

**CITY COUNCIL REGULAR MEETING
DECEMBER 07, 2011 @ 7:30 PM
LIBRARY MEETING ROOM
MINUTES**

A. CALL TO ORDER

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

B. INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor Kallander announced that for the 7 years he has been on Council almost every meeting has been led by an invocation from *Corrine Erickson* who passed away recently. There will be a Memorial Service at the Little Chapel at 2:00 pm this Sunday.

Mayor Kallander led the audience in the Pledge of Allegiance.

C. ROLL CALL

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

D. APPROVAL OF REGULAR AGENDA

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

Vote on motion: 7 yeas, 0 nays. Cheshier – yes; Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes and Bradford – yes. Motion passes.

E. DISCLOSURES OF CONFLICTS OF INTEREST – None

F. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

1. Guest Speakers - None

2. Audience comments regarding agenda items

Tom Bailer, 304 Orca Inlet drive, spoke in regard to the water repair bills and fixing service lines. He doesn't know when it changed but it seems unfair. It should be the City's responsibility to be sure these things are put in right. The electric company used to do a credit up to a certain amount and the home owner paid above that amount. *Mayor Kallander* asked if *Bailer* would like to see it changed to the property line or to the curb stop. *Bailer* stated that he is assuming that the curb stop is at the property line. *Mayor Kallander* stated that the City will be looking into it.

3. Chairpersons and Representatives of Boards and Commissions

Jim Nygaard, Superintendent of Schools, 3rd party asbestos review coming into the district to review what has been removed and what is remaining. Substantial completion walk-through for the ILP building is on Friday. They will be moving into the building over Christmas Break. The last modular has been sold and will be out in the spring. That area will be cleaned up and developed for better parking off the street. *Dr. Linda Chamberlin* will be presenting for the January Teacher in-service. Department of Education head is coming in to help celebrate *Cara Heitz Teacher of the Year award*. Mt. Eccles is finishing up some small nickel and dime issues. They are still having a wind/water issue. The new gym is getting more and more use. The waste oil burner is using up about 2000 gallons of waste oil a month. *Beedle* asked if the waste oil burner is covering most of their heat. *Nygaard* responded that it provides the majority of the heat. It is doing a great job.

Shyla Krukoff reported for the Student Council that they are trying to get the students more involved. They had dance day, where they play music between classes and some people dance and it just helps

boost spirits. Deck the halls competition is going on now between grades decorating the hallways. The 21st is a Federal FL (Fun Level) Testing day.

G. APPROVAL OF CONSENT CALENDAR

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

4. Resolution 12-11-44

A resolution of the City Council of the City of Cordova, Alaska adopting an alternative allocation method for the FY12 Shared Fisheries Business Tax program and certifying that this allocation method fairly represents the distribution of significant effects of fisheries business activity in the Prince William Sound Fisheries Management Area

5. Resolution 12-11-45

A resolution of the City Council of the City of Cordova, Alaska, authorizing amendment to the 2011 budget, and the transfer of prior appropriation of \$70,000 for the purchase of a Gehl Skid Steer loader

Vote on Consent Calendar: 7 yeas, 0 nays. Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes and Cheshier – yes. Consent Calendar was approved.

H. APPROVAL OF MINUTES

M/Cheshier S/Kacsh to approve the minutes.

6. Minutes of 11-02-11 Regular Meeting

7. Minutes of 11-15-11 Special Meeting

8. Minutes of 11-16-11 Regular Meeting

9. Minutes of 11-28-11 Special Meeting

Vote on motion: 7 yeas, 0 nays. Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes; Cheshier – yes and Reggiani – yes. Motion passes.

