin	Odiak	Other	Total
July	\$ 625.00	\$ 2,505.00	\$ 4,595.00	\$ 185.00	\$ 8,076.80	\$ 450.00	\$16,436.80
August	\$ 405.00	\$ 2,475.00	\$ 675.00	\$ 260.00	\$ 10,463.20	\$ 350.00	\$14,628.20
Sept	\$ 599.00	\$ 1,385.00	\$ 565.00	\$ 345.00	\$ 4,747.80	\$ 60.00	\$ 7,701.80
Total	\$ 1,629.00	\$ 6,365.00	\$ 5,835.00	\$ 790.00	\$ 23,287.80	\$ 860.00	\$38,766.80

3rd Quarter Attendance

Month	Fit class	Tot Time	WR	Gym	Adt. B Ball	Adt V Ball	program	Other	Total
July	149	126	973	502	48	30	375	113	2316
Aug	124	72	1021	325	43	50	280	101	2016
Sep	131	128	923	375	88	64	50	84	1843
Total	404	326	2917	1202	179	144	705	298	6175

Summary:

There was an increase in passes sold at Bidarki this quarter compared to last year at this time.

This increase is in part due to the summer pass options and discount cannery worker passes.

With more passes being sold we see fewer drop-in fees.

Summer Camp did well this year and we are still collecting fees from the summer.

Skaters Cabin had fewer multi day rentals but a good number of single day rentals. We collect more money from the higher rate we charge for 2 and 3 day rentals. With fewer extended stays we collected less revenue compared to last year.

Odiak Camper Park had fewer long term residents and fewer tent campers and short term RV space rentals. We are still waiting on a number of payments from the end of the season.

"Other" revenues included Facility rentals and Fisherman Memorial Plaques.

TO: Acting City Manager
 FROM: Harbormaster Tony Schinella
 DATE: 10/17/2013
 RE: Quarterly Activity Report/Jul-Sept. 2013

Exclusive Slips Assigned	695 out of 715 Total Slips			97% Occupancy (as of 10/01/13)
	Jul	Aug	Sept	Total
Vessels Charged Daily Rate	10	50	20	80
Vessels Charged Monthly Rate	40	28	20	88
Vessels In Impound Status	2	0	0	2
Vessel Lifts	10	11	22	41
Port Arrivals: Trident Seafoods				12
Shoreside Fuel barge	2	2	1	5
Samson barge	2	2	1	5
Used Oil Collected YTD	17210 Gals			
Used Oil Collected(Jul-Sept.)	10185 Gals			
Used Oil Delivered (Jul-Sept)	2500 Gals			
Vessels Towed	2			
Vessels Pumped	3			
Vessel Bilges Pumped Vessel	3			
Sewage Tanks Pumped	0			

GENERAL ACTIVITIES

Repaired Travelift.
 Changed all fluids and cables on Travelift.
 Hoisted 41 Vessels.
 Northern Lights Electrical completed repairs to OHSA violations.
 1 impounded vessel sold.
 1 derelict vessel impounded, will be transported to landfill.
 Cleaned up a diesel spill in the North Harbor.
 Cleaned up a oil spill at the North Harbor restrooms.

MEMO, City of Cordova

To: Mayor and City Council

Through: Randy E. Robertson, City Manager

From: Jon K. Stavig, Finance Director

Date: October 30, 2013

RE: Quarterly Finance Department Report

Following are the traditional two page financial fund summary reports for year-to-date ended September 30, 2013.

The first page is a fund summary for the general fund only. The second page includes all funds including enterprise funds. I have excluded Fund 426, the Cordova Center Fund, and instead included a separate report to show all expenditures through September 30, 2013 for Fund 426 as it distorts the two page summary report.

I was recently able to confirm that the FY'13 Raw Fish Tax due to the City will be in the range of 1.3MM to 1.5MM. This amount should finally be able to be confirmed 10-31.

Sales Tax Receipts as of the above date appear to off approx. 30% as compared to last years' 3rd quarter figure. We still have a couple days of receipting to complete, which will be finalized by Nov. 6th Council meeting.

The City's account balances as of October 8, 2013 are as follows;

Combined Central Treasury Accounts	\$4,884,644.36
(FNBA & UBS balances)	
Combined Permanent Fund Accounts	\$9,547,543.29
(UBS balances)	

All to report from the Finance Dept.

Respectfully submitted,

Jon K Stavig

CITY OF CORDOVA
FUND SUMMARY
FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2013

GENERAL FUND

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
REVENUE					
TAXES	3,766,383.65	3,766,383.65	5,718,500.00	1,952,116.35	65.9
LICENSES & PERMITS	380.00	380.00	16,300.00	15,920.00	2.3
OTHER GOVERNMENTAL	1,355,954.61	1,355,954.61	3,066,537.64	1,710,583.03	44.2
LEASES & RENTS	140,461.21	140,461.21	171,020.00	30,558.79	82.1
LAW ENFORCEMENT	318,104.14	318,104.14	333,900.00	15,795.86	95.3
D. M. V.	83,822.34	83,822.34	92,500.00	8,677.66	90.6
PLANNING DEPARTMENT REVENUE	11,380.56	11,380.56	29,000.00	17,619.44	39.2
RECREATION DEPT REVENUE POOL	53,351.50	53,351.50	77,000.00	23,648.50	69.3
REVENUE	17,021.50	17,021.50	34,200.00	17,178.50	49.8
SALE OF PROPERTY	700.00	700.00	6,500.00	5,800.00	10.8
INTERFUND TRANSFERS IN	369,032.85	369,032.85	492,043.75	123,010.90	75.0
OTHER REVENUE	44,296.16	44,296.16	225,000.00	180,703.84	19.7
STATE DEBT SERVICE	960,099.00	960,099.00	976,276.00	16,177.00	98.3
REIMBURSME					
	7,120,987.52	7,120,987.52	11,238,777.39	4,117,789.87	63.4
EXPENDITURES					
CITY COUNCIL	11,630.56	11,630.56	19,788.16	8,157.60	58.8
CITY CLERK	188,394.40	188,394.40	246,211.61	57,817.21	76.5
CITY MANAGER	264,626.44	264,626.44	399,368.41	134,741.97	66.3
FINANCE	308,760.33	308,760.33	423,517.81	114,757.48	72.9
PLANNING DEPARTMENT EXPENSE	159,333.49	159,333.49	212,763.46	53,429.97	74.9
PLANNING COMMISSION	530.48	530.48	6,500.00	5,969.52	8.2
DEPARTMENT OF MOTOR VEHICLE	53,763.21	53,763.21	76,825.96	23,062.75	70.0
LAW ENFORCEMENT	625,405.04	625,405.04	892,295.09	266,890.05	70.1
JAIL OPERATIONS	153,278.53	153,278.53	231,298.95	78,020.42	66.3
FIRE & EMS	223,679.90	223,679.90	320,000.18	96,320.28	69.9
DISASTER MANAGEMENT DEPT.	148.72	148.72	7,500.00	7,351.28	2.0
INFORMATION SERVICES	384,149.64	384,149.64	472,652.75	88,503.11	81.3
FACILITY UTILITIES	129,665.02	129,665.02	156,300.00	26,634.98	83.0
PW ADMINISTRATION	97,876.52	97,876.52	122,272.32	24,395.80	80.1
FACILITY MAINTENANCE	191,638.16	191,638.16	211,713.28	20,075.12	90.5
STREET MAINTENANCE	407,328.79	407,328.79	619,784.04	212,455.25	65.7
SNOW REMOVAL	28,349.36	28,349.36	79,650.00	51,300.64	35.6
EQUIPMENT MAINTENANCE	249,196.81	249,196.81	299,779.39	50,582.58	83.1
PARKS MAINTENANCE	80,086.34	80,086.34	103,904.25	23,817.91	77.1
CEMETERY MAINTENANCE DEPT.	6,745.92	6,745.92	8,275.00	1,529.08	81.5
RECREATION - BIDARKI	294,760.55	294,760.55	406,073.52	111,312.97	72.6
POOL	235,857.16	235,857.16	284,467.98	48,610.82	82.9
SKI HILL	56,436.94	56,436.94	58,400.00	1,963.06	96.6
NON-DEPARTMENTAL	370,675.14	370,675.14	352,745.00	(17,930.14)	105.1
LONG TERM DEBT SERVICE	1,628,261.16	1,628,261.16	1,699,924.00	71,662.84	95.8
INTERFUND TRANSFERS OUT	978,592.07	978,592.07	978,592.07	.00	100.0
TRANSFERS TO OTHER ENTITIES	2,325,743.42	2,325,743.42	3,101,983.16	776,239.74	75.0
	9,454,914.10	9,454,914.10	11,792,586.39	2,337,672.29	80.2

CITY OF CORDOVA
FUND SUMMARY
FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2013

	PERIOD ACTUAL	YTD ACTUAL	BUDGET	VARIANCE	PCNT
<u>REVENUE</u>					
101 GENERAL FUND	7,120,987.52	7,120,987.52	11,238,777.39	4,117,789.87	63.4
104 CITY PERMANENT FUND	1,175,964.59	1,175,964.59	1,210,007.93	34,043.34	97.2
203 FIRE DEPT. VEHICLE ACQUISITION	51,253.88	51,253.88	10,000.00	(41,253.88)	512.5
205 VEHICLE REMOVAL/IMPOUND FUND	33,621.00	33,621.00	33,000.00	(621.00)	101.9
401 GENERAL PROJ & GRANT ADMN	742,142.98	742,142.98	854,970.00	112,827.02	86.8
410 CHIP SEAL C.I.P.	50,000.00	50,000.00	50,000.00	.00	100.0
435 HOSPITAL REPAIR PROJECT	687,929.19	687,929.19	1,028,155.00	340,225.81	66.9
502 HARBOR ENTERPRISE FUND	1,026,620.01	1,026,620.01	1,037,570.41	10,950.40	98.9
503 SEWER ENTERPRISE FUND	552,447.05	552,447.05	731,830.00	179,382.95	75.5
504 WATER ENTERPRISE FUND	662,033.17	662,033.17	735,270.00	73,236.83	90.0
505 REFUSE ENTERPRISE FUND	676,544.75	676,544.75	942,625.00	266,080.25	71.8
506 ODIK CAMP PARK	33,457.62	33,457.62	61,167.25	27,709.63	54.7
602 HARBOR & PORT PROJECTS	1,044,025.64	1,044,025.64	103,235.00	(940,790.64)	1011.3
603 SEWER PROJECTS	104,857.00	104,857.00	709,857.00	605,000.00	14.8
604 WATER PROJECTS	12,935.20	12,935.20	.00	(12,935.20)	.0
605 SOLID WASTE PROJECTS	284,000.00	284,000.00	1,506,000.00	1,222,000.00	18.9
654 LT2 COMPLIANCE PROJECT	8,624.73	8,624.73	3,605,000.00	3,596,375.27	.2
702 HARBOR FUND DEP'N RESERVE	75,000.00	75,000.00	75,000.00	.00	100.0
703 SEWER FUND DEP'N RESERVE	100,000.00	100,000.00	100,000.00	.00	100.0
704 WATER FUND DEP'N RESERVE	100,000.00	100,000.00	100,000.00	.00	100.0
705 REFUSE FUND DEP'N RESERVE FUN	75,000.00	75,000.00	75,000.00	.00	100.0
805 LANDFILL FUND	50,000.00	50,000.00	25,000.00	(25,000.00)	200.0
911 E-911 SPECIAL REVENUE FUND	1,484.78	1,484.78	.00	(1,484.78)	.0
	14,668,929.11	14,668,929.11	24,232,464.98	9,563,535.87	60.5

<u>EXPENDITURES</u>					
101 GENERAL FUND	9,454,914.10	9,454,914.10	11,792,586.39	2,337,672.29	80.2
104 CITY PERMANENT FUND	466,787.93	466,787.93	466,787.93	.00	100.0
203 FIRE DEPT. VEHICLE ACQUISITION	4,137.00	4,137.00	.00	(4,137.00)	.0
205 VEHICLE REMOVAL/IMPOUND FUND	1,926.89	1,926.89	.00	(1,926.89)	.0
401 GENERAL PROJ & GRANT ADMN	427,735.93	427,735.93	994,735.50	566,999.57	43.0
410 CHIP SEAL C.I.P.	40,286.05	40,286.05	50,000.00	9,713.95	80.6
435 HOSPITAL REPAIR PROJECT	509,376.13	509,376.13	1,028,155.00	518,778.87	49.5
502 HARBOR ENTERPRISE FUND	791,359.20	791,359.20	1,037,570.41	246,211.21	76.3
503 SEWER ENTERPRISE FUND	630,867.35	630,867.35	731,830.00	100,962.65	86.2
504 WATER ENTERPRISE FUND	553,493.72	553,493.72	735,270.00	181,776.28	75.3
505 REFUSE ENTERPRISE FUND	782,260.65	782,260.65	942,625.00	160,364.35	83.0
506 ODIK CAMP PARK	28,032.03	28,032.03	57,255.25	29,223.22	49.0
602 HARBOR & PORT PROJECTS	362,385.00	362,385.00	103,235.00	(259,150.00)	351.0
603 SEWER PROJECTS	.00	.00	709,857.00	709,857.00	.0
605 SOLID WASTE PROJECTS	201,724.38	201,724.38	1,506,000.00	1,304,275.62	13.4
654 LT2 COMPLIANCE PROJECT	328,469.62	328,469.62	3,605,000.00	3,276,530.38	9.1
702 HARBOR FUND DEP'N RESERVE	103,235.00	103,235.00	103,235.00	.00	100.0
703 SEWER FUND DEP'N RESERVE	104,857.00	104,857.00	104,857.00	.00	100.0
705 REFUSE FUND DEP'N RESERVE FUN	284,000.00	284,000.00	284,000.00	.00	100.0
	15,075,847.98	15,075,847.98	24,252,999.48	9,177,151.50	62.2

CITY OF CORDOVA
REVENUES WITH COMPARISON TO BUDGET FOR
THE 9 MONTHS ENDING SEPTEMBER 30, 2013

CORDOVA CENTER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEARNED	PCNT
	<u>REVENUE</u>					
426-300-42210	MISC DONATIONS	100.00	100.00	.00	(100.00)	.0
	TOTAL REVENUE	100.00	100.00	.00	(100.00)	.0
	<u>GRANT REVENUE</u>					
426-310-45480	EVOSTC - FED GRANT	1,054,715.37	1,054,715.37	.00	(1,054,715.37)	.0
	TOTAL GRANT REVENUE	1,054,715.37	1,054,715.37	.00	(1,054,715.37)	.0
	TOTAL FUND REVENUE	1,054,815.37	1,054,815.37	.00	(1,054,815.37)	.0

CITY OF CORDOVA
EXPENDITURES WITH COMPARISON TO BUDGET
FOR THE 9 MONTHS ENDING SEPTEMBER 30, 2013

CORDOVA CENTER FUND

		PERIOD ACTUAL	YTD ACTUAL	BUDGET	UNEXPENDED	PCNT
	<u>PHSE I - FROM CITY MONEY</u>					
426-401-52180	PROFESSIONAL SERVICES	384,634.51	384,634.51	38,600.00	(346,034.51)	996.5
426-401-52185	CORDOVA CENTER REA	70,061.63	70,061.63	.00	(70,061.63)	.0
426-401-70110	ADMINISTRATION	1,996.58	1,996.58	.00	(1,996.58)	.0
426-401-70130	CONSTRUCTION	900,209.12	900,209.12	.00	(900,209.12)	.0
426-401-70140	CONSTRUCTION MANAGMENT	17,692.70	17,692.70	.00	(17,692.70)	.0
426-401-70160	ART	5,220.00	5,220.00	.00	(5,220.00)	.0
	TOTAL PHSE I - FROM CITY MONEY	1,379,814.54	1,379,814.54	38,600.00	(1,341,214.54)	3574.7
	<u>PHSE II - FROM CITY MONEY</u>					
426-402-70110	ADMINISTRATION	1,036.28	1,036.28	.00	(1,036.28)	.0
426-402-70140	CONSTRUCTIO MANAGMENT	27,700.00	27,700.00	.00	(27,700.00)	.0
	TOTAL PHSE II - FROM CITY MONEY	28,736.28	28,736.28	.00	(28,736.28)	.0
	TOTAL FUND EXPENDITURES	1,408,550.82	1,408,550.82	38,600.00	(1,369,950.82)	3649.1



City of Cordova,
Office of the City Clerk
Cordova, AK 99574
602 Railroad Avenue * PO Box 1210

Phone: 907.424.6248
Fax: 907.424.6000
Cell: 907.253.6248
E-mail: cityclerk@cityofcordova.net