I. CONSIDERATION OF BIDS - None

J. REPORTS OF OFFICERS

10. Mayor's Report

Mayor Kallander reported that he met with staff concerning negotiations with Dokoozian. They may need to call a special meeting. The Providence contract should be complete by the end of the week and will go to HSB. He stated that he will be heading to Juneau with John Bitney and will be briefed on PERS and governance of CCMC. He also had quite a few meetings on the Sound Developer. *Kacsh* stated that while he is in Juneau he might look into the EVOS funds. *Mayor Kallander* replied that things are rolling and we are in good shape. *Bradford* asked if they have sent letters in regards to 36 mile bridge? Could we get a commissioner here? *Mayor Kallander* responded that it may be too early, might wait till spring. They could bring the director down to talk to them if they would like. *Bradford* stated he would like to have a letter of our concerns on record. *Mayor Kallander* announced that our new Senator, *Senator Gary Stevens*, will be coming to town from Kodiak. He would like to have a reception for him on Monday the 11th. *Beedle* asked about the ferry. *Mayor Kallander* asked that he write a letter to Tim Joyce, our representative on MTAB.

11. Manager's Report – written report in packet

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

13. Staff Reports

a. **Josh Hallquist**, COR, Cordova Center Project

Hallquist handed out a written report and verbally reported that the welder showed up a couple days ago. They are expecting 3 more guys soon. The last concrete wall was poured yesterday. There will be a couple more weeks of concrete work. The rock wall is going good. The roofers have started. They are deciding soon if they will be tenting it and laying shingles this winter or waiting till spring. *Bradford*

asked what *Hallquist* would prefer on the roofing. *Hallquist* responded that it will depend on the cost. The concrete work was slowed due to the snow dump; the framers were removing snow from the site.

b. **Cathy Sherman**, Cordova Center Phase 2

Sherman reported that an RFQ for art for the Cordova Center has been put out for a sample of work. There will be two onsite tours for artists in the community. She also updated the construction sign.

K. CORRESPONDENCE

14. Mayor letter to Board of Fish November 18, 2011
15. Letter from AK DHSS November 21, 2011 in re water fluoridation
16. Letter from Cordova Electric in re Street Lighting Savings

L. ORDINANCES AND RESOLUTIONS

17. Resolution 11-11-42

A resolution of the City Council of the City of Cordova, Alaska adopting service fees, rates and charges for the 2012 calendar budget – 2nd reading

M/Cheshier S/Kacsh to approve resolution 11-11-42, a resolution of the City Council of the City of Cordova, Alaska adopting service fees, rates and charges for the 2012 calendar budget.

Vote on motion: 7 yeas, 0 nays. van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes and Beedle – yes. Motion passes.

18. Substitute Ordinance 1083

An ordinance of the City of Cordova, Alaska, amending Cordova Municipal Code section 14.16.260 to increase the monthly flat rate for sewer service – 2nd reading

M/Kacsh S/Cheshier to approve substitute ordinance 1083, an ordinance of the City of Cordova, Alaska, establishing sewer rates.

Vote on motion: 7 yeas, 0 nays. van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes and Beedle – yes. Motion passes.

19. Resolution 12-11-43

A resolution of the City Council of the City of Cordova, Alaska, adopting an operating budget for fiscal year 2012, and appropriating funds in the amount of \$24,692,663

M/Kacsh S/Bradford to approve resolution 12-11-43, a resolution of the City Council of the City of Cordova, Alaska, adopting an operating budget for fiscal year 2012, and appropriating funds in the amount of \$24,692,663.

Reggiani reported that he has been working with Ashley and Susan on the budget. After much careful thought and consideration he would like to see Council use the anticipated sales tax as the balancing tool rather than the property tax. It will help us in June when we set the mill rate. *Kacsh* stated that this Council has tried really hard to keep property tax down. He clarified that the change would be property tax revenue decreasing to \$1.5M from \$1.6M and increasing the sales tax revenue from \$3.4M to \$3.5M. *Reggiani* asked *Kacsh* how comfortable he was with increasing the sale tax. *Kacsh* replied that he is comfortable with the change. He added that he is always getting notices of price increases and not decreases. *Reggiani* agreed with *Kacsh* and clarified that this change would not change the appropriated funds amount in this resolution. *Mayor Kallander* cautioned that the construction in town may have inflated the numbers for the past couple years but will not protest too loudly.