CITY CLERK'S REPORT TO COUNCIL

November 06, 2013 Regular Council Meeting

Date of Report: October 28, 2013

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

- I am presently advertising for 4 Parks and Rec seats and 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: Nov 21 – 29 (5 days off); 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 budget work sessions on 10/16 & 10/30, special meetings on 10/23 & 10/30, regular mtg on 11-06-13
- Attended Department Head meetings on October 22 & October 29
- Prepared liquor license renewal items for inclusion in regular meeting packet
- Prepared ads for board/commission vacancies
- Researched cemetery request from a citizen, and answered a water quality question
- Helped a council member with financial questions regarding old audits/ property tax rates/ sales tax rates
- Compiled a list of mill rates and sales tax rates from 1973 to the present
- Helped clean-up in first City Staff clean-up effort on October 23
- Placed two orders for supplies
- Helped prepare Sobriety Celebration proclamation for approval tonight
- Compiled the rest of staff's 3rd quarter reports for inclusion in tonight's packet
- Helped with printing, getting signed, mailing, the letter in tonight's packet from Mayor to Governor
- Still catching up on minutes – trying to stay ahead, difficult with work sessions, special meetings, regular meeting...start again
- Deputy Clerk is beginning prep for 2014 roll – assessor coming to town week of November 4

To: City Council
City of Cordova

10/10/13

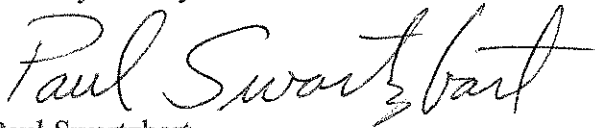
From: Sheridan Alpine Association

Subject: Request for Insurance Reimbursement as required by section 5.13 of the Contract for Ski Area Management Services, July 14, 2013.

Sheridan Alpine Association, the contractor for operating the city owned Mt. Eyak Ski Area is requesting reimbursement for \$10,811.85 spent on 3/18/13 for general liability insurance as outlined in section 6.3 of the Contract for for Ski Area Management Services of 2/18/1994 that was in effect prior to the new contract of 7/14/13.

Sheridan Alpine is also requesting for funds to be budgeted for insurance that will be due on 3/18/14.

Thank you for your consideration

A handwritten signature in cursive script that reads "Paul Swartzbart". The signature is written in black ink and is positioned above the printed name.

Paul Swartzbart
President, Sheridan Alpine Association
PO Box 2446
Cordova

Sheridan Alpine Association

Mt. Eyak Ski Area
PO Box 2446
Cordova, AK 99574

Wells Fargo Bank, N.A.
Anchorage, AK

5920

3/18/2013

PAY TO THE ORDER OF Brown Agency

\$ **10,811.85

Ten Thousand Eight Hundred Eleven and 85/100*****

DOLLARS

Brown Agency
110 South Willow Street
Suite #106
Kenai, AK 99611

CLIENT COPY

Security features included. Details on back.

Memo

⑈005920⑈ ⑆125200057⑆ 0030149592⑈

Sheridan Alpine Association

Brown Agency

3/18/2013

5920

10,811.85

OPERATIONS - 9592

10,811.85

Sheridan Alpine Association

Brown Agency

3/18/2013

5920

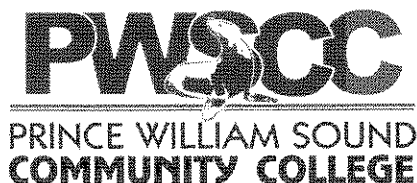
10,811.85

OPERATIONS - 9592

10,811.85

84

GOLD LINEN



Cordova Extension Campus

Susan Harding, Director
P. O. Box 1248
Cordova, Alaska 99574
Tel: (907) 424-7598
Fax: (907) 424-7588

RECEIVED
OCT 15 2013
City of Cordova

October 14, 2013

Dear Mayor Kacsh and Council Members Allison, Burton, Bradford, Cheshier, Joyce, Reggiani, and Carpenter,

Prince William Sound Community College (PWSCC) wishes to thank you for your past support and for the opportunity to partner with the City of Cordova and the School District to offer college courses through the Cordova Extension campus to high school students who anticipate going to college upon graduation.

As I am sure you are aware, the cost of education is high and goes higher each year. As we serve those high school students and adults in our community, we seek to give them the best possible education and to make the needed resources available for their use.

In the past, the City of Cordova funded PWSCC in the amount of \$10,000 yearly. We would deeply appreciate your consideration for refunding this amount in your current budget planning. While this would in no way meet all of our costs, it would be extremely beneficial to our campus.

If we can supply you with other pertinent information, please do not hesitate to contact me. Thank you for your consideration and support.

Sincerely,

A handwritten signature in cursive script that reads "Susan Harding".

Susan Harding

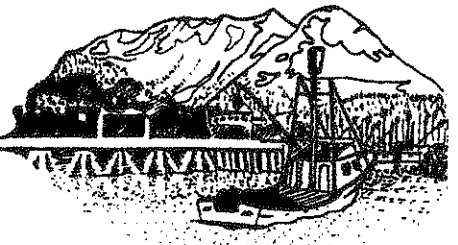
Director, Cordova Extension Campus, PWSCC

Cc.

Dr. Jacob Ng
Steve Shiell

President, PWSCC
Director, Office of Administrative Services, PWSCC

CITY OF CORDOVA



The Honorable Sean Parnell
Governor, State of Alaska
Capitol Building
P.O. Box 110001
Juneau, Alaska 99811-0001

17 October 2013

Dear Governor Parnell:

The purpose of this letter is to express our concerns, as Mayor and Councilors of the City of Cordova, with the continued closure of the Alaskan Marine Highway System (AMHS) Ferry's Whittier dock.

In late September, the undersigned forwarded a letter (enclosure 1) to DOT's Commissioner Kemp, soliciting his and his staff's assistance and support in rapidly moving forward to open the Whittier Dock. We acknowledged the complexity and costs of fixing the dock, but underscored the enormous economic and social impact the dock's closure has had on Cordova and communities across Prince William Sound. Unfortunately we have not received a response to that correspondence. On 24 September, our Chamber of Commerce forwarded Commissioner Kemp a similar letter (enclosure 2) that not only addressed the Whittier closure, but raised more systemic concerns with the AMHS, including scheduling and proposed rate changes.

We now ask for your personal attention and intervention in this matter. The latest unofficial reports reaching Cordova suggest the Whittier-Cordova route will down through mid-November. Our airport and the Whittier-Cordova ferry route are our basic lifelines to Alaska and the rest of the world. While ferry patrons can travel to Valdez, as Governor you know and appreciate not only the challenges of winter-time driving 6 or 7 hours to Anchorage, but the enormous economic costs to Cordova and other Prince William Sound communities without ferry service to Whittier. If Glenn Highway at JBER were to be closed for nearly three months, what would you suspect the reaction of citizens from Palmer, Wasilla, and Eagle River would be? Cordova and Cordovans need your help.

As you know, for some time we have been aggressively working on funding and completing construction of the Cordova Center, which will be a fiscal juggernaut for the city and the region. That plan though relies significantly on the availability of reliable, cost effective transportation into and out of city. As noted in the letter to Commissioner Kemp, every day the Whittier ramp remains closed, visitors, citizens and businesses grow more skeptical of the value and predictability of the ferry system. We always understand and respect weather or safety related delays or closures, but this extended infrastructure-based closure is different. We urgently appeal for your active involvement and oversight in this issue. We encourage you to press those responsible for a quick resolution, and ask that you consider the economic impact the closure has had on our community during next year's budgetary process.

Most Respectfully,

Mayor Jim Kacsh

Councilor Bret Bradford

Councilor David Reggiani

Councilor David Allison

Councilor E.J. Cheshier

Councilor K. Smith Carpenter

Councilor James Burton

Councilor Tim Joyce

CF:

Senator Gary Stevens

Representative Alan Austerman

Mr. Patrick Kemp, Commissioner, DOT

Mr. Reuben Yost: Deputy Commissioner, AMHS

Captain John Falvey, GM, AMHS

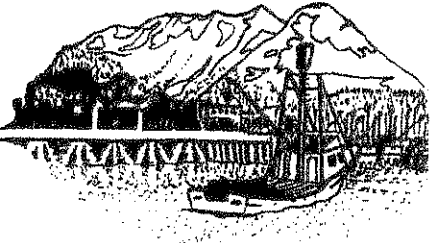
Mayor Dave Cobb, Valdez, Alaska

Mayor Pat Branson, Kodiak, Alaska

Vice Mayor Daniel Blair, Whittier, Alaska

Ms. J. Gibbins, Cordova Times

CITY OF CORDOVA



11 September 2013

Mr. Patrick J. Kemp
Commissioner, Alaska DOT&PF
P.O. Box 112500
3132 Channel Drive
Juneau, Alaska 99811-2500

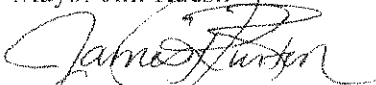
Dear Commissioner Kemp:

This letter is from the Mayor and a majority of the City Council of Cordova to express our concerns with the extended closure of the Whittier dock and the extended dry dock of the M/V Tustumena, and to solicit your and your staff's support for greater investment in the overall Marine Highway System's infrastructure.

With ever tightening budgets and near unprecedented stringent fiscal constraints, we appreciate the challenges you face in meeting the transportation needs of America's largest, most geographically challenging state. That said, we know you fully understand and appreciate the absolutely vital role the AMHS plays within the entire economic, cultural, social and educational fabric of communities along the Pacific Alaskan coast. The AMHS Ferry and the Merle K. "Mudhole" Smith Airport are far more than water and air corridors serving Cordova, they are literally our lifeline to the rest of Alaska, the U.S. and the world. Since the recent closure of the Whittier AMHS dock, not only have our residents and businesses struggled to find transportation alternatives for goods, services and travel, but now, with the extended length of dock repairs, there have been exponential negative effects on everything from scheduling school and medical activities to tourism. For example, there is every evidence of a direct correlation between the historically low attendance at last week's Cordova "Fungus Festival", and the continued inability to travel from Palmer, Eagle River, Anchorage, Wasilla, Seward and the Kenai Peninsula without having to drive to Valdez.

Over the last two years we've seen measurable declines in tourist and tourism based spending with the closure of the Mile 39 Bridge serving Childs Glacier. Cordovans are experiencing some dramatically painful economic and social consequences with the ferry closures of 2012, and this year, and have grown more skeptical of and concerned with the predictability of the ferry system. We certainly understand weather or safety related delays or closures, but extended down time from possibly preventable maintenance or infrastructure matters are different. Thus, we urgently appeal for continued emphasis to the sustainment of resources and manpower to ensure the Alaska Maine Highway System is safe, economical and reliable.

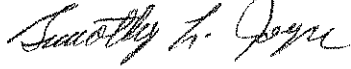
Most Respectfully,


Mayor Jim Kacsh
Councilor James Burton
Councilor E.J. Cheshier

Councilor David Reggiani


Councilor David Allison
Councilor Bret Bradford

Councilor Tim Joyce


Councilor K. Smith Carpenter
K. Smith Carpenter

CC:

Mr. Reuben Yost, Deputy Commissioner, AMHS

Captain John Falvey, GM, AMHS

Senator Gary Stevens

Representative Alan Austerman

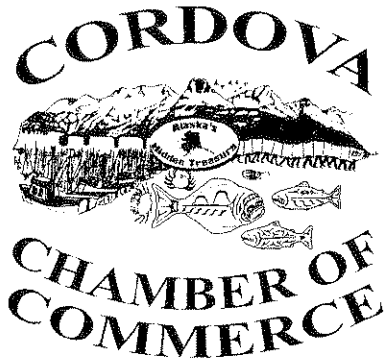
Mayor Dave Cobb, Valdez, Alaska

Mayor Pat Branson, Kodiak, Alaska

Vice Mayor Daniel Blair, Whittier, Alaska

Robert Venables, Chairman MTAB

Ms. J. Gibbins, Cordova Times



Cordova Chamber of Commerce
PO Box 99
Cordova, AK 99574
907-424-7260
www.cordovachamber.net

Board of Directors

Kelsey Appleton, SERVS/CDFU
Joel Azure, ex-officio, Native Village of Eyak
Theresa Benson, ex-officio, USFS
Mimi Briggs, Alaskan Hotel/Cordova Museum
Jennifer Gibbins, The Cordova Times
Steve Graves, Nichols/Killer Whale Cafe
Katrina Hoffman, Prince William Sound Science Center/OSRI
Jim Kacsh, Mayor of Cordova, Anchor Marine/NAPA
Kim Kiml, USFS
Dan Logan
Cathy Long, Cordova Wireless
Randy Robertson, ex-officio, Cordova City Manager
Osa Schultz, Mobile Grid/Pet Projects
Lynn Steen, Serendipitea
Thea Thomas, Fisherman, Copper River/Prince William Sound Marketing Assoc.
Wendy Ranney, Orca Adventure Lodge
Mike Sarnowski, ex-officio, USCG

Christa Hoover, Program Director

September 24, 2013

Patrick J. Kemp, P.E.
Commissioner
Alaska Department of Transportation & Public Facilities
3132 Channel Drive
PO Box 112500
Juneau, AK 99811-2500

Dear Commissioner Kemp:

The community of Cordova has historically had a close relationship with AMHS and this has never been more true than it is today. Ferry service, and particularly fast ferry service, is threaded through every aspect of our lives from our town's economy to the students in our schools.

This success is no casual development within AMHS. The Alaska State Legislature, MTAB and AMHS have been working since 2006 to stabilize AMHS operations with an end goal of containing costs *and* building up ridership.

However, there is a growing concern among residents and visitors surrounding AMHS service to and from Cordova. These concerns appear to fall in to three categories: communication, schedule and rates.

Recognizing that the issues that AMHS deals with everyday are enormously complex, the purpose of this letter is to draw your attention to issues so that we may once again work together to effectively and successfully address them.

Communication

Comments from residents, businesses and visitors indicate that communication is an ongoing issue. Most recently, as the Whittier ramp situation unfolded, residents, business and leisure travelers have indicated that communication from AMHS is not meeting their needs.

Schedule

Due to the high number of weather cancellations in 2012 and the recent closure of the AMHS Whittier ramp, residents and visitors are increasingly hesitant to plan travel around AMHS, describing AMHS service as unreliable. Regrettably, this is another issue exacerbated by the Whittier ramp situation.

There is additional feedback from local business that the recently announced schedule going into effect September 26, is too limited. The announced Thursday-Sunday schedule increases travel costs for individuals and businesses with weekday travel needs, effectively stranding them in one

location for Monday, Tuesday and Wednesday. This adds to hotel costs, time away from jobs and school, etc.

Rates

It has come to our attention that there may be plans within AMHS to eliminate the off-season 30% discount and “driver goes free” programs. This would be a significant blow to the community in any year, but all the more in these tough financial times.

It is most certainly a catastrophic blow when combined with recent perceptions that AMHS travel is becoming unreliable, and the costs and challenges associated with closure of the Whittier port. Travelers between Cordova and Anchorage, two primary in-state AMHS markets, now face an additional 600 mile road trip through Thompson pass, a hazardous winter travel route. These issues are perhaps most burdensome for families and members of the community on restricted income who have “necessary” to travel to Anchorage, but they are no less an issue for businesses trying to meet costs or tourism travelers.

Moving forward

Cordova is a small community big on pride and this includes our relationship with AMHS. We are home port for the Chenega and enthusiastically share the wonders of AMHS travel with friends, family and visitors.

In 2012, the AMHS Marketing and Action Plan was a tangible outcome of these efforts. The plan specifically identified AMHS’s primary market as “Alaskans who live in or near port communities.” In addition to putting a priority on increased consumer awareness, AMHS set forth a goal to “encourage Alaskans to utilize the ferry system during the off-peak season” and to “increase traffic by promoting seasonal specials.” For out of state visitors, the plan identified AMHS as a “relaxed and casual way to travel” and a “National Scenic Byway and All American Road”. The plan stated that AMHS should be marketed as “affordable, year-round passenger and vehicle service.”

The Cordova Chamber and AMHS have worked in partnership to realize these goals. As a result, Prince William Sound has been a shining example of success. AMHS data shows that ridership in Prince William Sound has continued to increase over the past several years, both in the summer tourist season and the off-peak season.

AMHS is integral to our commercial fishery from early spring when members of the fleet return, to delivering shipments of fish to market throughout the season. Our local businesses depend upon AMHS for supplying goods and services to residents. This not only helps keep local small business in business, but it keeps more dollars in state. *One local business estimates that they now spend \$500,000 annually in state that previously had gone out of state. And that is just one example.* The students in our schools utilize AMHS to compete in state level academic and athletic competition. Conversely, Cordova is able to host teams from around the state.

As Cordova works to diversify and expand its economy, AMHS has been a vital partner with the Cordova Chamber of Commerce. The Cordova Chamber of Commerce actively promotes AMHS as a relaxed and casual way to travel to Cordova for family vacation, festivals and events. Through co-branded marketing and incentives, we have successfully increased tourism to Cordova via AMHS. This partnership is especially important since the closure of the Copper River Highway Mile 39 Bridge, serving Child’s Glacier, as we work to bring many other area assets to the attention of travelers.