M/Reggiani S/Kacsh to reduce the property tax goal from \$1.6M to \$1.5M and use the anticipated sales tax as the balancing tool at \$3,537,136.66.

Vote on motion: 7 yeas, 0 nays. Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes; Beedle – yes; van den Broek – yes and Kacsh – yes. Motion passes.

Vote on main motion: 7 yeas, 0 nays. Kacsh – yes; Allison – yes; Bradford – yes; Cheshier – yes; Reggiani – yes; Beedle – yes and van den Broek – yes. Motion passes.

20. Ordinance 1091

An ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters – 1st reading

M/Bradford S/Kacsh to approve ordinance 1091, an ordinance of the City of Cordova, Alaska, authorizing a borrowing in anticipation of the receipt of revenues of the City in the aggregate principal amount of not to exceed \$2,793,918.60 to finance part of the cost of the Cordova Center project; and providing for related matters

Mayor Kallander stated that this is just to alleviate a short term cash flow issue due to EVOS. *Kacsh* clarified that this is borrowing from ourselves. *Mayor Kallander* replied that it is borrowing from UBS using our permanent fund as collateral. *Reggiani* stated that it is like a line of credit against our permanent fund money because we might use it but we may not use it. It is like a safety net. Our charter limits the amount of money we are allowed to borrow which is how we came up with the amount. *Allison* stated that he understands the concept but is concerned that the ordinance allows the City Manager to borrow any amount without the approval of Council. He would like to see it reworded with a specific dollar amount. *Mayor Kallander* stated that there is time and could be referred back to staff for alterations. *Reggiani* agreed that there is no hurry.

M/Allison S/Reggiani to refer ordinance 1091 back to staff.

Bradford asked that when it comes back it include some more details on payback etc.

Vote on motion: 7 yeas, 0 nays. Cheshier – yes; Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes and Bradford – yes. Motion passes.

21. Resolution 12-11-46

A resolution of the City Council of the City of Cordova, Alaska, authorizing settlement agreement between the City of Cordova, Alaska and Terry Lonborg

M/Bradford S/Cheshier to approve resolution 12-11-46, a resolution of the City Council of the City of Cordova, Alaska, authorizing settlement agreement between the City of Cordova, Alaska and Terry Lonborg.

Beedle asked about wording on the resolution. *Kacsh* asked if this should be discussed in executive session. *Mayor Kallander* stated that it isn't necessary if they stick to discussing what is printed but if they go into legal strategies or how it came to this point than we should go into executive session. *Bradford* responded to *Beedle's* questions stating that the wording is implying the City can dispose of the vessel however it chooses. *Beedle* voiced the concern of 9-months being mentioned. *Mayor Kallander* stated that attorneys have spent a great deal of time on this and have assured him that this is the best deal we are going to get. *Cheshier* stated he is going with the lawyers recommendations. *Reggiani* agreed with *Cheshier*. *Bradford* stated that he is comfortable with the way it is written and will support it.

Vote on motion: 7 yeas, 0 nays. Reggiani – yes; Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes and Cheshier – yes. Motion passes.

M. UNFINISHED BUSINESS - None

N. NEW & MISCELLANEOUS BUSINESS

22. Council concurrence of Mayor's appointments to fill vacant seats on Parks and Rec Commission, Planning & Zoning Commission and Library Board

M/Cheshier S/Kacsh to concur with *Mayor Kallander's* appointments of Dan Reum to the Parks & Recreation Commission, Tom Bailer, Tom McGann and Scott Pegau to the Planning & Zoning Commission, and Krysta Williams and Kay Groff to the Library Board.

Vote on motion: 7 yeas, 0 nays. Beedle – yes; van den Broek – yes; Kacsh – yes; Allison – yes; Bradford – yes; Cheshier – yes and Reggiani – yes. Motion passes.