Furthermore, as we look to the opening of the Cordova Center, our new state-of-the art community center and meeting facility, the Center's business plan specifically links potential meeting and conference markets to the AMHS, promising to bring more business to Cordova and AMHS.

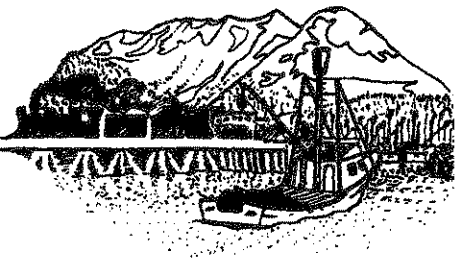
As to be expected, the close relationship between AMHS and Cordova is not without problems. However, Cordova and AMHS have worked well in past years to address issues as they arise - adding runs, offering incentives, trouble shooting as needed. Most recently, agents at the Cordova ferry terminal were recipients of the 2013 Governor's Denali Peak Performance Award for Customer Service Excellence, presented by Governor Sean Parnell. The team was selected from among 200 nominees across numerous state agencies due in large part for their attention to customers during 2012, a year in which we saw an abnormally high number of cancellations due to weather or repairs. A total of 19 cancellations occurred during this period, with at one point cancellations six days in a row. Thanks to the superb service from these AMHS staff members, we weathered the storm!

We appreciate the complexity of delivering AMHS service across the state. Nonetheless, we would like to open a dialogue with you to increase understanding of these issues on both sides so that we may work together to ensure the future of a vibrant and successful relationship that has become integral to the well being of Cordova and the Alaska Marine Highway.

Thank you very much for your consideration.

Sincerely,

CITY OF CORDOVA



October 22, 2013

The Honorable Sean Parnell
Governor of Alaska
State Capitol Building
Juneau, Alaska 99811

Dear Governor Parnell:

Thank you for discussing Cordova's budget priorities yesterday via teleconference. It's the season of year between the end of summer and the holidays when schedules are busy, and your time is appreciated.

Completion of the Cordova Center is the top priority of this community for the state capital budget. Our total budget for completion is \$25.5 million, and includes multiple public and private funding sources. We are requesting \$6.7 million in the FY15 capital budget, and have provided OMB and the Legislature with extensive documentation of the project.

Cordova is a community blessed to be located on Prince William Sound and the Copper River Delta, and we are working to keep a thriving economy. Thousands of jobs and millions of dollars are generated from our local seafood and transportation industries, all of which are a credit to state and local efforts to sustainably manage and support development of the resource.

As Alaska's Governor, it would be an honor to have you and the First Lady visit Cordova next year. Please let us know anytime that is convenient.

Thank you again. We will work hard to keep you and our legislators informed about our efforts to complete the Cordova Center.

Sincerely,

James Kacsh, Mayor
City of Cordova



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Transportation
and Public Facilities

NORTHERN REGION
Design and Engineering Services
Preliminary Design and Environmental

2301 Peger Road
Fairbanks, Alaska 99709-5316
Main: 907-451-2237
TDD: 907-451-2363
Fax: 907-451-5126

October 23, 2013

RECEIVED
OCT 28 2013
City of Cordova

Ms. Susan Bourgeois
Cordova City Clerk
602 Railroad Avenue
Cordova, Alaska 99574

Dear Ms. Bourgeois:

Re: City of Cordova Resolution 03-10-14

In 2010, the Department of Transportation and Public Facilities (DOT&PF) received the above referenced resolution requesting a speed limit reduction from 35 mph to 25 mph on Whitshed Road between the Copper River Highway and the Orca Inlet Recreational Area. It is our understanding that this request was based on increased pedestrian use resulting from construction of the recreational area in 2008. On behalf of the DOT&PF, please accept our apologies for the delayed response. As you may be aware, we had some staffing changes and wished to gather new data to have more comprehensive picture of driver behavior in the area.

The practice of establishing speed limits relies on the notion that the speed limit should represent the speed at which 85% of the driving population will voluntarily obey the posted speed. In certain circumstances, DOT&PF policy allows a reduction in posted speed to the median of the pace, which is the 10-mph speed range that includes the largest number of vehicles. A copy of the policy is attached for your information.

Initial data gathering occurred in 2011. It was suggested to us by a Cordova resident that the initial data gathering may have occurred on a day when travel patterns would not reflect typical conditions. As such, data was gathered again in 2013 when it could be coordinated with other field work. We also inquired if our planning section had collected any speed data during their traffic counting program. They provided us with data from their count on Whitshed Rd in 2012. This data is used cautiously as it is reported in 5 mph increments; however it gives a general idea of travel speeds. Overall, we have over 1800 data points for consideration.

Below is a summary of the three sets of data:

Date	Location	Number of observations	85% speed	Median of Pace
May 16, 2011	Intersection with Whiskey Ridge Rd in church parking lot	50	34 mph	33 mph
September 10-11, 2012	City Power Shed entrance	1624	45 mph	40 mph
September 10, 2013	Heney Creek Watershed access	136	37 mph	35 mph

Based on our measurements, the existing speed limit is perceived as reasonable by the majority of drivers. Further, the median of the pace speed also supports retaining the existing 35 mph speed limit. As the existing speed limit aligns with DOT&PF policy, we will not be making changes to the posted speed limit at this time.

Please call me at 907-451-2283 if you have any questions about how speed limits are established or how our data was collected.

Sincerely,



Pam Golden, P.E.
Northern Region Traffic and Safety Engineer

Enclosures

pg/ss⁶

October 23, 2013

Hello All:

This is a quick letter directed to city leaders, school administrators, school board members and varsity basketball coaches to give you more information about a new non-profit corporation my wife Margaret and I are forming and what we will be up to in the near future.

We decided to start a non-profit dedicated to youth sports in Cordova. We believe that through sports kids learn important lessons that can help them in life. We are saddened at how many young kids in this town are using drugs and drinking and making bad life choices and we want to provide a venue in which positive role models (coaches) can support kids, lead by example and also teach fundamental and advanced sports skills through both recreational and competitive team sports.

The name of the company is Cordova Amateur Youth Athletics Corporation (CAYAC). The Articles of Incorporation will be filed this week. The company's structure will be a five member board with an additional two or three ex-officio (non-voting) members (one of whom will be a member of the City Parks and Recreation Department). A first copy of the bylaws has been drafted but will be amended and then be further modified/adopted by the board in a month or so. Following that the application for non-profit status will be sent in – this process may take six months.

In the meantime this is what we have already accomplished. And by "we" I mean me and Margaret. The first sports program we will be implementing is basketball. This last weekend, over a period of three days, 17 basketball coaches were trained. We flew Fred Crowell of NBC Camps in to train these coaches in a basketball system that he has developed over his 40 year coaching career. We are designing a program around a proven system of teaching fundamental basketball skills to kids at the NBC Camps. All the coaches must be trained in this system to coach in our league. Fred Crowell and NBC Camps will partner with CAYAC for two years, if we can afford them, to help us build this program.

We feel that in two years Cordova will have a very strong youth basketball program and in four years we should see some serious ballplayers entering junior high and high school. The leagues will consist of both recreational and competitive teams. Recreational means that all players in each division get equal playing time regardless of skill or athletic ability. Competitive teams will be comprised of individual players that are good players. Eventually, probably within a year and a half or so, we will enter into the Amateur Athletic Union (AAU) with our competitive teams and travel to tournaments.

Our first six week league season will begin the week of November 4. The exact structure will depend upon how many kids sign up to play but the general structure will be based on three divisions. The kids will be split up into 3 & 4 grades, 5 & 6 grades and 7 & 8 grades. Second graders will also be allowed to try out for the 3 & 4 grade teams but they may not make the teams. There is a head coach, a division coach for each division and individual coaches within the divisions. Again, depending upon the turnout, certain grade divisions may play co-ed. Practice will be five days a week. Two days will be entirely

dedicated to fundamental skills at skill stations with three days dedicated to learning both fundamental skills and some basic offense and defense. The first two weeks of the season will be 3 on 3 play only. The second two weeks will be 4 on 4 play only. The last two weeks will be 5 on 5 play. The 7 year olds will be learning the same exact skills as the 13 year olds. There will be absolutely no emphasis on winning games during this first season. The emphasis will be on learning skills. There will be no competitive team division during this first six week session. Effectively, this first season will be a six week long, one hour a day, basketball camp.

We expect this program to have a huge impact on our entire community, not just on the kids, and we are really excited about it. We are tentatively planning another basketball season in spring, possibly in March and April. We also have tentative plans to bring NBC Camps to Cordova in September for another coaches clinic and a kids basketball camp. We are discussing a kids camp in April as well. These decisions will be made by the board of directors.

For the first, six week season, we are partnering with the Bidarki Recreation Center. Bidarki will be handling the sign up of the students and absorbing all the liability since our company is not up and running yet. The Company will handle every other aspect of the training. A Bidarki employee is one of our division coaches.

So now you should have a decent understanding of what we are doing this fall. Here's what we need from you: We need your support. We need the gyms and we need a small space in the Mt. Eccles gym to store basketballs, uniforms and other related items. About a month ago we signed up for seven weeks of gym time starting November 4 - six days a week under the name Cordova Youth Hoops. We have only received confirmation that we get the gym for one week. We need your assurance, as administrators, that you will support this program. We fully understand that there will be conflicts and that we will occasionally be bumped, but we cannot run a program one week at a time. We need to develop an excellent working relationship with you and we intend to do our part to reach out to you. Kids will be required to wear non-street shoes in the gyms. We will sweep the gyms. We will take care of the facilities. We would also like to, at some point, provide Bidarki, Mt. Eccles and the Jr/Sr High School with new basketballs.

This will be the best basketball program in the State of Alaska in a few years.

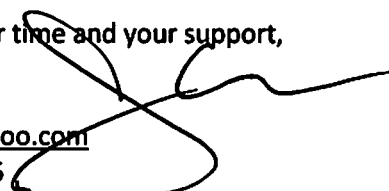
The corporation, once it is up and running, will be available for the entire community to support and implement other youth sporting teams and events and to provide a channel through which tax-deductible monies can flow to these types of programs. Our intent is to develop good athletes, good ballplayers and more importantly - good kids. If you have any questions please give me a call or send me an email.

Thank you for your time and your support,

Joe Arvidson

cjoearvidson@yahoo.com

Cell: 907-429-7095





Chris Bulera
Marine Manager for Polar Tankers
Global Marine, ConocoPhillips
Office: (281) 293-6135
Cell: (832) 620-6270
Email: christopher.j.bulera@cop.com



10/11/13

Tony Schinella
City of Cordova
PO Box 1210
Cordova, AK 99574

Dear Tony,

On behalf of Polar Tankers, Inc. and ConocoPhillips, I would like to recognize and thank you for your contribution to our successful 2013 Prince William Sound Response Exercise.

Your participation in the "Regional Stakeholders Committee" was vital to its success. It is our hope that you found the stakeholder process valuable and a foundation to build upon in the future. I hope you found the drill and your accommodations satisfactory, and look forward to working with the City of Cordova in the future.

Again, thank you for your efforts and participation.

Chris Bulera
Marine Manager for Polar Tankers
Global Marine, ConocoPhillips
Office: (281) 293-6135
Cell: (832) 620-6270
Email: christopher.j.bulera@cop.com

Cc: Jim Kasch



CITY OF CORDOVA

Office of City Manager

City of Cordova
602 Railroad Ave.
P.O. Box 1210
Cordova, Alaska 99574

Phone: (907) 424-6200

Fax: (907) 424-6000

Email: citymanager@cityofcordova.net

Web: www.cityofcordova.net

To: Mayor and City Council
From: Randy Robertson, City Manager
Subject: Resolution 11-13-61
Date: October 30, 2013

Previously on June 13, 2013, City Council appropriated funds from the Cordova Center Project Fund Balance to be used for invoices from consultants and contractors related to the city's defense efforts. At that time, it was acknowledged that the amount appropriated would not be enough to take this dispute through arbitration. These appropriated funds have been expended.

Resolution 11-13-61 appropriates \$550,000 from the Cordova Center Project Fund balance to be utilized to pay consultant fees, legal services, sustain the capital campaign and begin the 1% for art projects. It also addresses any preliminary work with Dawson Construction prior to beginning Phase II. Budget details should be available by the date of the meeting for council's review.

There is a balance of \$876,177.63 remaining in this fund. Legal Services relating to the Phase I Construction irregularities are not reimbursable with EVOSTC funds.

**CITY OF CORDOVA, ALASKA
RESOLUTION 11-13-61**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
APPROPRIATING \$550,000 FROM THE CORDOVA CENTER FUND BALANCE TO
PAY NECESSARY PROFESSIONAL SERVICES AND OTHER COSTS RELATED TO
THE CORDOVA CENTER CONSTRUCTION PROJECT**

WHEREAS, the City of Cordova, through its legal counsel, has engaged the services of the consultant firms, OAC and Demand Construction Services, to review all project documents and determine the amount owed, if any, to Dokoozian and to defend the City from any future dispute regarding the amount owed; and

WHEREAS, the Capital Campaign is poised to begin for corporate and local fund-raising and requires seed funds; and

WHEREAS, the 1% for art projects integrated into the construction of the building needs to be initiated prior to the beginning of Phase II; and

WHEREAS, preliminary work with Dawson Construction is required prior to the beginning of Phase II; and

WHEREAS, there are no funds currently appropriated to continue to pay the professional services of the consultants and the other costs related to the completion of the Cordova Center.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Cordova, Alaska that the Council appropriates \$550,000 from the Cordova Center Fund Balance to pay costs of professional services and other costs related to the completion of the Cordova Center.

PASSED AND APPROVED THIS 6th DAY OF NOVEMBER, 2013.

James Kacsh, Mayor

Attest:

Susan Bourgeois, City Clerk

MANAGEMENT CONTRACT

This Agreement, made this 1st day of March 2012 ("Effective Date") is between Providence Health & Services – Washington, a Washington non-profit corporation doing business as Providence Health & Services Alaska ("Providence"), and the City of Cordova, Alaska ("Cordova" or "City").

Background

Cordova owns and operates a general acute care hospital and other health care facilities, including a long term care facility and clinic, in Cordova, Alaska, under the name Cordova Community Medical Center ("CCMC"). Pursuant to the Cordova Municipal Code, the community health services board (the "Board") is responsible for the operation of CCMC. The board members are appointed by the mayor of Cordova and confirmed by the Cordova City Council ("City Council"). However, the City Council adopts and implements all CCMC personnel policies. The City Council wishes to engage Providence to provide management services for the CCMC and to delegate to Providence the City Council's authority to appoint the health services administrator of CCMC.

Agreement

NOW, THEREFORE, in consideration of the mutual promises and obligations of the parties, Cordova and Providence agree as follows:

1. **APPOINTMENT OF PROVIDENCE.** The City Council hereby appoints Providence to manage the day-to-day operation of CCMC and delegates to Providence the authority to provide management and oversight of CCMC as set forth in this Agreement.

2. **SERVICES PROVIDED BY PROVIDENCE.**

2.1. **Health Services Administrator.** Providence shall have those powers and duties of the health services administrator as set forth in Section 14.28.020.B of the Cordova Municipal Code. To carry out these duties Providence shall hire and assign to CCMC a duly qualified administrator who will be the health services administrator for CCMC (the "Administrator"). The Administrator shall be the chief executive officer of CCMC. The Administrator will be an employee of Providence, but will be assigned on a

full-time basis to CCMC. Providence shall select the Administrator, subject to City Council's approval of the selected Administrator. Furthermore, Providence will consult with the Board when evaluating the performance of the Administrator. The Administrator shall have the duties, responsibilities and authority as set forth in Section 14.28.020.B.2 of the Cordova Municipal Code, which is incorporated into this Agreement. In addition to those duties set forth in the Code, the Administrator may be assigned additional duties from time to time as the City Council and Providence may agree. As an employee of Providence the Administrator will be subject to the direction and control of Providence. Providence will ensure continuity in the management of CCMC should the Administrator not be available to provide such services for any reason.

2.2. Management Services. Providence shall be accountable to the Board to operate CCMC consistent with applicable laws and regulations, and the policies and standards of operation as established by the Board. Prior to the Effective Date of this Agreement Providence will conduct a compliance review of CCMC. If this review indicates CCMC is not in compliance with applicable laws and policies, Providence will recommend a work plan, with target dates and accountability assigned to specific individuals, for bringing CCMC into compliance. The work plan, when approved by the City Council and Providence shall be incorporated into this Agreement. See Exhibit A. In the event that the work plan is not signed by either party, this Agreement shall be null and void regardless of whether the agreement has been executed by one or both of the parties.

2.3. Budgets. Providence shall prepare and submit to the Board on or before ninety (90) days before the end of the fiscal year of Cordova a detailed and itemized budget for CCMC for the next fiscal year. The Board and Providence must agree to any changes to the budget prior to submitting a budget for CCMC to the City Council.