23. Customer dispute of utility bill (CMC 14.04.100 billing errors and disputes)

Bradford stated that he has concerns as the ordinance doesn't seem fair. He opined that Arvidson has a valid concern. He is in favor of a refund. *Mayor Kallander* stated that we can change the ordinance and go forward but City staff followed code in this circumstance. If we change this ordinance are we going to go back and refund everyone who has had to pay since the ordinance was adopted? He does not disagree with changing an ordinance and going forward but does to changing it and going back. *Kacsh* stated that this is tough because we are recognizing a possible deficiency in our code that was put into place because it seemed to be the right thing to do at the time. He suggested that before they agree to refund that they re-look at the code. He stated that they are opening a can of worms if we refund him. *Reggiani* stated that we have existing code, so we would need some compelling reason to refund, such as an error. There was no error in this transaction. He would like to see some maps, more information on the City infrastructure and a better understanding of what code is enforcing at this point. *Mayor Kallander* asked if Council would agree to ask staff for more information before taking action. *Cheshier* agreed. *Bradford* said he agrees and would also like to look into changing code. *Kacsh* agreed and added that it should go to P&Z. *Mayor Kallander* asked if it should go to P&Z or staff. *Bradford* stated that our form of government is such that if a citizen feels slighted they can come to us and ask for leniency. *Mayor Kallander* stated he has a problem ruling against our own ruling. He suggested that they refer the ordinance to P&Z and then discuss this particular case. *Allison* stated that there may be some extenuating circumstances in this case. He doesn't disagree with reviewing the ordinance but he would certainly like to hear the background information on this case before it is dismissed. *Mayor Kallander* suggested, and Council concurred, to have Public Works provide a report with some sketches and an explanation for this particular case for the second meeting in January.

24. Pending Agenda and Calendar

O. AUDIENCE PARTICIPATION

Tom Bailer, 304 Orca Inlet Drive, asked what they will be doing with City Hall. Is it feasible to cut off half of the building? Start making plans for the Library/Museum building and space. Planning and Zoning needs to get some direction from Council. It needs to start the public process.

Jennifer Gibbens stated she has heard some concerns from a business stand point on the ferry schedule. It is holding some up and freight is getting stuck. Chamber met with the USFS and the City Manager and had an initial discussion on the impact of the closure of the Mile 36 Bridge. They have started a stakeholder group to start getting feedback and talk about some strategies on how to move that process along. The potential impact in town with that closure is significant. They also need to discuss how to market Cordova with other attractions as the glacier is a big draw. *Mayor Kallander* stated he would work on having someone from DOT come down to talk to the chamber, businesses and Council.

P. COUNCIL COMMENTS

25. Council Comments

Cheshier stated "Seek more funding".

Kacsh stated that he is working on the snow machine ordinance that was passed awhile back. He is looking to mostly change the penalties aspect of it. Also, several citizens have asked him if they can change the elections back to November. *Mayor Kallander* asked the Clerk to look into the possibility.

Reggiani stated good job to the Mayor on the efficient meeting.

Q. EXECUTIVE SESSION

~~26. Cordova Center Financial Update~~

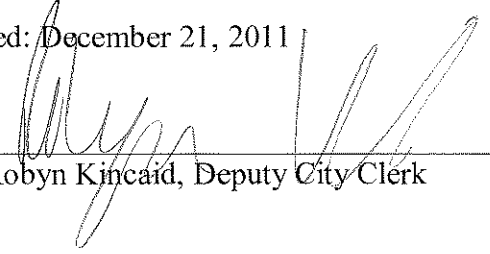
R. ADJOURNMENT

M/Bradford S/Cheshier to adjourn the regular meeting at 9:04 pm

Hearing no objection, the meeting was adjourned.

Approved: December 21, 2011

Attest:



Robyn Kincaid, Deputy City Clerk