2.4. Check Writing. All checks issued by CCMC shall require the signature of two persons, one of who shall be the Administrator, and the other shall be an individual or individuals designated in writing by the Board.

2.5. Employees. The Administrator shall manage all employees of CCMC subject to applicable CMCC employment policies and contracts. The Administrator shall have the authority to make hiring and firing decisions for CCMC, including establishing the terms of employment, amount of compensation and employment classification,

provided such decisions comply with applicable CCMC employment practices, pay scales, and contracts. Moreover, the Administrator's authority to hire employees for CCMC shall be in accordance with duly approved budgets for CCMC and salaries for all CCMC employees.

2.6. Contracts. Providence shall have authority to negotiate and enter into on behalf of CCMC contracts of up to \$25,000 so long as such authority complies with federal, state, and local law. Contracts in excess of this amount require the approval of the City Council.

2.7. Medical Staff. Providence shall be responsible to the Board for ensuring that the medical staff is organized and operated in accordance with applicable and duly approved medical staff bylaws and in compliance with all federal, state, and local laws. Providence may recommend to the Board amendments or revisions to the medical staff bylaws and associated policies and protocols. The Board will not amend or revise the medical staff bylaws, the associated policies and protocols, enter into contracts for professional services or grant medical staff membership or clinical privileges without first consulting Providence.

2.8. Policy Review. Providence will conduct, as needed, policy, procedure and program development reviews, and make recommendations for the creation and development of policies, procedures and programs for CCMC based on such reviews.

2.9. Accreditations Services. Providence will advise CCMC on appropriate actions and procedures that are necessary and reasonable for CCMC to take in order to receive and maintain accreditation of its behavioral services by the applicable accrediting bodies.

2.10. Recruiting. Providence will recruit for positions CCMC is seeking to fill when the recruiting for CCMC can be done without additional cost to Providence. That is, when Providence is recruiting for its own account, it will include positions for which CCMC is recruiting when doing so can be done without additional cost to Providence.

2.11. Start Up Activities. No later than January 1, 2013 Providence will provide the following services for CCMC and make recommendations accordingly to the City Council.

2.11.1. Evaluation of Operations. Providence will conduct a thorough evaluation of CCMC's operation prior to the submittal of the 2013 budget for CCMC and will identify for Cordova what Providence believes are the needs of CCMC and the priority that should be given to those needs.

2.11.2. Illanka Clinic. Providence will meet with the Illanka Clinic to determine the best methods for recruiting, hiring and retaining physicians and mid-level providers in the community.

2.11.3. Electronic Health Record. Providence will present Cordova with alternatives and recommendations for an electronic health record for CCMC.

2.11.4. Readiness Assessment. Providence will conduct a readiness assessment of CCMC and will install at CCMC, at Providence's cost, electronic intensive care unit services.

2.11.5. Performance Indicators. Providence will recommend to Cordova performance indicators, including the frequency and method of reporting, to be used in reporting to the Board and the City Council.

2.11.6. Mock Survey. Providence will conduct a mock core accreditation survey of CCMC.

2.12. Representative to Providence Community Ministry Board. In consultation with the Board, Providence shall appoint a resident of the Cordova community to serve on Providence's Regional Ministry Board. The individual shall serve on the Providence Regional Ministry Board at the pleasure of Providence.

3. FEE FOR MANAGEMENT SERVICES. For the services set forth in paragraph 2, above, Cordova shall pay Providence a fee equal to the sum of the following: (i) the salary and benefits Providence pays to the Administrator provided such amount is included in a duly approved CCMC budget, and (ii) Two Hundred Fifty Thousand (\$250,000) per year. Cordova shall pay Providence as follows: quarterly, with payments of equal amounts to be paid on January 1st, April 1st, August 1st, and December 1st of each year. Any adjustments to the salary Providence provides the Administrator shall be reviewed with the Board before it becomes effective and shall not exceed \$200,000 in salary. Benefits paid to or for the Administrator shall be commensurate with the benefits Providence provides its other employees. Providence shall provide the Board with information on the Administrator's pay and benefits upon request. The

\$250,000 annual fee shall be adjusted annually (with the first adjustment to be made effective January 1, 2013) by a percentage equal to the increase in the most recently available Urban Consumer Price Index for Anchorage, Alaska ("CPI-U"). For example, if as of January 1, 2013 the most current available CPI-U is for the year ending December 31, 2011, then as of January 1, 2013 the percentage increase in the fee will equal the percentage increase in the CPI-U from December 31, 2010 to December 31, 2011.

4. **ADDITIONAL SERVICES.** Providence may provide CCMC with additional services as agreed to from time to time by Cordova and Providence. Providence may recommend to the Board additional services. If the additional service has been included in a CCMC budget approved by the City Council, the approval of the budget shall constitute the City's agreement to pay for such services, and Providence shall provide the services at the price set forth in the budget. If the additional services are not included in a CCMC budget approved by the City Council, Cordova and Providence shall enter into an addendum to this Agreement specifying the nature and extent of such additional services and the amount Cordova will pay for such additional services, after which Providence shall provide such services. Providence will determine the fair market price for such additional services through third-party valuations.

5. **GOVERNANCE.** This Agreement does not, and shall not be interpreted or enforced so as to, abrogate or reduce the authorities and responsibilities of the Board, the City Council and the city manager over CCMC as those authorities and responsibilities are set forth in the Cordova Municipal Code and applicable law.

5.1. Providence understands the City Council intends to dissolve the Board as a governing body of CCMC by September 1, 2012. If the Board is dissolved the City Council shall become the sole governing board of CCMC and all references in this Agreement to the Board shall mean the City Council. In such event, the parties hereby agree to amend this Agreement as necessary and appropriate to reflect the foregoing.

5.2. If the City Council dissolves the Board, Providence intends to form a community advisory board comprised of persons who reside in the Cordova community to advise Providence on matters relating to the operation of CCMC. Providence will consult with the City Council in the selection of persons to serve on the community advisory board.

6. **CODE CHANGES.** In the event Cordova intends to amend its Municipal Code in a manner that would alter or modify the Board, the City Council, the city manager or the health services administrator's authorities or responsibilities for CCMC, the City shall so notify Providence, and Providence and the City shall meet and in good faith negotiate any changes or amendments to this Agreement that are reasonably necessary for this Agreement to comply with the Code amendments.

7. **NON-ASSUMPTION OF LIABILITIES, HOLD HARMLESS.** By entering into and performing under this Agreement, Providence shall not be liable for any existing or future obligations, liabilities or debts of CCMC or Cordova. The Parties agree to defend, indemnify, and hold harmless one another from and against any and all claims, losses, liabilities, costs, expenses, attorneys' fees, judgments, and settlements, whether direct or indirect and whether to persons or property, arising out of, resulting from or relating in any way to: (a) a Party's breach of this Agreement; (b) any negligent act or omission of a Party; (c) any breach or failure to comply with any obligation set forth in the confidentiality provisions of this Agreement; (d) any personal or bodily injury, death to any persons, or damage to, or loss of any property caused by a Party in connection with the performance of services under this Agreement. The obligations of the parties under this paragraph shall survive termination of this Agreement for any reason.

8. **INSURANCE.** Providence shall obtain and maintain throughout the term of this Agreement and any extension thereof, workers' compensation insurance and administrative liability insurance, which shall include general comprehensive liability, errors and omissions, and directors and officers insurance, covering its services to CCMC, with coverage of a limit of not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate; provided, however, CCMC acknowledges that Providence may satisfy the requirements of this paragraph by maintaining an actuarial determined self-insurance retention program or programs. Providence shall furnish satisfactory certificates of such insurance to CCMC upon request. Providence agrees to provide CCMC with thirty (30) days' written notice of cancellation or any material change in coverage. In the event Providence's insurance coverage is on a claims made basis, and Providence cancels its insurance coverage, Providence agrees to purchase "tail" coverage or an extended reporting period endorsement which includes prior acts coverage for the entire term of this Agreement or any extensions thereof.

9. **ACCESS TO CORDOVA'S RECORDS.** During the term of this Agreement, Providence shall have access to CCMC's financial and business records, its administrative offices and CCMC facilities as necessary to carry out Providence's obligations under this Agreement but all records and/or documents of any kind shall be confidential to the extent permitted or required by law. CCMC is a Covered Entity as defined in the Privacy Rule (the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E) adopted pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and Providence is a Business Associate with respect to CCMC and will perform functions or activities on behalf of CCMC that requires that Providence have access to individually identifiable patient health information. Providence agrees to comply with any regulations, standards, or rules promulgated pursuant to the authority of HIPAA and the American Recovery and Reinvestment Act of 2009. Providence further agrees to enter into a Business Associate Agreement with CCMC, the terms and conditions of which shall be incorporated by reference herein.

10. **INDEPENDENT CONTRACTOR.** Providence and Cordova shall not, by virtue of this Agreement, be deemed partners or joint ventures. Providence is and shall at all times remain an independent contractor in the providing of services to Cordova.

11. **COOPERATION WITH AUDITORS.** During the term of this Agreement, Cordova may from time to time employ governmental or independent auditors and accountants to review and audit its financial books and records. Providence shall cooperate with such persons and provide such information and assistance as may be reasonably necessary. If this assistance entails additional time and expense by Providence, Providence shall be reimbursed by Cordova for the additional time and expense in an amount agreed to between the city manager and Providence prior to the expenditure of additional time and expense by Providence.

12. **ETHICAL AND RELIGIOUS DIRECTIVES.** Providence adheres to the Ethical and Religious Directives for Catholic Health Care Services as published by the United States Conference of Catholic Bishops (the "ERDs"). Cordova acknowledges that Providence would not enter into this Agreement or accept the responsibility to provide management services to CCMC if CCMC were to provide services or engage in conduct that is in conflict with the ERDs. Providence has reviewed the current practices of CCMC and has determined that CCMC does not provide services or engage in conduct that violates the ERDs. Cordova agrees that it

will not perform any procedures or engage in conduct contrary to the ERDs. If Providence believes that the conduct or services provided by CCMC are contrary to the ERDs, Providence shall provide the Board with written objection to the event or condition. If CCMC does not reverse or otherwise cure the event or condition within thirty (30) days of receiving the written notification, Providence may immediately terminate the Agreement.

13. TERM OF AGREEMENT. This Agreement shall be effective January 1, 2012 and shall remain in effect through December 31, 2015 ("Term").

13.1. Termination without Cause. Notwithstanding the Term, either party may terminate this Agreement, without cause, by giving the other party not less than one-hundred eighty (180) days prior written notice.

13.2. Termination with Cause. In the event of default of this Agreement, the non-defaulting party may give the defaulting party notice specifying the nature of the default. The defaulting party shall have thirty (30) days after receipt of the notice in which to cure the default. If the default is not cured within this period the non-defaulting party may terminate this Agreement and seek damages available to it in law or equity.

13.3. Failure to Dissolve Board. If on September 1, 2012 the community services board is still a governing board of CCMC, Providence may terminate this Agreement by giving the City not less than 90 days written prior notice.

13.4. Effect of Termination. Cordova shall pay Providence all fees earned through the date of termination regardless of the reason for termination. Upon termination of this Agreement, provided it has been in effect for not less than twelve (12) months and Providence has not terminated it for cause, Providence will convey and transfer to CCMC and equipment Providence has installed at CCMC at no cost to Cordova.

14. AUTHORIZATION. The Parties represent and warrant to each other that the execution and performance of this Agreement by Cordova and Providence have been duly authorized by all necessary corporate and governmental action, all necessary approvals have been obtained, and this Agreement constitutes a valid and enforceable obligation of Cordova and Providence, in accordance with its terms.

15. **NOTICES.** All notices, requests, demands and other communications relating to this Agreement shall be in writing and shall be deemed to have been duly given, if mailed by certified or registered mail, postage prepaid, to:

PROVIDENCE: Providence Health & Services Alaska
3760 Piper Street
Anchorage, Alaska 99508
Attn: Senior Vice President/CEO

With a copy to
Providence Health & Services
1801 Lind Avenue SW
Renton, Washington 98057
Attn: Office of Legal Affairs

CORDOVA: City of Cordova
P. O. Box 1210
Cordova, Alaska 99574
Attn: City Manager

16. **ENTIRE AGREEMENT.** This Agreement constitutes the entire Agreement between the parties, incorporates and supersedes all prior negotiations and agreements, if any, and may be modified or supplemented only by written amendment executed by both parties.

17. **GOVERNING LAW.** This Agreement shall be governed and construed pursuant to the laws of the state of Alaska.

18. **SEVERABILITY.** In the event that any term or provision of this Agreement is determined to be invalid by a court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

19. **WAIVER.** Waiver by either party of strict performance of any provision of this Agreement shall not be a waiver of nor prejudice the parties' rights to require strict performance of the same provision or any other proviso in the future. No amendment, modification or waiver of this Agreement, or any part hereof, shall be valid or effective unless (i) set forth in writing; (ii) signed by both parties; and (iii) approved by the City Council. No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other condition or subsequent breach, whether of like or different nature.

20. **TIME OF ESSENCE.** Time is of the essence of each and every provision of this Agreement.

21. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **ATTORNEYS' FEES.** If a suit or action is instituted in connection with any controversy arising out of this Agreement, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable attorney's fees, including but not limited to appearance at trial and one appeal.

23. **OMNIBUS RECONCILIATION ACT.** If determined applicable to this Agreement, the parties shall comply with the Omnibus Reconciliation Act of 1980 Public Law 96-499) as currently stated and as it may be amended. The Act, among other things, provides that until the expiration of four (4) years after the furnishing of services under this Agreement, a party providing the services shall make available, upon written request of the Secretary of the Department of Health and Human services, or the Controller General, or any of their duly authorized representatives, the Agreement, books, documents and records of such party that are necessary to certify the nature and extent of costs incurred under this Agreement. . The Parties agree that any applicable attorney-client, accountant-client or other legal privilege shall not be deemed waived by virtue of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

24. **NON-ASSIGNABILITY.** Neither this Agreement nor the rights under it may be assigned by either party without the prior written consent of the other party.

**PROVIDENCE HEALTH & SERVICES
- WASHINGTON d/b/a PROVIDENCE
HEALTH & SERVICES ALASKA**

By: Bruce Lamoureux
Title: SVP/Chief Executive
Date: 1-16-2012

CITY OF CORDOVA, ALASKA

By: Blake J. [Signature]
Title: City Manager
Date: 1/23/12

COMPLIANCE SCHEDULE
EXHIBIT A

Providence has identified the following areas that it believes CCMC is out of compliance with current laws, regulations and policies. Responsibility for achieving compliance, as between Providence and Cordova, and the date by which compliance must be achieved is as specified in this Exhibit A. If a party fails to complete an assigned compliance task by the specified date, that party shall be in breach of this Agreement.

[Notwithstanding anything to the contrary hereunder, the City Council delegates matters of noncompliance, corresponding dates for achieving compliance and the party responsible for achieving compliance on each matter to the City Manager for approval prior to execution of the contract. The Council authorizes the City Manager to negotiate and draft the compliance schedule without further Council approval.]

Pending agenda:

HSB special meeting and/or joint special meeting with City Council – date to be decided: week of **Nov 11, 18 or Dec 2?**

Comprehensive Plan Training Session with Agnew::Beck **November 18** 6PM Elementary School Commons – Council invited, dinner provided

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, Randy Robertson, Kristin Carpenter, Native Village of Eyak Representative, Chamber of Commerce Representative, Business Community Representative, PWSSC Representative, Stage of the Tides Representative.

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
Nov 2013; Dec 2013; Jan 2014

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> 5:30 work session 7:15 pub hrg 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> NVof Eyak Sobriety Celebration	<i>16</i> NVof Eyak Sobriety Celebration
<i>17</i> NVof Eyak Sobriety Celebration	<i>18</i> AML Conf Anchorage Comp Plan Training Mt Eccles 6pm	<i>19</i> AML Conf Anchorage	<i>20</i> 5:30 bdgt wksn LMR (if needed) 7:30 reg mtg LMR	<i>21</i> AML Conf Anchorage Clerk out on vacation	<i>22</i> AML Conf Anchorage Clerk out on vacation	<i>23</i>
<i>24</i>	<i>25</i> Clerk out on vacation	<i>26</i> Clerk out on vacation	<i>27</i> Clerk out on vacation	<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> 5:00 special meeting 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 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 Confer- ence Room LMR-Library Mtg Rm HSL-High School Li- brary

January 2014

<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			1 New Year's City Hall Offices Closed 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	2	3	4
5	6	7	8 7:00 Sch Bd HSL 7:00 Hrbr Cms CH	9	10	11
12	13	14 6:30 P&Z LMR	15 7:15 pub hrg (maybe) LMR 7:30 reg mtg LMR	16	17	18
19	20 Martin Luther King Jr.—City Hall Offices Closed	21	22	23	24	25
26	27	28	29	30	31	Location Legend CH-City Hall Conference Room LMR-Library Mtg Rm HSL-High School Library 115